



## Hedge Funds

# HSBC Funds of Hedge Funds Monthly Investment Report

September 2013

HSBC Alternative  
Investments Limited

For Existing Investors Only

HSBC 

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Dear Investors,

In a difficult month of August for both equity and bond markets, most of the HSBC Funds of Hedge Funds posted negative performance. The exception was the HSBC Credit Market Opportunities Fund, which was up 0.33%. Over the last twelve months, the Fund has gained 9.49% whilst the JP Morgan Government Bond Index has fallen by 5.80%. The flagship HSBC GH Fund<sup>1</sup> was down 0.87% over the month. The portfolio's loss was largely attributable to Macro and Managed Futures specialists. Whilst disappointing, we note that the Fund remains ahead of the HFRI Fund of Funds Composite Index by 0.59% year-to-date (YTD) and by 2.06% over the last 12 months.

In terms of strategies we note that in August, despite the global sell-off in equities, the performance of our Equity Long/Short managers was reasonably defensive. A number of managers within this strategy reduced gross and net exposures heading into the summer. We also noted some effective stock and sector specific positioning. Although "Fed Tapering" concerns have recently led to a slight pick-up in implied equity market correlations, overall levels remain low (when compared to 2011 and 2012) which is supportive of both Equity Long/Short and Market Neutral strategies. Managed Futures and some Macro managers were down during the month, hurt by a number of trend reversals. Finally, in a market environment where investors are expected to rotate portfolio allocations away from fixed income investments (as interest rates start to rise), we note that hedge funds' historic returns show low levels of correlation to government bonds. This suggests that hedge funds can offer portfolio diversification benefits.

### HSBC Funds of Hedge Funds Performance – August 2013

The flagship HSBC GH Fund<sup>1</sup> was down 0.87% in August and is up 4.17% YTD. The Event Driven portfolio, the HSBC Special Opportunities Fund<sup>2</sup> is the strongest performer YTD, up 7.01%, while the European focused credit fund, the HSBC Credit Market Opportunities Fund<sup>1</sup> is up 5.31% over the period. The performance of the Fund is supported by what we consider to be a strong set of opportunities both within structured credit and corporate credit, in particular within European periphery countries. On the negative side, the dedicated Managed Futures portfolio, the HSBC Trading AdvantEdge Fund<sup>2</sup> is down 11.09% YTD. Whilst the return is disappointing, we believe that over the long-term, systematic strategies can offer strong portfolio diversification benefits, particularly during periods of market stress, and would encourage investors to review our recently issued "HSBC Trading AdvantEdge Fund Q&A"<sup>3</sup>.

### Portfolio Activity

Over the month, we made two changes to our portfolios. Within the HSBC UCITS AdvantEdge Fund we redeemed one holding to make way for a new Global Equity Long/Short fund. The second switch was in the HSBC Next Generation Fund. We redeemed one Macro allocation, which has matured and grown in size, in order to make way for a new Macro launch.

### Strategy Outlook – Q3 2013

We remain constructive on the environment for hedge funds and hedge fund strategies. We have a positive outlook on the three largest strategy allocations across our portfolios - Equity Long/Short, Macro and Event Driven. The strategies are supported by a healthy amount of trade opportunities due to greater stock dispersion, the trade-able implications of "Fed Tapering" and opportunities in equity special situations. The only two changes made were the downgrades of Fixed Income Arbitrage and Volatility Arbitrage, as we believe the opportunity set and returns in both strategies is reduced. The Q4 2013 Strategy Views will be released in October.

Yours faithfully,  
**Simon Garfield, Senior Portfolio Manager (HSBC Funds of Hedge Funds)**

1. Performance is based on the Institutional US Dollar Class.  
2. Performance is based on the US Dollar Class.  
3. Please contact your local relationship manager or HAIL Investor Relations if you require a copy.  
HSBC Funds of Hedge Funds quoted are net of fees.  
**Past performance is not a reliable indicator of future performance.**

## Performance Snapshot – August 2013

### Hedge Funds & Other Asset Classes

		MTD	QTD	YTD	1 Year
HFRI Indices	HFRI Fund of Funds Composite Index	-0.79%	0.19%	3.58%	5.86%
	HFRI Equity Hedge Index	-0.89%	1.51%	6.51%	10.60%
	HFRI Macro Index	-1.08%	-1.17%	-2.20%	-3.10%
	HFRI Relative Value Arbitrage Index	-0.17%	0.40%	3.42%	7.29%
Stock Indices	MSCI World Index in USD (Hedged)	-2.28%	2.28%	12.74%	17.74%
Bonds	JPM Global Bond Index in USD (Unhedged)	-0.33%	0.81%	-5.03%	-5.80%
Commodities	WTI Crude Future (Generic)	2.49%	11.49%	17.24%	11.59%
	Gold Future (Generic)	6.35%	14.06%	-16.71%	-17.18%
	Goldmans Sachs Commodity Index	3.38%	8.46%	2.59%	-2.19%
FX	Dollar Index Spot	0.78%	-1.26%	2.91%	1.08%

Source: Bloomberg as at 30 August 2013.

### HSBC Funds of Hedge Funds

	MTD	QTD	YTD	1 Year
HSBC GH Fund (Institutional Class US Dollar)	-0.87%	-0.67%	4.17%	7.92%
HSBC UCITS AdvantEdge Fund (Institutional Class EUR)	-1.12%	0.92%	2.03%	2.42%
HSBC Multi-Adviser Arbitrage Fund (US Dollar Class)	-0.20%	-0.29%	2.78%	3.28%
HSBC Leveraged GH Fund (US Dollar Class)	-2.02%	-1.92%	5.94%	12.84%
HSBC Trading AdvantEdge Fund (US Dollar Class)	-3.37%	-4.58%	-11.09%	-16.15%
HSBC Credit Market Opportunities Fund (Institutional Class US Dollar)	0.33%	0.83%	5.31%	9.49%
HSBC Special Opportunities Fund (US Dollar Class)	-0.27%	1.24%	7.01%	15.92%
HSBC Asian AdvantEdge Fund (US Dollar Class)	-0.29%	-0.62%	5.15%	9.50%
HSBC Next Generation Fund (US Dollar Class)	-1.10%	-0.40%	0.95%	4.36%
HSBC Alternative Focused Fund (ADM US Dollar Class) <sup>1</sup>	-0.36%	-0.33%	5.66%	-
HSBC Credit Relative Value Fund (Institutional Class US Dollar) <sup>2</sup>	-0.15%	0.36%	-1.06%	-

Source: HSBC Alternative Investments Limited as at 30 August 2013.

1. Fund inception date 28 September 2012.

2. Fund inception date 31 May 2013.

HSBC Funds of Hedge Funds quoted are net of fees.

**Past performance is not a reliable indicator of future performance.**

HSBC Funds of Hedge Funds referenced herein are (i) no longer offered by or through any HSBC U.S. booking center, and (ii) not offered or sold to U.S. residents

# Hedge Fund Strategy Views

Q3 2013

Strategy	Q4 12	Q1 13	Q2 13	Q3 13	Q3 13 Commentary
Equity Long/Short	Neutral	Neutral/Positive	Neutral/Positive	Neutral/Positive	Equity Long/Short managers broad confidence is tempered by the timing of the Fed's tapering of asset purchases and concerns over European macro pictures.
Market Neutral	Positive	Positive	Positive	Positive	Correlations and volatility have remained stable despite market shocks from Fed rhetoric, while stock dispersion has presented opportunities. European strategies have performed well, while they have been mixed for the US.
Macro	Neutral/Positive	Neutral/Positive	Positive	Positive	US Fed tapering has become a dominant theme creating interesting opportunities in currencies and precious metals. However, we note a tendency managers have been crowded in a handful of trades, most notably Japan.
Credit Long/Short	Neutral	Neutral	Neutral	Neutral	Higher volatility in credit markets is expected to present interesting trade opportunities, in particular on the short side with tight spreads on a historical basis. However the major negative driver in the space continues to be lower liquidity driven by lack of participation from dealers and intermediaries.
Distressed	Neutral/Positive	Neutral/Positive	Neutral	Neutral	Europe deal flow in non-core distressed asset selling from European banks has started to pick up, whilst in the US managers continue to recycle pay-outs from U.S. liquidations back into the space. Low default rates in the US are hindering new opportunities.
Fixed Income Arbitrage	Neutral/Positive	Neutral/Positive	Neutral/Positive	Neutral <b>(Downgrade)</b>	QE and near zero interest rates had driven mid to long end bond and swap yields to low levels, however a mixture of Chinese tightening and Fed tapering talk has triggered a general liquidation which should provide some opportunities. The returns are constrained by the relatively low yield and basis point moves.
Volatility Arbitrage	Neutral/Positive	Neutral/Positive	Neutral/Positive	Neutral <b>(Downgrade)</b>	Equity index and interest rate volatility will likely increase as talks of QE tapering increases. Dispersion between regional equity returns and macro policy should provide interest rate and index relative value volatility arbitrage opportunities. However the sharp fall of VIX from YTD highs suggests a tougher opportunity set within equity volatility.
Event Driven <sup>1</sup>	Neutral	Neutral/Positive	Neutral/Positive	Neutral/Positive	There is a healthy amount of opportunities in the equity market, such as spin-offs and activist situations. The drivers for increased deal activity remain, although we have yet to see a boom in M&A materialize. Deal spreads remain tight, limiting the opportunity set in merger arbitrage.
Multi-Strategy <sup>1</sup>	Neutral	Neutral/Positive	Neutral/Positive	Neutral/Positive	Managers see opportunities in equity, credit (particularly structured credit) and distressed strategies, with the recent sell-off presenting some interesting entry points.
Managed Futures	Neutral	Neutral	Neutral	Neutral	Strategies with fixed asset class weighting systems have outperformed. So have those with lower volatility targets. Non-trend following models in some funds have struggled to aid diversification in 2013.

1. As of April 2013 Merger Arbitrage has been included in Event Driven, and Convertible Bond Arbitrage included in Multi-Strategy.

HSBC funds of hedge funds referenced herein are: (I) no longer offered by or through any HSBC U.S. booking center and (II) not offered or sold to US residents.

# HSBC Funds of Hedge Funds Factsheets

August 2013

**HSBC** Alternative  
Investments Limited

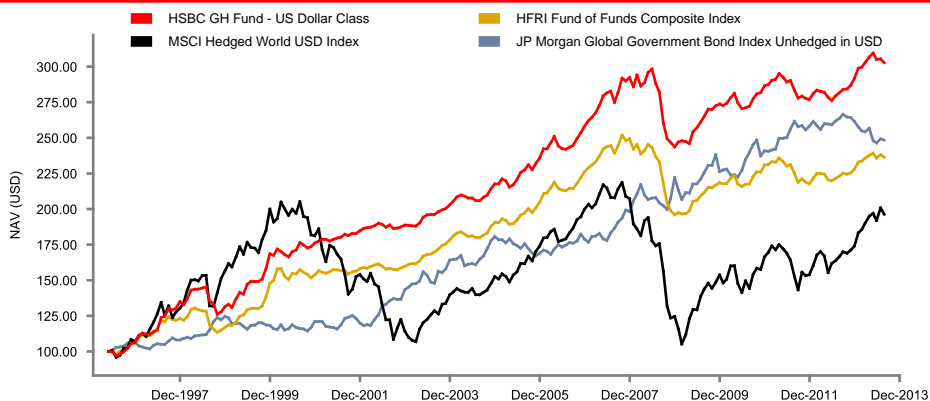
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### Fund Performance and Analysis

	HSBC GH Fund - US Dollar Class	MSCI Hedged World USD Index	HFRI Fund of Funds Composite Index	JP Morgan Global Government Bond Index Unhedged in USD
MTD Return	-0.92%	-2.28%	-0.79%	-0.33%
YTD Return	3.72%	12.74%	3.58%	-5.03%
12 Month Return	7.44%	17.74%	5.86%	-5.80%
Actual Return	202.69%	96.28%	136.30%	148.40%
Annualised Return	6.63%	3.99%	5.11%	5.42%
Annualised Volatility	6.41%	15.03%	6.06%	6.69%
Sharpe Ratio (Annualised)*	0.53	0.05	0.30	0.32
Maximum Drawdown	-18.30%	-51.88%	-22.20%	-8.14%
% Positive Months	68.12%	57.97%	64.73%	57.97%
Correlation	1.00	0.55	0.90	-0.05
VaR(95%)	-3.06%	-7.14%	-2.89%	-3.20%
VaR(99%)	-4.30%	-10.10%	-4.08%	-4.54%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of USD 3M LIBOR Index over the period.  
All fund performance quoted above is since inception unless otherwise stated.

### Historical Performance



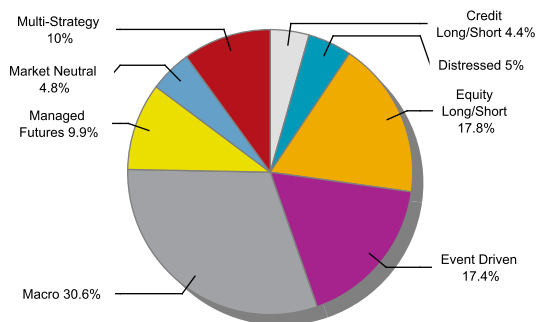
Past performance is not a reliable indicator of future results.

### Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

The Fund was down over the month, with losses largely driven by the Macro allocation. There were also smaller negative contributions from Managed Futures and Equity Long/Short. Within Macro, one fund drove the losses, hurt by a number of trades, especially in the energy sector. The manager had expected the WTI futures curve to flatten, but the front-end spiked in August due to the tensions in Syria. Managed Futures was also hurt by one fund's losses, primarily from longs in equity indices, shorts in precious metals and various currency positions. Although Equity Long/Short was down, performance was reasonably defensive given the falls in equity markets, thanks to modest net exposures and positioning in stocks and sectors. Elsewhere in the portfolio, returns were muted overall. The Event Driven allocation was mixed, with one fund helped by a position in a gold mining company, which reported strong drilling results, whilst another fund was hurt by various positions in the TMT (telecommunications, media and technology) sector. Distressed was up marginally, thanks to carry from the portfolio of ABS (Asset Backed Securities) securities, whilst high yield bond positions detracted from the performance of our Credit Long/Short allocation. Multi-Strategy was a positive contributor, driven by allocations to trading-oriented equity strategies.

### Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

### Fund Objective

The Fund seeks to provide a total return from selective investment in a number of hedge funds, which utilise and trade a range of different strategies and markets worldwide. The investment funds will be selected and monitored by HSBC Alternative Investments Limited. The Fund is a sub-fund within the HSBC Portfolio Selection Fund; a unit trust umbrella that has been authorised as a Class B Scheme in Guernsey.

### Portfolio Size: USD 1,561.08m

US Dollar Class**	Month to date:	-0.92%
	Year to date:	3.72%
	NAV:	302.69
US Dollar R Class	Month to date:	-0.87%
	Year to date:	4.26%
	NAV:	104.26

\*\* The Fund also offers Euro/Sterling/Swiss Franc/Renminbi share classes. Please refer to the separate factsheets.

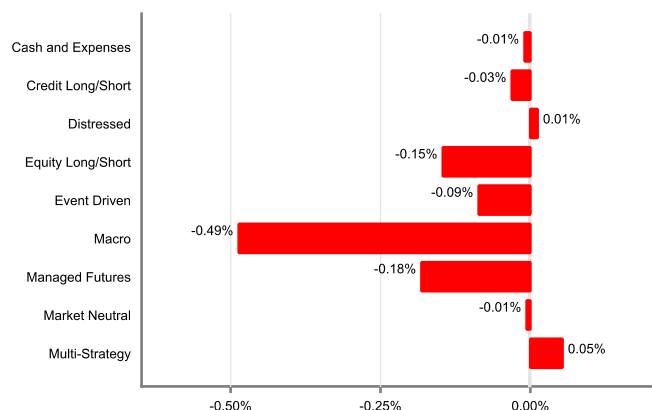
### Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	USD
<b>Inception Date</b>	13 June 1996
<b>Subscription</b>	Monthly, with 5 Business Day(s) notice
<b>Redemption</b>	Monthly, subject to 1 month plus 5 Business Days notice
<b>Minimum</b>	USD 25,000
<b>Management Fee</b>	1.75 % per annum
<b>Performance Fee</b>	10 % of any return exceeding the benchmark
<b>Hurdle</b>	200% USD 3 month LIBOR Index
<b>Reuters Page</b>	HSBC/HMGC
<b>Bloomberg</b>	REPGHED GU
<b>ISIN Number</b>	GB0007344061
<b>Valoren Number</b>	493049

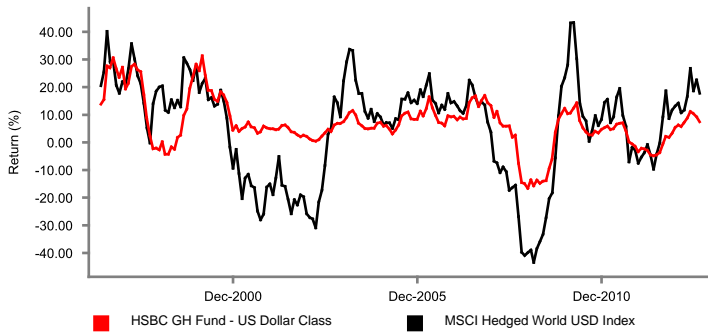
### Top 10 Holdings \*

Third Point Offshore Fund, Ltd.	7.33%
Brevan Howard Fund Limited	7.12%
D.E. Shaw Oculus Intl Fund L.P.	6.81%
BTG Pactual Global Emerging Markets and Macro Fund	6.79%
Tudor BVI Global Fund Ltd.	6.04%
Lansdowne Developed Markets Fund Limited	6.00%
CQS Directional Opportunities Feeder Fund Limited	4.99%
Two Sigma Spectrum Cayman Fund, Ltd.	4.78%
S.A.C. Capital International, Ltd.	4.74%
Halcyon Offshore Asset-Backed Value Fund Ltd.	4.71%
Top 10 Holdings	= 59.3% of portfolio
Top 20 Holdings	= 95.13% of portfolio

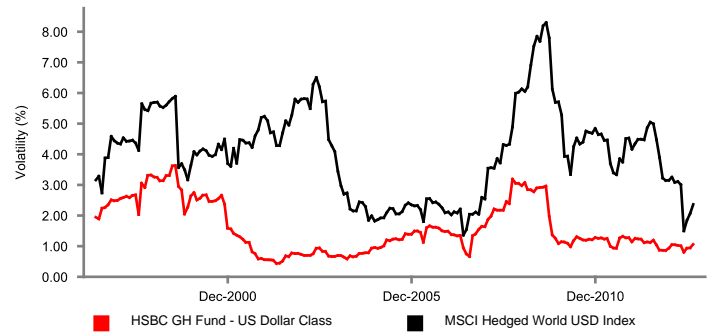
### Strategy Contribution



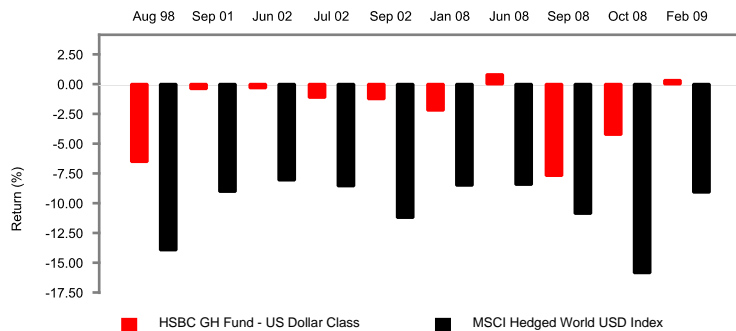
### 12 Month Rolling Return



### 12 Month Rolling Volatility

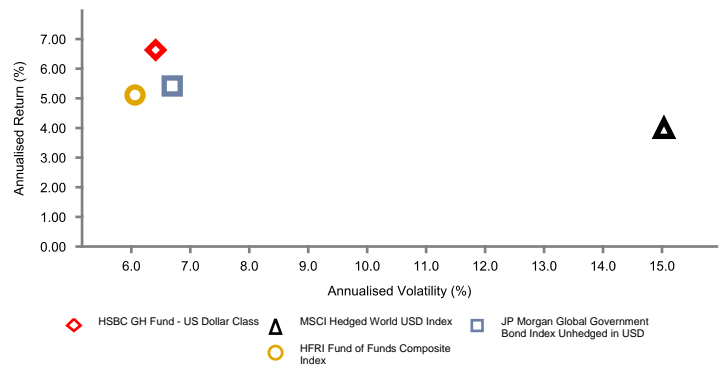


### Worst Performing Months \*



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

### Risk / Return



### Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	2.41%	0.29%	1.02%	1.30%	0.91%	-1.43%	0.13%	-0.92%					3.72%
2012	1.56%	0.80%	-0.28%	-0.27%	-1.24%	-0.80%	1.24%	0.75%	0.79%	0.14%	0.89%	1.73%	5.40%
2011	0.29%	1.03%	0.27%	1.39%	-0.86%	-1.15%	0.37%	-2.36%	-1.94%	0.48%	-0.55%	-0.31%	-3.37%
2010	-0.36%	0.54%	1.43%	1.11%	-2.37%	-1.47%	0.23%	0.41%	1.89%	1.24%	0.33%	1.69%	4.68%
2009	1.37%	0.33%	-0.23%	-0.53%	3.37%	1.08%	1.62%	1.44%	1.96%	-0.07%	0.93%	0.45%	12.31%
2008	-2.20%	2.88%	-2.61%	0.83%	2.47%	0.81%	-3.45%	-2.04%	-7.69%	-4.24%	-1.06%	-1.24%	-16.61%
2007	1.59%	0.90%	1.18%	1.92%	2.49%	0.73%	0.41%	-2.75%	2.50%	3.56%	-0.64%	0.79%	13.30%
2006	2.74%	0.03%	1.77%	1.76%	-2.65%	-0.75%	-0.18%	0.56%	0.62%	1.89%	1.63%	1.73%	9.41%
2005	0.04%	1.59%	-0.64%	-1.94%	0.79%	1.69%	1.99%	0.82%	1.55%	-1.50%	0.08%	1.58%	8.36%
2004	1.35%	1.37%	0.64%	-0.35%	-0.60%	-0.03%	-0.82%	-0.08%	1.15%	0.73%	2.16%	1.57%	7.26%
2003	-0.04%	-0.22%	-0.05%	1.12%	2.13%	0.85%	0.11%	0.05%	0.97%	0.66%	0.47%	1.27%	7.53%
2002	0.88%	0.32%	0.17%	0.58%	0.89%	-0.33%	-0.12%	0.82%	-1.24%	0.08%	0.50%	0.62%	2.14%
2001	0.91%	0.61%	-0.04%	-0.63%	0.69%	0.49%	0.36%	1.08%	-0.40%	0.71%	-0.01%	1.06%	4.94%
2000	-0.62%	2.61%	-1.01%	-1.19%	-0.99%	2.13%	0.73%	3.01%	-0.90%	-1.26%	0.60%	1.36%	4.43%
1999	1.25%	-1.60%	4.62%	3.27%	-0.86%	4.92%	1.34%	0.01%	0.09%	1.04%	4.97%	6.49%	28.29%
1998	-1.70%	3.03%	4.59%	0.48%	0.04%	0.52%	0.52%	-6.52%	-1.94%	-5.23%	1.22%	2.86%	-2.70%
1997	4.77%	1.29%	-0.41%	-0.13%	1.60%	1.12%	7.54%	0.75%	4.39%	-0.78%	0.98%	3.52%	27.18%
1996						-0.33%	-2.70%	1.28%	1.49%	2.39%	3.45%	0.56%	6.17%

Share Class: US Dollar Class

Past performance is not a reliable indicator of future results.

### Disclaimer

HSBC GH Fund ("the Fund") is a sub-fund of HSBC Portfolio Selection Fund. This document has been issued by HSBC Management (Guernsey) Limited, which is regulated by the Guernsey Financial Services Commission ("GFSC"). The Fund is a risk part and the domicile of the Fund is Guernsey. The HSBC GH Fund ("the Fund") is a sub-fund of HSBC Portfolio Selection Fund. The GFSC has authorised the Fund as a Class B Collective Investment Scheme under the Protection of Investors (Bailiwick of Guernsey) Law 1987. The GFSC does not guarantee the financial soundness or the correctness of any of the statements made or opinions expressed with regard to the Fund. The information has been issued by sources believed to be reliable, although this is not guaranteed, and the information stated and opinions expressed constitute best judgement at the time of publication, and are subject to change without prior notification. Past performance is not a guarantee of future performance. 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Investors incur the risk of losing all or part of their investment in the Fund. Prospective investors should carefully consider whether an investment in shares is suitable for them in the light of their own circumstances and financial resources (see the sections entitled "Risk Warnings and Disclosures for Investors in the Funds" and "Additional Risk Factors" of the Prospectus). The Fund will, however, endeavour to monitor risks through the selection of the Fund's investments based on a Due Diligence procedure (see the section entitled "Due Diligence Process" in the Prospectus). This document may not be distributed in the United States, Canada, Australia or any other country in which its distribution is unlawful. **The HSBC GH Fund referenced herein is: (i) no longer offered by or through any HSBC U.S. booking center, and (ii) not offered or sold to U.S. residents.** © Copyright. HSBC Management (Guernsey) Limited 2013. ALL RIGHTS RESERVED. 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### Contacts

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**Tel:** +(44) 207 860 6532  
**Internet site:** <http://www.hail.hsbc.com>

Creation Time 10:34:01  
 Creation Date 18 Sep 2013  
 Report Instance 962765

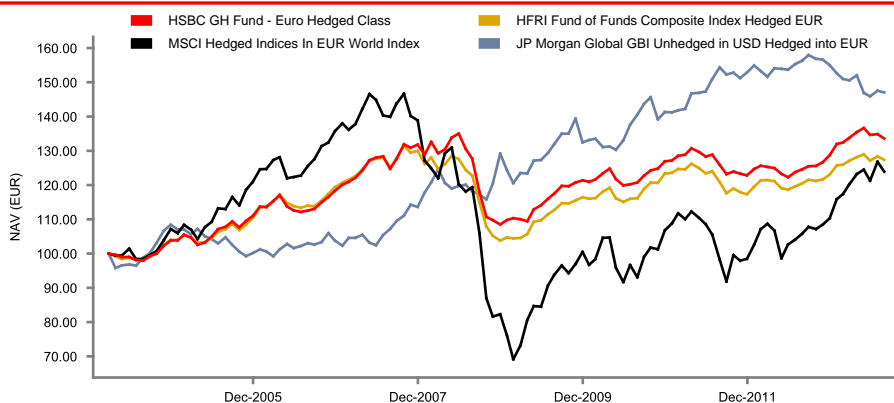


### Fund Performance and Analysis

	HSBC GH Fund - Euro Hedged Class	MSCI Hedged Indices In EUR World Index	HFRI Fund of Funds Composite Index Hedged EUR	JP Morgan Global GBI Unhedged in USD Hedged into EUR
MTD Return	-0.95%	-2.30%	-0.80%	-0.33%
YTD Return	3.75%	12.33%	3.48%	-5.12%
12 Month Return	7.20%	17.09%	5.71%	-5.94%
Actual Return	33.57%	23.89%	27.36%	47.05%
Annualised Return	3.12%	2.30%	2.60%	4.18%
Annualised Volatility	5.82%	14.53%	5.55%	6.80%
Sharpe Ratio (Annualised)*	0.16	0.01	0.08	0.30
Maximum Drawdown	-19.65%	-52.85%	-21.07%	-8.49%
% Positive Months	65.49%	61.06%	63.72%	57.52%
Correlation	1.00	0.65	0.96	0.01
VaR(95%)	-2.76%	-6.89%	-2.63%	-3.21%
VaR(99%)	-3.90%	-9.70%	-3.72%	-4.58%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of EUR 3M LIBOR Index over the period.  
All fund performance quoted above is since inception unless otherwise stated.

### Historical Performance



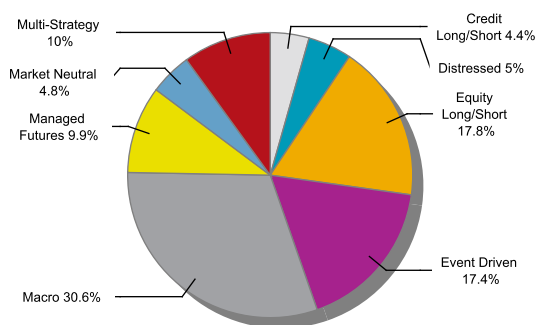
Past performance is not a reliable indicator of future results.

### Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

The Fund was down over the month, with losses largely driven by the Macro allocation. There were also smaller negative contributions from Managed Futures and Equity Long/Short. Within Macro, one fund drove the losses, hurt by a number of trades, especially in the energy sector. The manager had expected the WTI futures curve to flatten, but the front-end spiked in August due to the tensions in Syria. Managed Futures was also hurt by one fund's losses, primarily from longs in equity indices, shorts in precious metals and various currency positions. Although Equity Long/Short was down, performance was reasonably defensive given the falls in equity markets, thanks to modest net exposures and positioning in stocks and sectors. Elsewhere in the portfolio, returns were muted overall. The Event Driven allocation was mixed, with one fund helped by a position in a gold mining company, which reported strong drilling results, whilst another fund was hurt by various positions in the TMT (telecommunications, media and technology) sector. Distressed was up marginally, thanks to carry from the portfolio of ABS (Asset Backed Securities) securities, whilst high yield bond positions detracted from the performance of our Credit Long/Short allocation. Multi-Strategy was a positive contributor, driven by allocations to trading-oriented equity strategies.

### Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

### Fund Objective

The Fund seeks to provide a total return from selective investment in a number of hedge funds, which utilise and trade a range of different strategies and markets worldwide. The investment funds will be selected and monitored by HSBC Alternative Investments Limited. The Fund is a sub-fund within the HSBC Portfolio Selection Fund; a unit trust umbrella that has been authorised as a Class B Scheme in Guernsey.

### Portfolio Size: USD 1,561.08m

Class	Month to date:	Year to date:	NAV:
Euro Hedged Class	-0.95%	3.75%	133.57
	-0.88%	0.22%	100.22

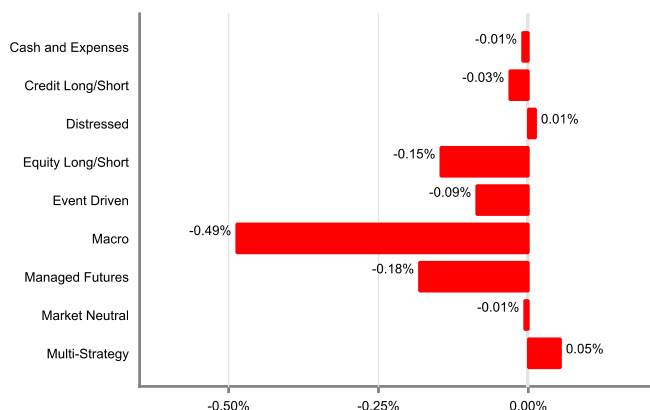
### Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	USD
<b>Inception Date</b>	31 March 2004
<b>Subscription</b>	Monthly, with 5 Business Day(s) notice
<b>Redemption</b>	Monthly, subject to 1 month plus 5 Business Days notice.
<b>Minimum</b>	EUR 25,000
<b>Management Fee</b>	1.75 % per annum
<b>Performance Fee</b>	10 % of any return exceeding the benchmark
<b>Hurdle</b>	200% EUR 3 month LIBOR Index
<b>Reuters Page</b>	HSBC/HMGC
<b>Bloomberg</b>	REPGHFE GU
<b>ISIN Number</b>	GB00B01FR132
<b>Valoren Number</b>	1867746

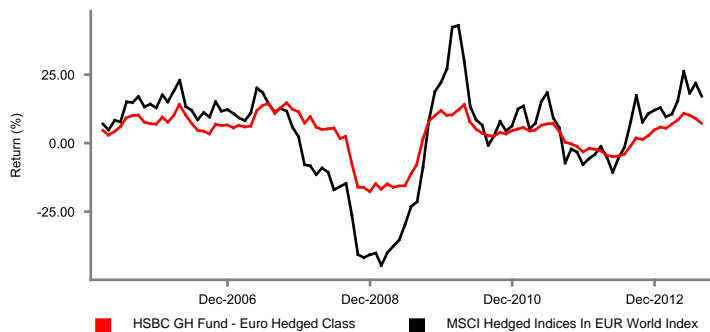
### Top 10 Holdings \*

Third Point Offshore Fund, Ltd.	7.33%
Brevan Howard Fund Limited	7.12%
D.E. Shaw Oculus Intl Fund L.P.	6.81%
BTG Pactual Global Emerging Markets and Macro Fund	6.79%
Tudor BVI Global Fund Ltd.	6.04%
Lansdowne Developed Markets Fund Limited	6.00%
CQS Directional Opportunities Feeder Fund Limited	4.99%
Two Sigma Spectrum Cayman Fund, Ltd.	4.78%
S.A.C. Capital International, Ltd.	4.74%
Halcyon Offshore Asset-Backed Value Fund Ltd.	4.71%
Top 10 Holdings	= 59.3% of portfolio
Top 20 Holdings	= 95.13% of portfolio

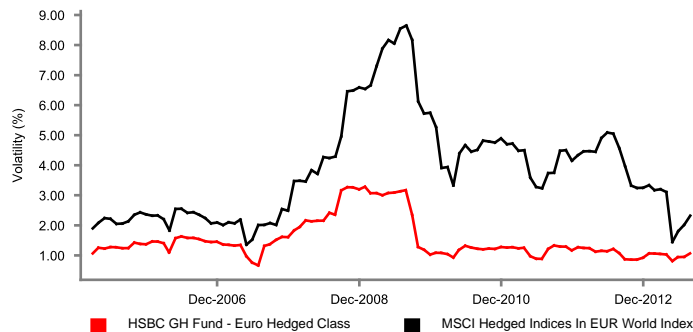
### Strategy Contribution



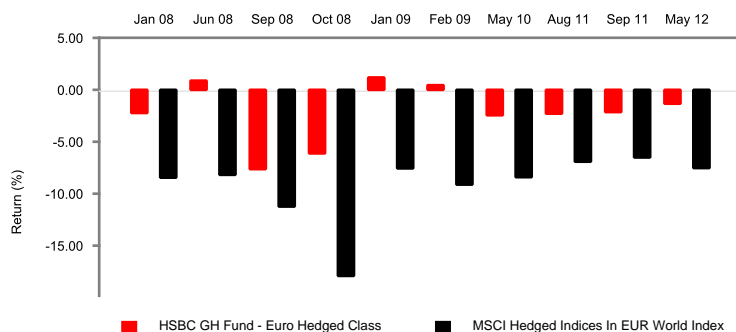
### 12 Month Rolling Return



### 12 Month Rolling Volatility

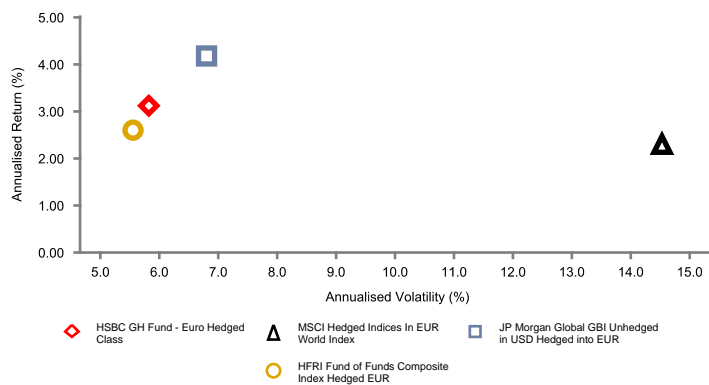


### Worst Performing Months \*



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

### Risk / Return



### Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	2.50%	0.36%	1.03%	1.23%	0.89%	-1.45%	0.13%	-0.95%					3.75%
2012	1.51%	0.75%	-0.27%	-0.29%	-1.33%	-0.81%	1.23%	0.67%	0.70%	0.10%	0.86%	1.63%	4.80%
2011	0.22%	1.05%	0.28%	1.44%	-0.80%	-1.06%	0.44%	-2.30%	-2.14%	0.58%	-0.48%	-0.40%	-3.21%
2010	-0.35%	0.56%	1.46%	1.13%	-2.45%	-1.52%	0.27%	0.44%	1.71%	1.19%	0.45%	1.67%	4.56%
2009	1.19%	0.45%	-0.24%	-0.54%	3.16%	1.08%	1.65%	1.34%	1.87%	-0.09%	0.92%	0.53%	11.87%
2008	-2.23%	2.89%	-2.52%	0.92%	2.61%	0.88%	-3.31%	-2.20%	-7.64%	-6.12%	-0.88%	-1.14%	-17.68%
2007	1.50%	0.71%	1.01%	1.74%	2.39%	0.61%	0.28%	-2.82%	2.29%	3.36%	-0.77%	0.70%	11.41%
2006	2.47%	-0.11%	1.52%	1.46%	-2.79%	-1.02%	-0.37%	0.34%	0.46%	1.72%	1.33%	1.53%	6.60%
2005	0.07%	1.56%	-0.82%	-1.98%	0.62%	1.70%	2.10%	0.63%	1.43%	-1.59%	1.75%	1.34%	6.90%
2004				-0.35%	-0.67%	0.03%	-0.91%	-0.16%	1.34%	0.75%	2.23%	1.56%	3.82%

Share Class: Euro Hedged Class

Past performance is not a reliable indicator of future results.

### Disclaimer

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The price of units or shares can go down as well as up and may be affected by changes in exchange rates. An investor may not receive back the amount invested. It is essential that investors read the prospectus of the Fund and acquaint themselves with the risks associated with an investment in the Fund, including the risks of the underlying investments. The information contained within this material has not been reviewed in the light of your personal circumstances. If you require investment advice or wish to discuss the suitability of any investment decision, you should contact your Relationship Manager or you should seek such financial, legal or tax advice from your professional advisers as appropriate. This document is not and should not be construed as an offer to sell or solicitation of an offer to purchase or subscribe for any investment or service. 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Investors incur the risk of losing all or part of their investment in the Fund. Prospective investors should carefully consider whether an investment in shares is suitable for them in the light of their own circumstances and financial resources (see the sections entitled "Risk Warnings and Disclosures for Investors in the Funds" and "Additional Risk Factors" of the Prospectus). The Fund will, however, endeavour to monitor risks through the selection of the Fund's investments based on a Due Diligence procedure (see the section entitled "Due Diligence Process" in the Prospectus). This document may not be distributed in the United States, Canada, Australia or any other country in which its distribution is unlawful. **The HSBC GH Fund referenced herein is: (i) no longer offered by or through any HSBC U.S. booking center, and (ii) not offered or sold to U.S. residents.** © Copyright. HSBC Management (Guernsey) Limited 2013. ALL RIGHTS RESERVED. 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### Contacts

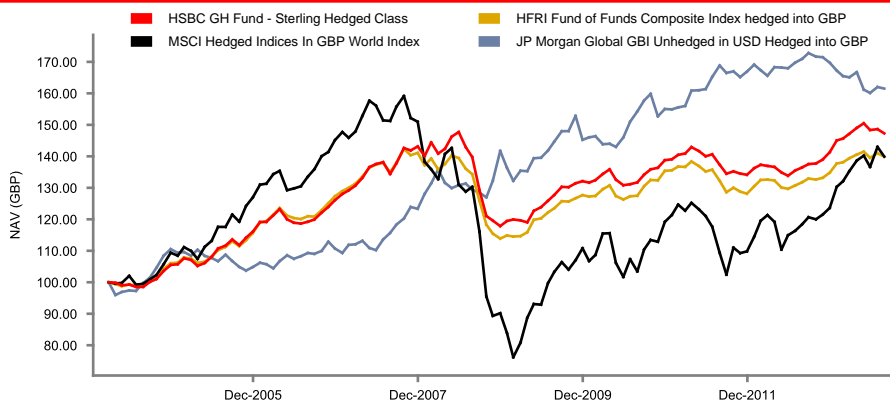
**Email:** hail.investor.relations@hsbc.com  
**Tel:** +(44) 207 860 6532  
**Internet site:** <http://www.hail.hsbc.com>  
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 Creation Date 18 Sep 2013  
 Report Instance 962768

### Fund Performance and Analysis

	HSBC GH Fund - Sterling Hedged Class	MSCI Hedged Indices In GBP World Index	HFRI Fund of Funds Composite Index hedged into GBP	JP Morgan Global GBI Unhedged in USD Hedged into GBP
MTD Return	-0.90%	-2.19%	-0.76%	-0.30%
YTD Return	4.20%	13.17%	3.78%	-4.84%
12 Month Return	7.91%	18.17%	6.17%	-5.52%
Actual Return	47.28%	39.90%	39.89%	61.52%
Annualised Return	4.20%	3.63%	3.63%	5.22%
Annualised Volatility	5.95%	14.49%	5.59%	6.80%
Sharpe Ratio (Annualised)*	0.17	0.03	0.08	0.30
Maximum Drawdown	-20.22%	-52.13%	-20.00%	-7.32%
% Positive Months	66.37%	62.83%	64.60%	58.41%
Correlation	1.00	0.65	0.96	0.01
VaR(95%)	-2.84%	-6.94%	-2.67%	-3.22%
VaR(99%)	-4.00%	-9.74%	-3.76%	-4.58%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of GBP 3M LIBOR Index over the period.  
All fund performance quoted above is since inception unless otherwise stated.

### Historical Performance



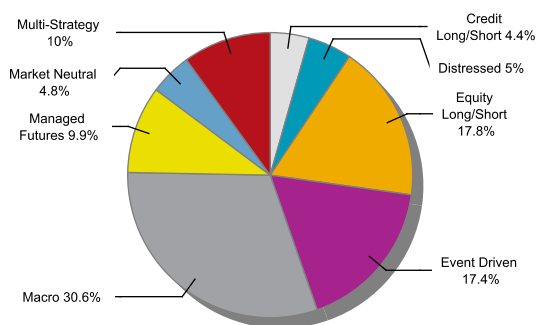
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### Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

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### Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

### Fund Objective

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### Portfolio Size: USD 1,561.08m

Class	Month to date:	Year to date:	NAV:
Sterling Hedged Class	-0.90%	4.20%	147.28
	-0.87%	4.67%	104.67

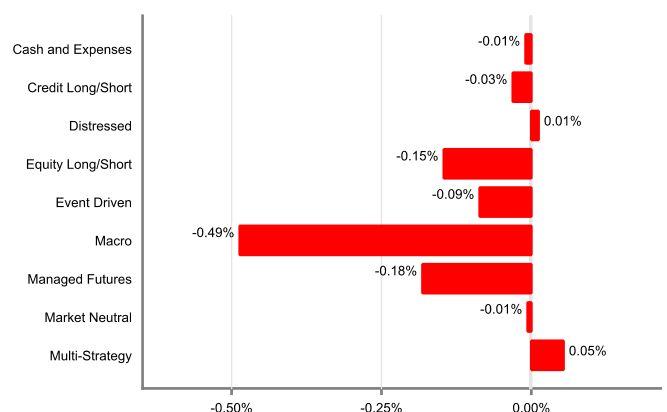
### Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	USD
<b>Inception Date</b>	31 March 2004
<b>Subscription</b>	Monthly, with 5 Business Day(s) notice
<b>Redemption</b>	Monthly, subject to 1 month plus 5 Business Days notice.
<b>Minimum</b>	GBP 15,000
<b>Performance Fee</b>	1.75 % per annum
<b>Management Fee</b>	10 % of any return exceeding the benchmark
<b>Hurdle</b>	200% GBP 3 month LIBOR Index
<b>Reuters Page</b>	HSBC/HMGC
<b>Bloomberg</b>	REPGHFG GU
<b>ISIN Number</b>	GB00B01FR249

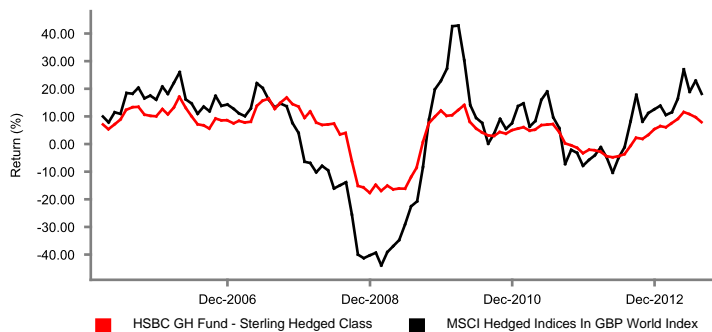
### Top 10 Holdings \*

Third Point Offshore Fund, Ltd.	7.33%
Brevan Howard Fund Limited	7.12%
D.E. Shaw Oculus Intl Fund L.P.	6.81%
BTG Pactual Global Emerging Markets and Macro Fund	6.79%
Tudor BVI Global Fund Ltd.	6.04%
Lansdowne Developed Markets Fund Limited	6.00%
CQS Directional Opportunities Feeder Fund Limited	4.99%
Two Sigma Spectrum Cayman Fund, Ltd.	4.78%
S.A.C. Capital International, Ltd.	4.74%
Halcyon Offshore Asset-Backed Value Fund Ltd.	4.71%
Top 10 Holdings	= 59.3% of portfolio
Top 20 Holdings	= 95.13% of portfolio

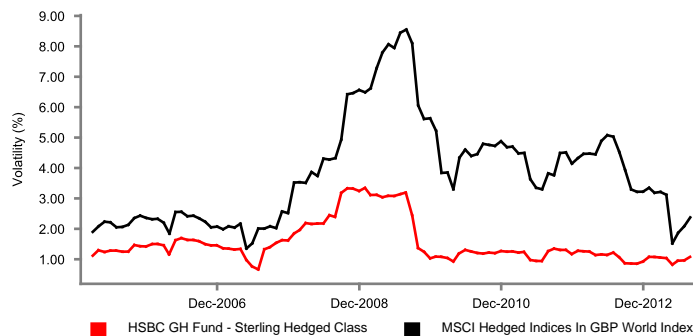
### Strategy Contribution



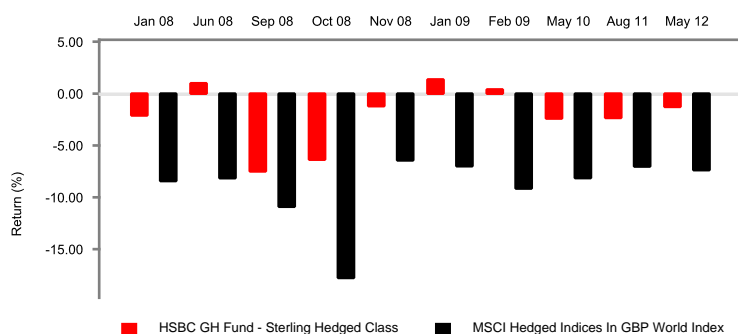
### 12 Month Rolling Return



### 12 Month Rolling Volatility

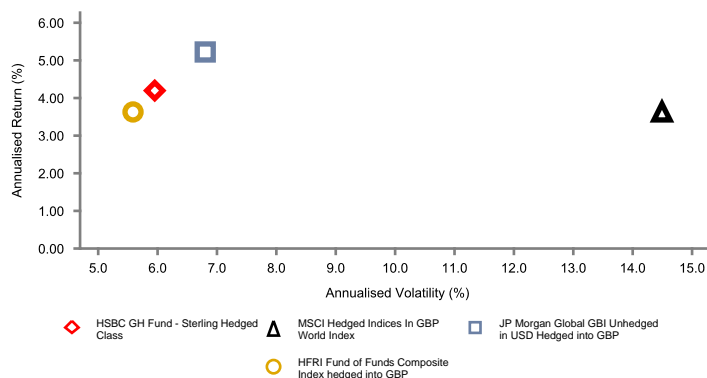


### Worst Performing Months \*



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

### Risk / Return



### Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	2.60%	0.43%	1.04%	1.26%	0.98%	-1.41%	0.18%	-0.90%					4.20%
2012	1.55%	0.80%	-0.25%	-0.24%	-1.27%	-0.78%	1.24%	0.73%	0.76%	0.16%	0.90%	1.70%	5.38%
2011	0.25%	1.01%	0.31%	1.43%	-0.88%	-1.16%	0.43%	-2.34%	-2.08%	0.54%	-0.52%	-0.28%	-3.31%
2010	-0.34%	0.58%	1.49%	1.09%	-2.40%	-1.33%	0.26%	0.43%	1.85%	1.26%	0.38%	1.73%	5.01%
2009	1.37%	0.40%	-0.23%	-0.52%	3.07%	0.95%	1.65%	1.48%	2.01%	-0.09%	0.94%	0.52%	12.10%
2008	-2.10%	3.05%	-2.44%	1.08%	2.71%	1.00%	-3.22%	-2.23%	-7.50%	-6.37%	-1.21%	-1.46%	-17.67%
2007	1.57%	0.88%	1.19%	1.87%	2.55%	0.72%	0.44%	-2.72%	2.55%	3.50%	-0.54%	0.89%	13.54%
2006	2.63%	0.05%	1.75%	1.61%	-2.61%	-0.90%	-0.24%	0.48%	0.60%	1.82%	1.50%	1.71%	8.61%
2005	0.26%	1.76%	-0.48%	-1.76%	0.87%	1.85%	2.44%	0.87%	1.71%	-1.58%	2.10%	1.68%	10.04%
2004				-0.16%	-0.79%	0.20%	-0.73%	0.00%	1.61%	0.92%	2.51%	1.83%	5.48%

Share Class: Sterling Hedged Class

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All subscriptions in any fund presented in this document are accepted only on the basis of the current prospectus, available on request also from the centralisation agent or the financial department. Before subscription, investors should refer to the prospectus for general and specific risk factors associated with this fund. The fund is a foreign umbrella fund with multiple sub-funds with special risks under Swiss law and is structured as an open-ended unit trust domiciled in Guernsey. The Fund invests as a "fund of funds" in hedge funds. An investment in the Fund carries substantial risks. The risks inherent to an investment in hedge funds are of a nature and degree not typically encountered in investments in securities of companies listed on major securities markets worldwide. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over time. Investors incur the risk of losing all or part of their investment in the Fund. Prospective investors should carefully consider whether an investment in shares is suitable for them in the light of their own circumstances and financial resources (see the sections entitled "Risk Warnings and Disclosures for Investors in the Funds" and "Additional Risk Factors" of the Prospectus). The Fund will, however, endeavour to monitor risks through the selection of the Fund's investments based on a Due Diligence procedure (see the section entitled "Due Diligence Process" in the Prospectus). This document may not be distributed in the United States, Canada, Australia or any other country in which its distribution is unlawful. **The HSBC GH Fund referenced herein is: (i) no longer offered by or through any HSBC U.S. booking center, and (ii) not offered or sold to U.S. residents.** © Copyright. HSBC Management (Guernsey) Limited 2013. ALL RIGHTS RESERVED. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of HSBC Management (Guernsey) Limited. Performance figures quoted are net of all fees. Issuance and redemption commissions are not included in the performance figures.

### Contacts

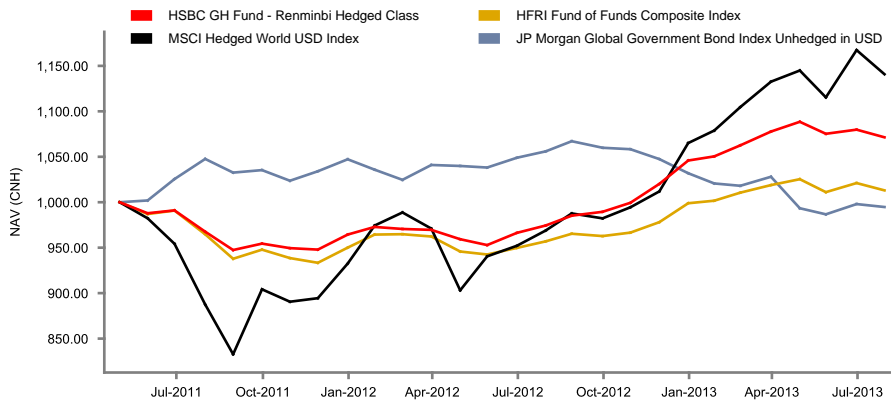
**Email:** [hail.investor.relations@hsbc.com](mailto:hail.investor.relations@hsbc.com)  
**Tel:** +(44) 207 860 6532  
**Internet site:** <http://www.hail.hsbc.com>  
 Creation Time: 10:37:29  
 Creation Date: 18 Sep 2013  
 Report Instance: 962770

### Fund Performance and Analysis

	HSBC GH Fund - Renminbi Hedged Class	MSCI Hedged World USD Index	HFRI Fund of Funds Composite Index	JP Morgan Global Government Bond Index Unhedged in USD
MTD Return	-0.78%	-2.28%	-0.79%	-0.33%
YTD Return	5.02%	12.74%	3.58%	-5.03%
12 Month Return	9.95%	17.74%	5.86%	-5.80%
Actual Return	7.14%	14.08%	1.30%	-0.53%
Annualised Return	3.11%	6.03%	0.58%	-0.23%
Annualised Volatility	4.22%	12.98%	4.35%	4.46%
Sharpe Ratio (Annualised)*	0.58	0.41	-0.02	-0.20
Maximum Drawdown	-5.26%	-16.73%	-6.66%	-7.53%
% Positive Months	59.26%	62.96%	59.26%	44.44%
Correlation	1.00	0.74	0.95	-0.09
VaR(95%)	-2.02%	-6.12%	-2.08%	-2.11%
VaR(99%)	-2.84%	-8.72%	-2.87%	-2.96%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of Bank of China CNY Overnight Deposit Rate Index over the period. All fund performance quoted above is since inception unless otherwise stated.

### Historical Performance



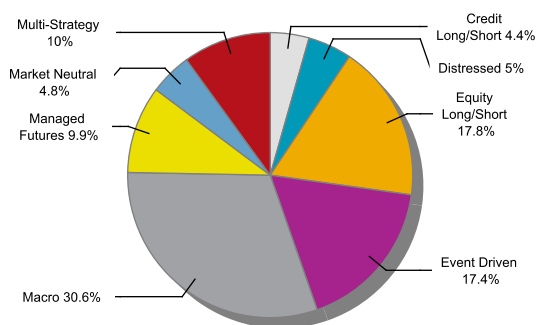
Past performance is not a reliable indicator of future results.

### Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

The Fund was down over the month, with losses largely driven by the Macro allocation. There were also smaller negative contributions from Managed Futures and Equity Long/Short. Within Macro, one fund drove the losses, hurt by a number of trades, especially in the energy sector. The manager had expected the WTI futures curve to flatten, but the front-end spiked in August due to the tensions in Syria. Managed Futures was also hurt by one fund's losses, primarily from longs in equity indices, shorts in precious metals and various currency positions. Although Equity Long/Short was down, performance was reasonably defensive given the falls in equity markets, thanks to modest net exposures and positioning in stocks and sectors. Elsewhere in the portfolio, returns were muted overall. The Event Driven allocation was mixed, with one fund helped by a position in a gold mining company, which reported strong drilling results, whilst another fund was hurt by various positions in the TMT (telecommunications, media and technology) sector. Distressed was up marginally, thanks to carry from the portfolio of ABS (Asset Backed Securities) securities, whilst high yield bond positions detracted from the performance of our Credit Long/Short allocation. Multi-Strategy was a positive contributor, driven by allocations to trading-oriented equity strategies.

### Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

### Fund Objective

The Fund seeks to provide a total return from selective investment in a number of hedge funds, which utilise and trade a range of different strategies and markets worldwide. The investment funds will be selected and monitored by HSBC Alternative Investments Limited. The Fund is a sub-fund within the HSBC Portfolio Selection Fund; a unit trust umbrella that has been authorised as a Class B Scheme in Guernsey.

**Portfolio Size:** USD 1,561.08m

<b>Renminbi Hedged Class</b>	Month to date:	-0.78%
	Year to date:	5.02%
	NAV:	1071.41

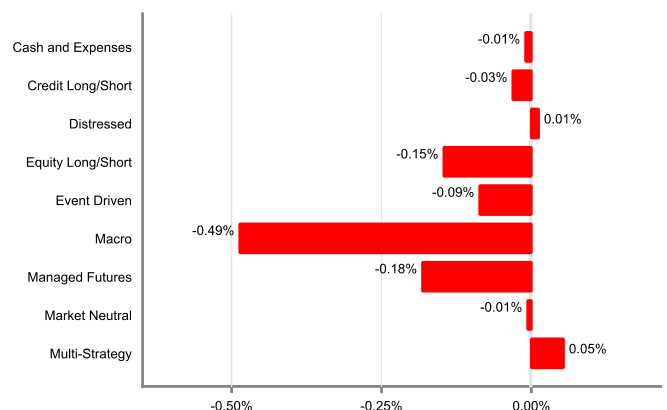
### Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	USD
<b>Inception Date</b>	31 May 2011
<b>Subscription</b>	Monthly, with 5 Business Day(s) notice
<b>Redemption</b>	Monthly, subject to 1 month plus 5 Business Days notice
<b>Minimum</b>	CNH 150,000
<b>Management Fee</b>	1.75 % per annum
<b>Performance Fee</b>	10 % of any return exceeding the benchmark
<b>Hurdle</b>	200% Bank of China (Hong Kong) Limited CNY Overnight Deposit Rate
<b>Reuters Page</b>	HSBC/HMGC
<b>Bloomberg</b>	HSGCNHR GU
<b>ISIN Number</b>	GG00B3WF1X30

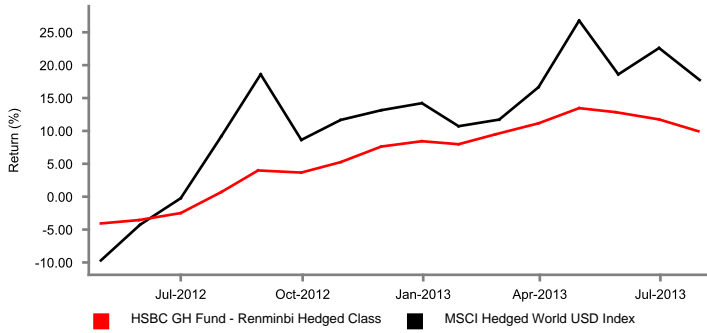
### Top 10 Holdings \*

Third Point Offshore Fund, Ltd.	7.33%
Brevan Howard Fund Limited	7.12%
D.E. Shaw Oculus Intl Fund L.P.	6.81%
BTG Pactual Global Emerging Markets and Macro Fund	6.79%
Tudor BVI Global Fund Ltd.	6.04%
Lansdowne Developed Markets Fund Limited	6.00%
CQS Directional Opportunities Feeder Fund Limited	4.99%
Two Sigma Spectrum Cayman Fund, Ltd.	4.78%
S.A.C. Capital International, Ltd.	4.74%
Halcyon Offshore Asset-Backed Value Fund Ltd.	4.71%
Top 10 Holdings	= 59.3% of portfolio
Top 20 Holdings	= 95.13% of portfolio

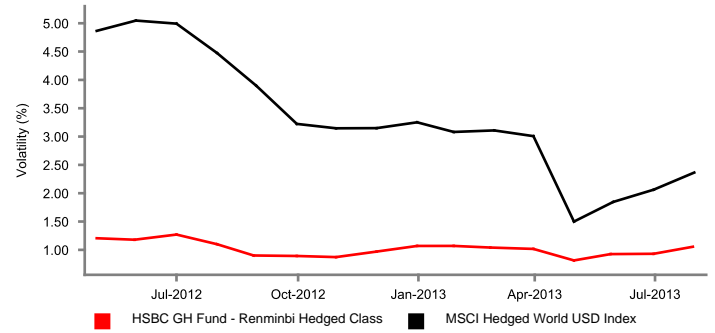
### Strategy Contribution



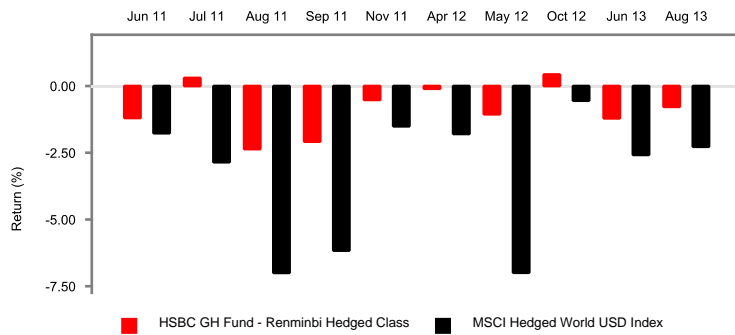
### 12 Month Rolling Return



### 12 Month Rolling Volatility

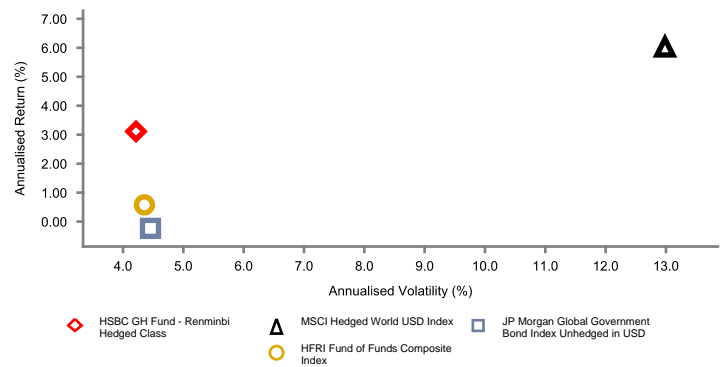


### Worst Performing Months \*



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

### Risk / Return



### Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	2.52%	0.44%	1.16%	1.43%	1.00%	-1.21%	0.42%	-0.78%					5.02%
2012	1.75%	0.86%	-0.23%	-0.10%	-1.06%	-0.67%	1.41%	0.84%	1.11%	0.43%	1.00%	2.08%	7.63%
2011						-1.20%	0.30%	-2.36%	-2.09%	0.74%	-0.52%	-0.17%	-5.21%

Share Class: Renminbi Hedged Class

Past performance is not a reliable indicator of future results.

### Disclaimer

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### Contacts

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**Tel:** +(44) 207 860 6532

**Internet site:** <http://www.hail.hsbc.com>

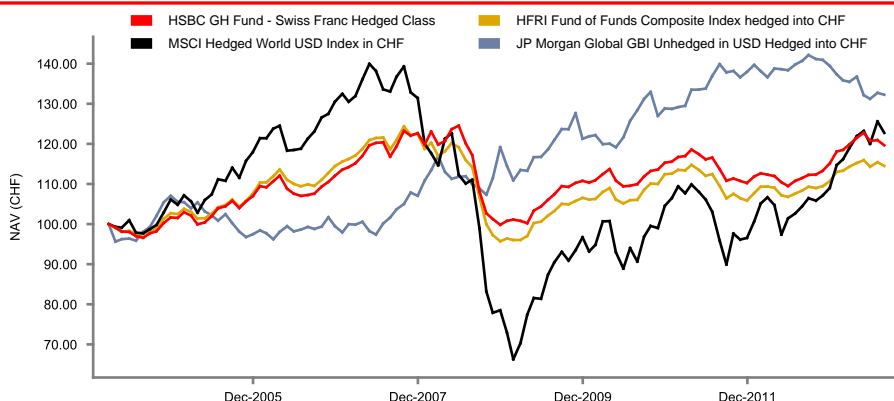
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 Creation Date: 18 Sep 2013  
 Report Instance: 962764

### Fund Performance and Analysis

	HSBC GH Fund - Swiss Franc Hedged Class	MSCI Hedged World USD Index in CHF	HFRI Fund of Funds Composite Index hedged into CHF	JP Morgan Global GBI Unhedged in USD Hedged into CHF
MTD Return	-1.06%	-2.29%	-0.81%	-0.34%
YTD Return	3.94%	12.59%	3.44%	-5.16%
12 Month Return	7.32%	17.50%	5.64%	-5.99%
Actual Return	19.64%	22.71%	14.49%	32.25%
Annualised Return	1.92%	2.20%	1.45%	3.01%
Annualised Volatility	5.75%	14.25%	5.61%	6.79%
Sharpe Ratio (Annualised)*	0.17	0.09	0.09	0.31
Maximum Drawdown	-19.84%	-52.63%	-23.02%	-10.13%
% Positive Months	63.72%	59.29%	62.83%	55.75%
Correlation	1.00	0.64	0.96	0.01
VaR(95%)	-2.72%	-6.79%	-2.66%	-3.21%
VaR(99%)	-3.89%	-9.58%	-3.76%	-4.57%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of CHF 3M LIBOR Index over the period.  
All fund performance quoted above is since inception unless otherwise stated.

### Historical Performance



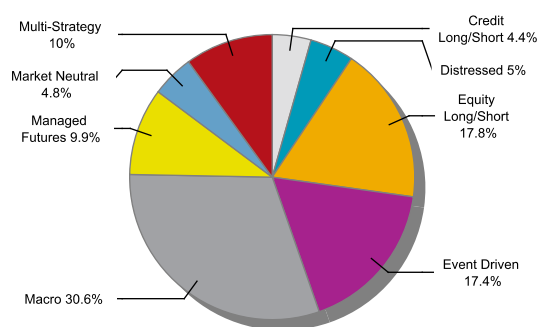
Past performance is not a reliable indicator of future results.

### Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

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### Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

### Fund Objective

The Fund seeks to provide a total return from selective investment in a number of hedge funds, which utilise and trade a range of different strategies and markets worldwide. The investment funds will be selected and monitored by HSBC Alternative Investments Limited. The Fund is a sub-fund within the HSBC Portfolio Selection Fund; a unit trust umbrella that has been authorised as a Class B Scheme in Guernsey.

### Portfolio Size: USD 1,561.08m

Swiss Franc Hedged Class	Month to date:	-1.06%
	Year to date:	3.94%
	NAV:	119.64
Swiss Franc Hedged R Class	Month to date:	-0.98%
	Year to date:	0.25%
	NAV:	100.25

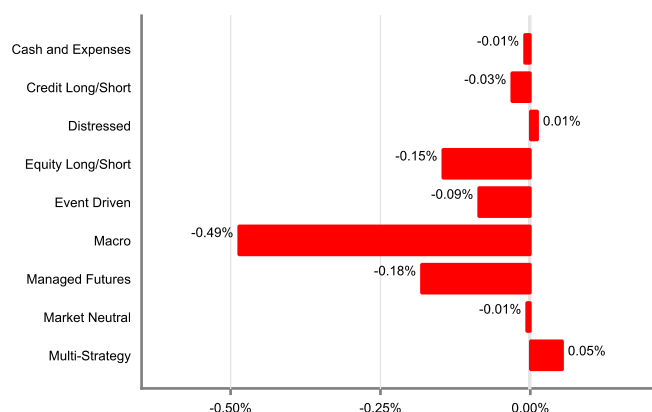
### Fund Details

Investment Adviser	HSBC Alternative Investments Limited
Base Currency	USD
Inception Date	31 March 2004
Subscription	Monthly, with 5 Business Day(s) notice
Redemption	Monthly, subject to 1 month plus 5 Business Days notice
Minimum	CHF 30,000
Management Fee	1.75 % per annum
Performance Fee	10 % of any return exceeding the benchmark
Hurdle	200% CHF 3 month LIBOR Index
Reuters Page	HSBC/HMGC
Bloomberg	REPGHCH GU
ISIN Number	GB00B01FR355

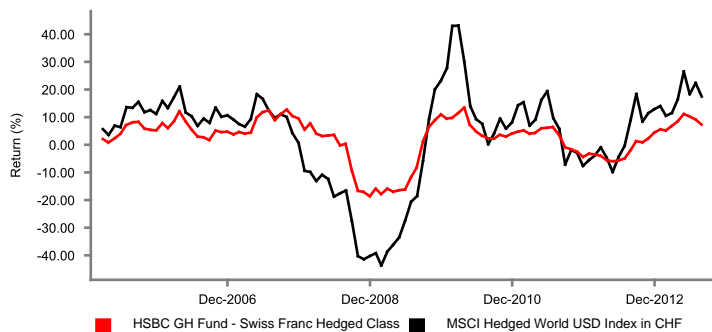
### Top 10 Holdings \*

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Brevan Howard Fund Limited	7.12%
D.E. Shaw Oculus Intl Fund L.P.	6.81%
BTG Pactual Global Emerging Markets and Macro Fund	6.79%
Tudor BVI Global Fund Ltd.	6.04%
Lansdowne Developed Markets Fund Limited	6.00%
CQS Directional Opportunities Feeder Fund Limited	4.99%
Two Sigma Spectrum Cayman Fund, Ltd.	4.78%
S.A.C. Capital International, Ltd.	4.74%
Halcyon Offshore Asset-Backed Value Fund Ltd.	4.71%
Top 10 Holdings	= 59.3% of portfolio
Top 20 Holdings	= 95.13% of portfolio

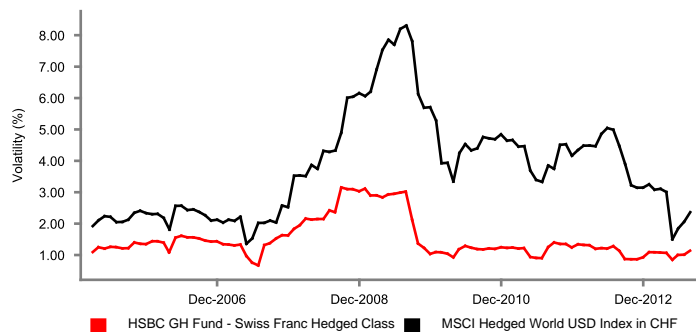
### Strategy Contribution



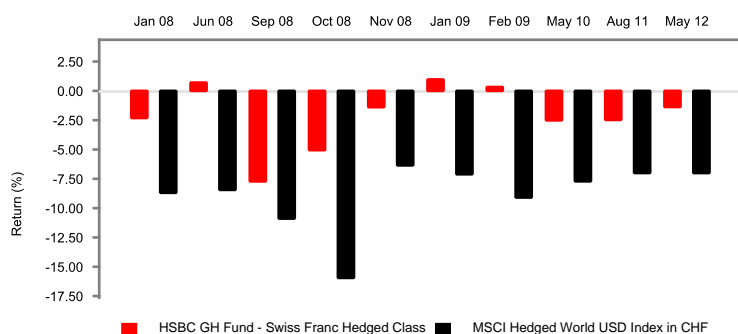
### 12 Month Rolling Return



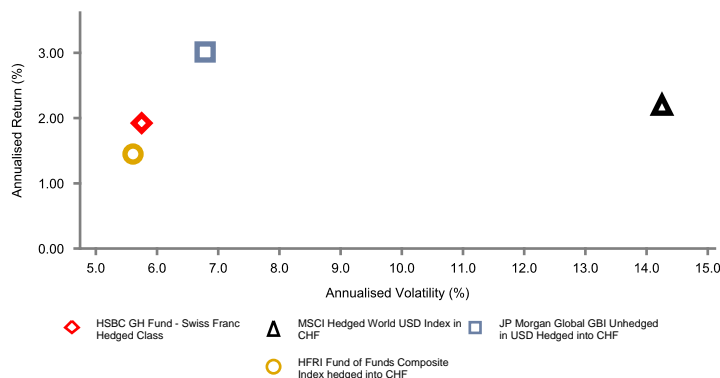
### 12 Month Rolling Volatility



### Worst Performing Months \*



### Risk / Return



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

### Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	2.59%	0.35%	1.13%	1.38%	1.02%	-1.61%	0.13%	-1.06%					3.94%
2012	1.47%	0.71%	-0.29%	-0.31%	-1.38%	-0.86%	1.19%	0.63%	0.70%	0.09%	0.83%	1.61%	4.42%
2011	0.26%	0.97%	0.22%	1.38%	-0.95%	-1.12%	0.39%	-2.48%	-2.52%	0.49%	-0.55%	-0.46%	-4.38%
2010	-0.37%	0.53%	1.37%	1.11%	-2.52%	-1.30%	0.14%	0.37%	1.73%	1.22%	0.33%	1.49%	4.09%
2009	0.97%	0.32%	-0.31%	-0.60%	3.12%	1.04%	1.58%	1.34%	1.81%	-0.13%	0.90%	0.45%	10.96%
2008	-2.32%	2.70%	-2.62%	0.73%	2.44%	0.70%	-3.54%	-2.42%	-7.72%	-5.06%	-1.39%	-1.42%	-18.62%
2007	1.37%	0.55%	0.84%	1.61%	2.25%	0.50%	0.12%	-2.97%	2.17%	3.26%	-0.97%		9.49%
2006	2.32%	-0.24%	1.37%	1.25%	-2.88%	-1.16%	-0.50%	0.20%	0.34%	1.61%	1.09%	1.37%	4.74%
2005	-0.11%	1.38%	-0.83%	-2.11%	0.47%	1.55%	1.91%	0.50%	1.29%	-1.70%	1.61%	1.23%	5.22%
2004				-0.88%	-1.01%	-0.08%	-1.07%	-0.41%	1.14%	0.53%	2.07%	1.41%	1.65%

Share Class: Swiss Franc Hedged Class

Past performance is not a reliable indicator of future results.

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All subscriptions in any fund presented in this document are accepted only on the basis of the current prospectus, available on request also from the centralisation agent or the financial department. Before subscription, investors should refer to the prospectus for general and specific risk factors associated with this fund. The fund is a foreign umbrella fund with multiple sub-funds with special risks under Swiss law and is structured as an open-ended unit trust domiciled in Guernsey. The Fund invests as a "fund of funds" in hedge funds. An investment in the Fund carries substantial risks. The risks inherent to an investment in hedge funds are of a nature and degree not typically encountered in investments in securities of companies listed on major securities markets worldwide. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over time. 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### Contacts

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**Tel:** +(44) 207 860 6532  
**Internet site:** <http://www.hail.hsbc.com>  
 Creation Time 10:35:11  
 Creation Date 18 Sep 2013  
 Report Instance 962767

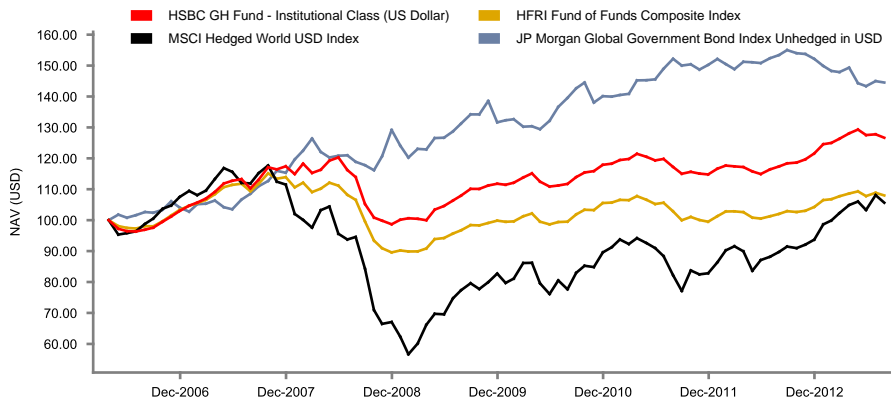


### Fund Performance and Analysis

	HSBC GH Fund - Institutional Class (US Dollar)	MSCI Hedged World USD Index	HFRI Fund of Funds Composite Index	JP Morgan Global Government Bond Index Unhedged in USD
MTD Return	-0.87%	-2.28%	-0.79%	-0.33%
YTD Return	4.17%	12.74%	3.58%	-5.03%
12 Month Return	7.92%	17.74%	5.86%	-5.80%
Actual Return	26.66%	5.64%	7.99%	44.50%
Annualised Return	3.28%	0.75%	1.05%	5.15%
Annualised Volatility	6.00%	15.68%	5.96%	6.93%
Sharpe Ratio (Annualised)*	0.21	-0.08	-0.16	0.45
Maximum Drawdown	-17.97%	-51.88%	-22.20%	-8.08%
% Positive Months	64.77%	59.09%	61.36%	60.23%
Correlation	1.00	0.61	0.95	-0.00
VaR(95%)	-2.85%	-7.51%	-2.82%	-3.31%
VaR(99%)	-4.04%	-10.58%	-3.96%	-4.66%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of USD 3M LIBOR Index over the period.  
All fund performance quoted above is since inception unless otherwise stated.

### Historical Performance



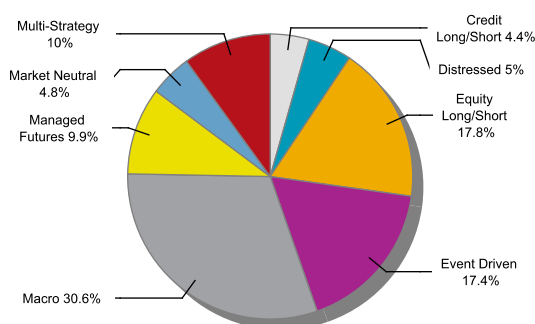
Past performance is not a reliable indicator of future results.

### Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

The Fund was down over the month, with losses largely driven by the Macro allocation. There were also smaller negative contributions from Managed Futures and Equity Long/Short. Within Macro, one fund drove the losses, hurt by a number of trades, especially in the energy sector. The manager had expected the WTI futures curve to flatten, but the front-end spiked in August due to the tensions in Syria. Managed Futures was also hurt by one fund's losses, primarily from longs in equity indices, shorts in precious metals and various currency positions. Although Equity Long/Short was down, performance was reasonably defensive given the falls in equity markets, thanks to modest net exposures and positioning in stocks and sectors. Elsewhere in the portfolio, returns were muted overall. The Event Driven allocation was mixed, with one fund helped by a position in a gold mining company, which reported strong drilling results, whilst another fund was hurt by various positions in the TMT (telecommunications, media and technology) sector. Distressed was up marginally, thanks to carry from the portfolio of ABS (Asset Backed Securities) securities, whilst high yield bond positions detracted from the performance of our Credit Long/Short allocation. Multi-Strategy was a positive contributor, driven by allocations to trading-oriented equity strategies.

### Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

### Fund Objective

The Fund seeks to provide a total return from selective investment in a number of hedge funds, which utilise and trade a range of different strategies and markets worldwide. The investment funds will be selected and monitored by HSBC Alternative Investments Limited. The Fund is a sub-fund within the HSBC Portfolio Selection Fund; a unit trust umbrella that has been authorised as a Class B Scheme in Guernsey.

### Portfolio Size: USD 1,561.08m

Institutional Class (US Dollar)	Month to date:	-0.87%
	Year to date:	4.17%
	NAV:	126.66
Institutional Class (Euro) - Hedged	Month to date:	-0.88%
	Year to date:	4.01%
	NAV:	109.15
Institutional Class (Swiss Franc) - Hedged	Month to date:	-0.93%
	Year to date:	4.54%
	NAV:	113.72
Institutional Class (Sterling) - Hedged	Month to date:	-0.85%
	Year to date:	4.59%
	NAV:	106.68
Institutional Class (Singapore Dollar) - Hedged	Month to date:	-0.87%
	Year to date:	4.28%
	NAV:	106.70
Institutional Class (Hong Kong Dollar) - Hedged	Month to date:	-0.88%
	Year to date:	4.07%
	NAV:	1079.42

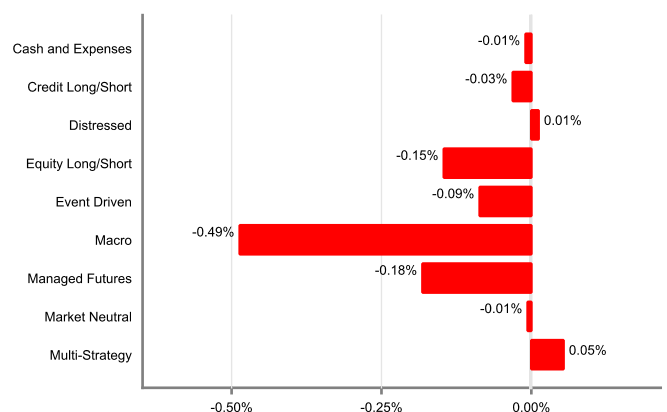
### Fund Details

Investment Adviser	HSBC Alternative Investments Limited
Base Currency	USD
Inception Date	28 April 2006
Subscription	Monthly, with 5 Business Day(s) notice
Redemption	Monthly, subject to 65 days notice and no exit fee or monthly with 1 month plus 5 Business Days notice and a 2% exit fee
Minimum	USD 2,500,000
Management Fee	1 % per annum
Performance Fee	10 % of any return exceeding the benchmark
Hurdle	200% USD 3 month LIBOR Index
Reuters Page	HSBC/HMGC
Bloomberg	REPGHID GU
ISIN Number	GB00B13MMP83
Valoren Number	2624432

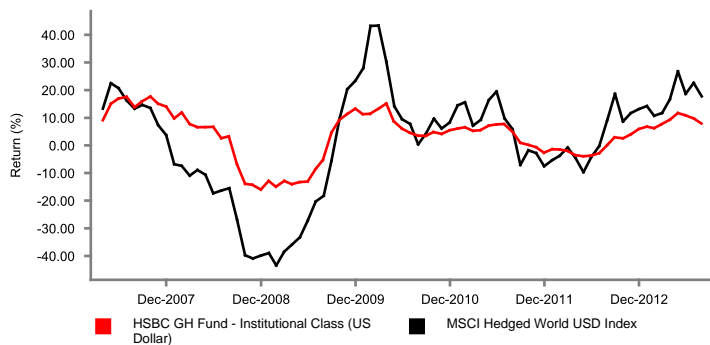
### Top 10 Holdings \*

Third Point Offshore Fund, Ltd.	7.33%
Brevan Howard Fund Limited	7.12%
D.E. Shaw Oculus Intl Fund L.P.	6.81%
BTG Pactual Global Emerging Markets and Macro Fund	6.79%
Tudor BVI Global Fund Ltd.	6.04%
Lansdowne Developed Markets Fund Limited	6.00%
CQS Directional Opportunities Feeder Fund Limited	4.99%
Two Sigma Spectrum Cayman Fund, Ltd.	4.78%
S.A.C. Capital International, Ltd.	4.74%
Halcyon Offshore Asset-Backed Value Fund Ltd.	4.71%
Top 10 Holdings	= 59.3% of portfolio
Top 20 Holdings	= 95.13% of portfolio

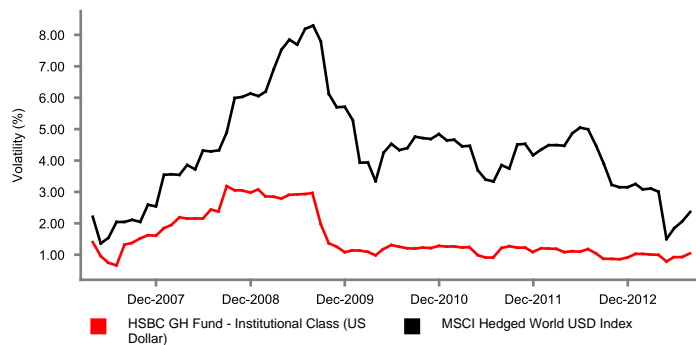
### Strategy Contribution



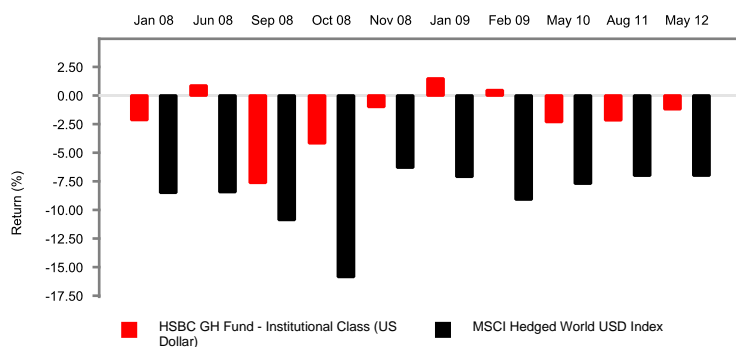
### 12 Month Rolling Return



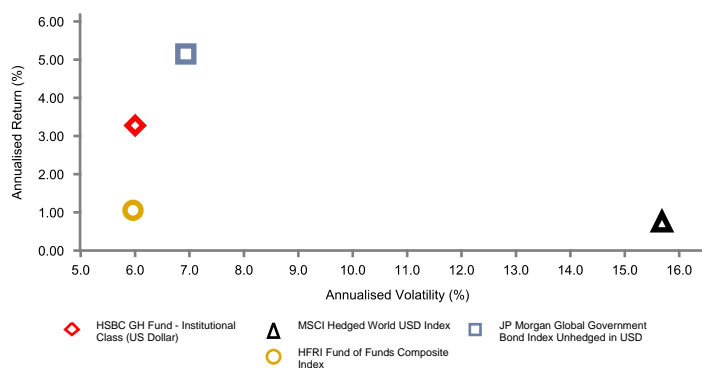
### 12 Month Rolling Volatility



### Worst Performing Months \*



### Risk / Return



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

### Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	2.44%	0.35%	1.08%	1.37%	0.97%	-1.38%	0.20%	-0.87%					4.17%
2012	1.62%	0.87%	-0.22%	-0.20%	-1.19%	-0.73%	1.31%	0.82%	0.84%	0.20%	0.89%	1.61%	5.92%
2011	0.32%	0.98%	0.30%	1.39%	-0.79%	-0.97%	0.39%	-2.16%	-1.88%	0.54%	-0.48%	-0.24%	-2.64%
2010	-0.30%	0.59%	1.51%	1.17%	-2.31%	-1.40%	0.29%	0.48%	1.96%	1.30%	0.40%	1.75%	5.48%
2009	1.49%	0.47%	-0.17%	-0.46%	3.42%	1.14%	1.69%	1.50%	2.02%	-0.01%	1.00%	0.51%	13.29%
2008	-2.14%	2.93%	-2.54%	0.89%	2.54%	0.87%	-3.38%	-1.98%	-7.63%	-4.17%	-0.99%	-1.17%	-15.97%
2007	1.66%	0.96%	1.24%	1.98%	2.51%	0.80%	0.47%	-2.62%	2.50%	3.58%	-0.58%	0.85%	14.03%
2006					-2.78%	-0.79%	-0.11%	0.59%	0.68%	1.96%	1.70%	1.78%	2.97%

Share Class: Institutional Class (US Dollar)

Past performance is not a reliable indicator of future results.

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### Contacts

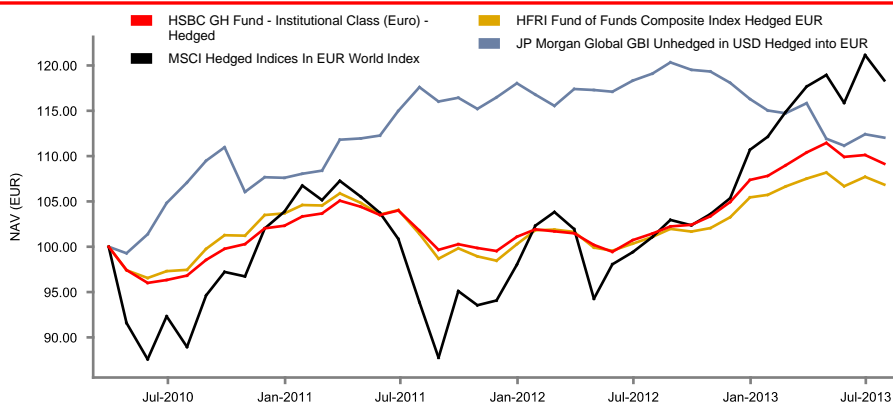
**Email:** hail.investor.relations@hsbc.com  
**Tel:** +(44) 207 860 6532  
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 Creation Date 18 Sep 2013  
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### Fund Performance and Analysis

	HSBC GH Fund - Institutional Class (Euro) - Hedged	MSCI Hedged Indices In EUR World Index	HFRI Fund of Funds Composite Index Hedged EUR	JP Morgan Global GBI Unhedged in USD Hedged into EUR
MTD Return	-0.88%	-2.30%	-0.80%	-0.33%
YTD Return	4.01%	12.33%	3.48%	-5.12%
12 Month Return	7.58%	17.09%	5.71%	-5.94%
Actual Return	9.15%	18.36%	6.85%	12.03%
Annualised Return	2.66%	5.19%	2.01%	3.47%
Annualised Volatility	4.02%	13.54%	4.41%	5.57%
Sharpe Ratio (Annualised)*	0.47	0.33	0.28	0.48
Maximum Drawdown	-5.37%	-18.19%	-7.01%	-7.63%
% Positive Months	65.00%	60.00%	60.00%	55.00%
Correlation	1.00	0.78	0.95	0.08
VaR(95%)	-1.91%	-6.46%	-2.11%	-2.66%
VaR(99%)	-2.70%	-8.96%	-2.96%	-3.75%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of EUR 3M LIBOR Index over the period.  
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### Historical Performance



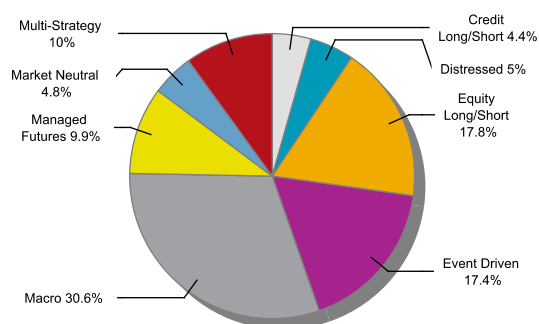
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### Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

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### Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

### Fund Objective

The Fund seeks to provide a total return from selective investment in a number of hedge funds, which utilise and trade a range of different strategies and markets worldwide. The investment funds will be selected and monitored by HSBC Alternative Investments Limited. The Fund is a sub-fund within the HSBC Portfolio Selection Fund; a unit trust umbrella that has been authorised as a Class B Scheme in Guernsey.

**Portfolio Size: USD 1,561.08m**

Institutional Class (Euro) - Hedged	Month to date:	-0.88%
	Year to date:	4.01%
	NAV:	109.15

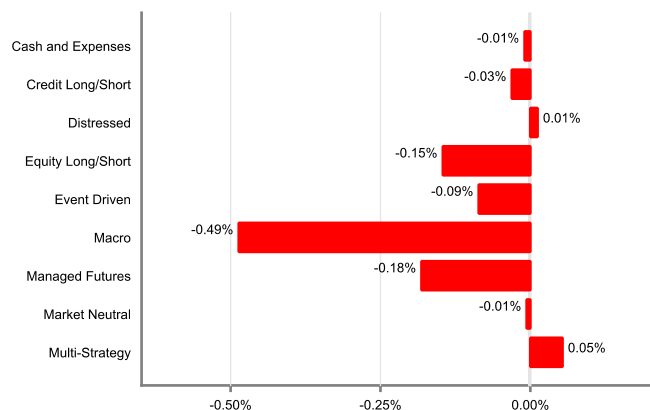
### Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	USD
<b>Inception Date</b>	30 April 2010
<b>Subscription</b>	Monthly, with 5 Business Day(s) notice
<b>Redemption</b>	Monthly, subject to 65 days notice and no exit fee or monthly with 1 month plus 5 Business Days notice and a 2% exit fee
<b>Minimum Management Fee</b>	EUR 2,500,000
<b>Performance Fee</b>	1% per annum
	10% of any return exceeding the benchmark
<b>Hurdle</b>	200% EUR 3 month LIBOR Index
<b>Reuters Page</b>	REPGHIE GU
<b>Bloomberg</b>	GG00B2R2WN94
<b>ISIN Number</b>	

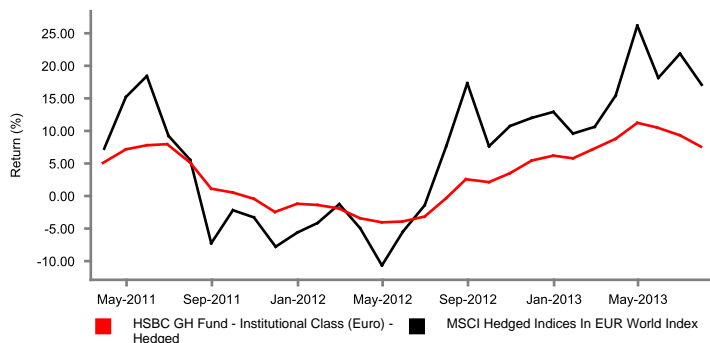
### Top 10 Holdings \*

Third Point Offshore Fund, Ltd.	7.33%
Brevan Howard Fund Limited	7.12%
D.E. Shaw Oculus Intl Fund L.P.	6.81%
BTG Pactual Global Emerging Markets and Macro Fund	6.79%
Tudor BVI Global Fund Ltd.	6.04%
Lansdowne Developed Markets Fund Limited	6.00%
CQS Directional Opportunities Feeder Fund Limited	4.99%
Two Sigma Spectrum Cayman Fund, Ltd.	4.78%
S.A.C. Capital International, Ltd.	4.74%
Halcyon Offshore Asset-Backed Value Fund Ltd.	4.71%
Top 10 Holdings	= 59.3% of portfolio
Top 20 Holdings	= 95.13% of portfolio

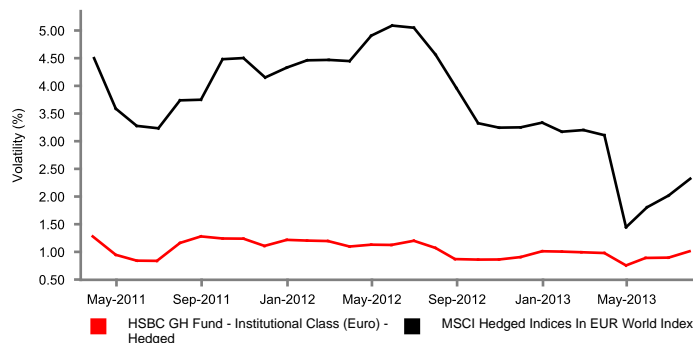
### Strategy Contribution



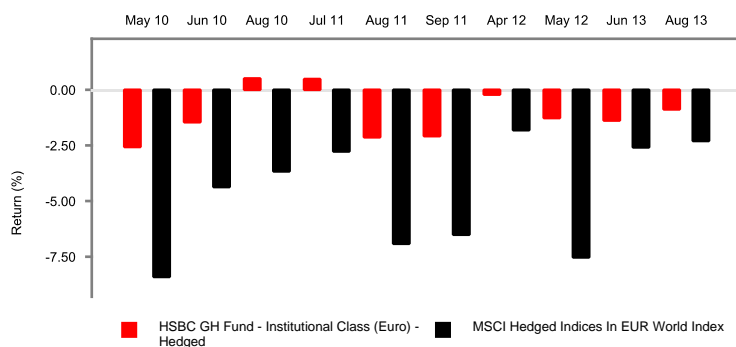
### 12 Month Rolling Return



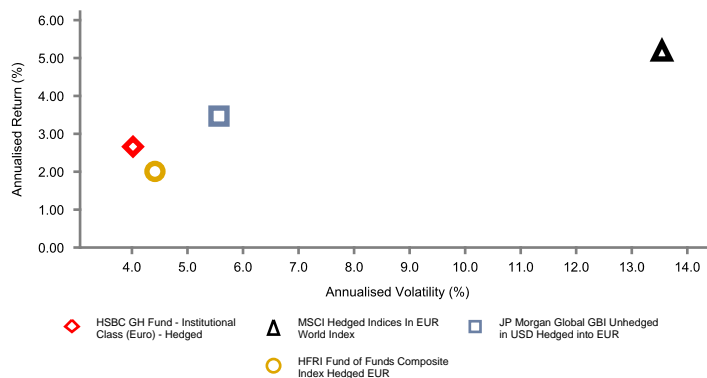
### 12 Month Rolling Volatility



### Worst Performing Months \*



### Risk / Return



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

### Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2013</b>	2.32%	0.42%	1.08%	1.30%	0.95%	-1.38%	0.19%	-0.88%					<b>4.01%</b>
<b>2012</b>	1.58%	0.81%	-0.22%	-0.22%	-1.27%	-0.75%	1.30%	0.72%	0.77%	0.18%	0.92%	1.53%	<b>5.44%</b>
<b>2011</b>	0.28%	1.00%	0.32%	1.36%	-0.64%	-0.87%	0.48%	-2.13%	-2.08%	0.62%	-0.42%	-0.33%	<b>-2.45%</b>
<b>2010</b>					-2.57%	-1.46%	0.33%	0.51%	1.79%	1.24%	0.52%	1.73%	<b>2.03%</b>

Share Class: Institutional Class (Euro) - Hedged

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All subscriptions in any fund presented in this document are accepted only on the basis of the current prospectus, available on request also from the centralisation agent or the financial department. Before subscription, investors should refer to the prospectus for general and specific risk factors associated with this fund. The fund is a foreign umbrella fund with multiple sub-funds with special risks under Swiss law and is structured as an open-ended unit trust domiciled in Guernsey. The Fund invests as a "fund of funds" in hedge funds. An investment in the Fund carries substantial risks. The risks inherent to an investment in hedge funds are of a nature and degree not typically encountered in investments in securities of companies listed on major securities markets worldwide. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over time. 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No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of HSBC Management (Guernsey) Limited. Performance figures quoted are net of all fees. Issuance and redemption commissions are not included in the performance figures.

### Contacts

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**Tel:** +(44) 207 860 6532  
**Internet site:** <http://www.hail.hsbc.com>

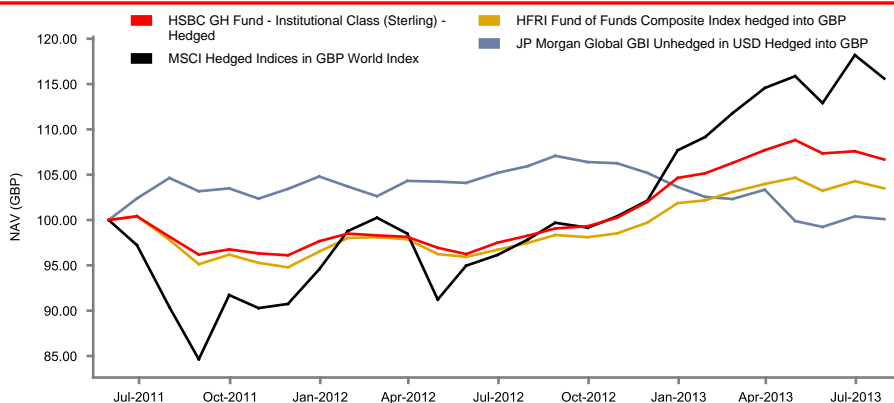
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### Fund Performance and Analysis

	HSBC GH Fund - Institutional Class (Sterling) - Hedged	MSCI Hedged Indices in GBP World Index	HFRI Fund of Funds Composite Index hedged into GBP	JP Morgan Global GBI Unhedged in USD Hedged into GBP
MTD Return	-0.85%	-2.19%	-0.76%	-0.30%
YTD Return	4.59%	13.17%	3.78%	-4.84%
12 Month Return	8.56%	18.17%	6.17%	-5.52%
Actual Return	6.68%	15.60%	3.49%	0.10%
Annualised Return	3.03%	6.92%	1.59%	0.05%
Annualised Volatility	4.05%	13.24%	4.33%	4.55%
Sharpe Ratio (Annualised)*	0.55	0.46	0.19	-0.16
Maximum Drawdown	-4.28%	-15.36%	-5.61%	-7.32%
% Positive Months	61.54%	65.38%	61.54%	42.31%
Correlation	1.00	0.74	0.94	-0.10
VaR(95%)	-1.91%	-6.35%	-2.02%	-2.16%
VaR(99%)	-2.71%	-9.00%	-2.90%	-3.01%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of GBP 3M LIBOR Index over the period.  
All fund performance quoted above is since inception unless otherwise stated.

### Historical Performance



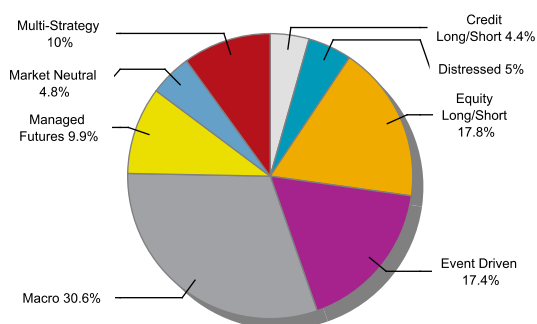
Past performance is not a reliable indicator of future results.

### Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

The Fund was down over the month, with losses largely driven by the Macro allocation. There were also smaller negative contributions from Managed Futures and Equity Long/Short. Within Macro, one fund drove the losses, hurt by a number of trades, especially in the energy sector. The manager had expected the WTI futures curve to flatten, but the front-end spiked in August due to the tensions in Syria. Managed Futures was also hurt by one fund's losses, primarily from longs in equity indices, shorts in precious metals and various currency positions. Although Equity Long/Short was down, performance was reasonably defensive given the falls in equity markets, thanks to modest net exposures and positioning in stocks and sectors. Elsewhere in the portfolio, returns were muted overall. The Event Driven allocation was mixed, with one fund helped by a position in a gold mining company, which reported strong drilling results, whilst another fund was hurt by various positions in the TMT (telecommunications, media and technology) sector. Distressed was up marginally, thanks to carry from the portfolio of ABS (Asset Backed Securities) securities, whilst high yield bond positions detracted from the performance of our Credit Long/Short allocation. Multi-Strategy was a positive contributor, driven by allocations to trading-oriented equity strategies.

### Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

### Fund Objective

The Fund seeks to provide a total return from selective investment in a number of hedge funds, which utilise and trade a range of different strategies and markets worldwide. The investment funds will be selected and monitored by HSBC Alternative Investments Limited. The Fund is a sub-fund within the HSBC Portfolio Selection Fund; a unit trust umbrella that has been authorised as a Class B Scheme in Guernsey.

**Portfolio Size: USD 1,561.08m**

<b>Institutional Class (Sterling) - Hedged</b>	Month to date:	-0.85%
	Year to date:	4.59%
	NAV:	106.68

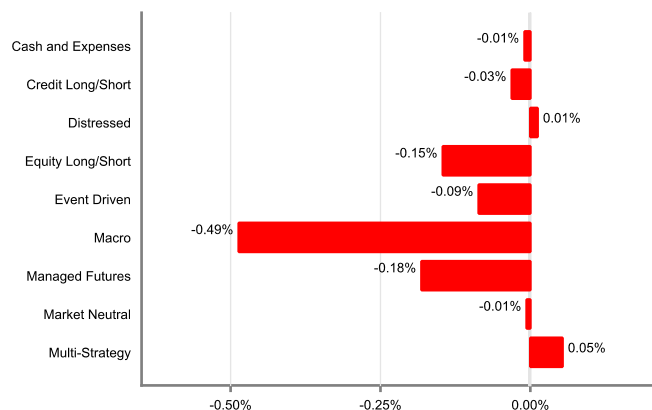
### Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	USD
<b>Inception Date</b>	30 June 2011
<b>Subscription</b>	Monthly, with 5 Business Day(s) notice
<b>Redemption</b>	Monthly, subject to 65 days notice and no exit fee or monthly with 1 month plus 5 Business Days notice and a 2% exit fee
<b>Minimum Management Fee</b>	GBP 1,500,000
<b>Performance Fee</b>	1% per annum
<b>Hurdle</b>	10% of any return exceeding the benchmark
<b>Reuters Page</b>	200% GBP 3 month LIBOR Index
<b>Bloomberg</b>	HSBC/HMGC
<b>ISIN Number</b>	REPGHIB GU GG00B3W68Q80

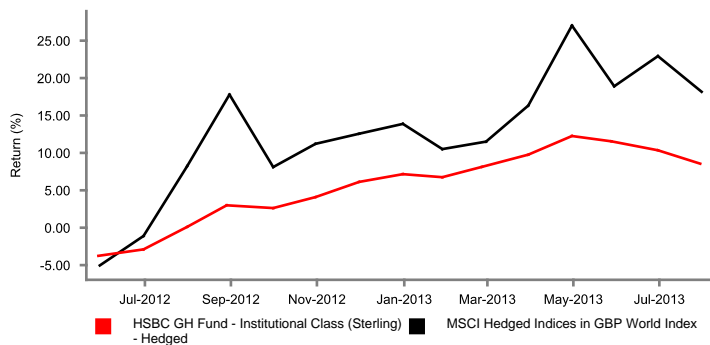
### Top 10 Holdings \*

Third Point Offshore Fund, Ltd.	7.33%
Brevan Howard Fund Limited	7.12%
D.E. Shaw Oculus Intl Fund L.P.	6.81%
BTG Pactual Global Emerging Markets and Macro Fund	6.79%
Tudor BVI Global Fund Ltd.	6.04%
Lansdowne Developed Markets Fund Limited	6.00%
CQS Directional Opportunities Feeder Fund Limited	4.99%
Two Sigma Spectrum Cayman Fund, Ltd.	4.78%
S.A.C. Capital International, Ltd.	4.74%
Halcyon Offshore Asset-Backed Value Fund Ltd.	4.71%
Top 10 Holdings	= 59.3% of portfolio
Top 20 Holdings	= 95.13% of portfolio

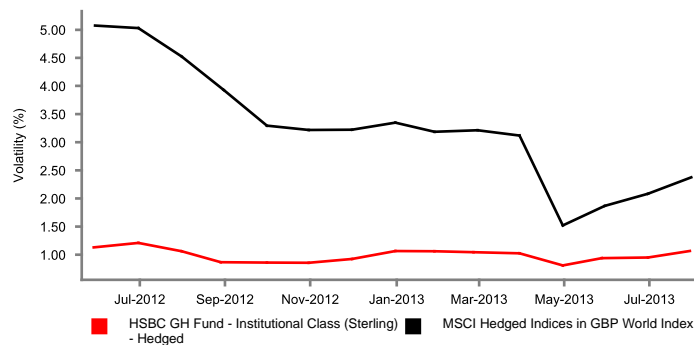
### Strategy Contribution



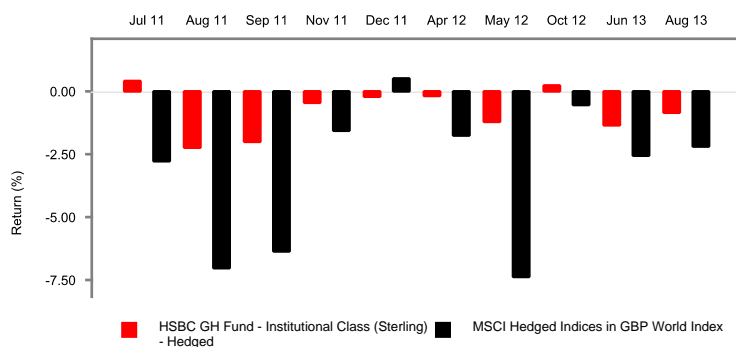
### 12 Month Rolling Return



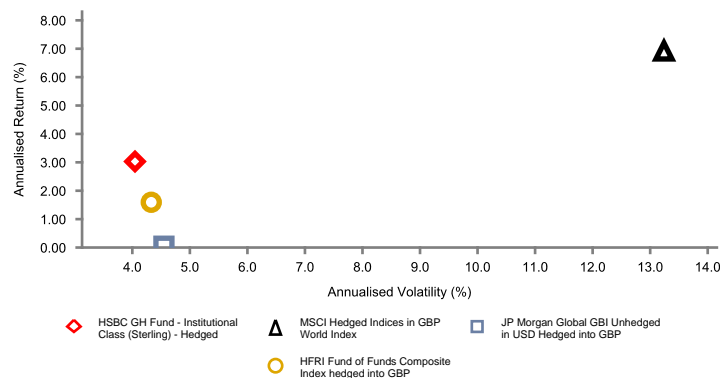
### 12 Month Rolling Volatility



### Worst Performing Months \*



### Risk / Return



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

### Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	2.60%	0.48%	1.09%	1.33%	1.03%	-1.35%	0.22%	-0.85%					4.59%
2012	1.61%	0.86%	-0.19%	-0.18%	-1.21%	-0.72%	1.31%	0.79%	0.81%	0.23%	0.97%	1.74%	6.13%
2011							0.41%	-2.24%	-2.01%	0.59%	-0.45%	-0.22%	-3.89%

Share Class: Institutional Class (Sterling) - Hedged

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### Contacts

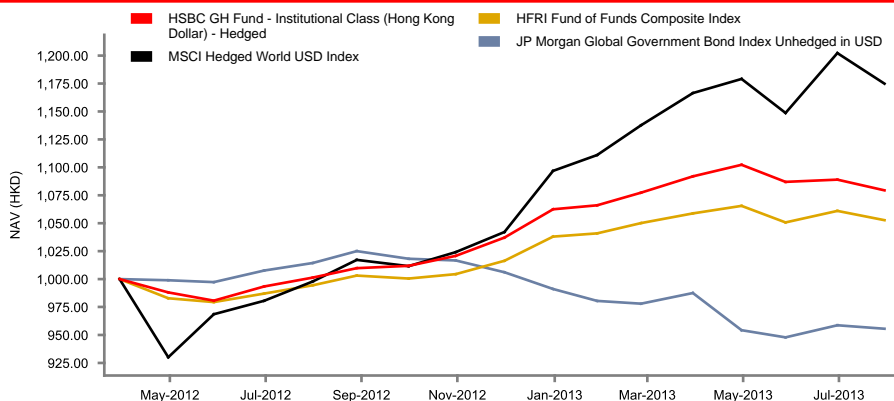
**Email:** hail.investor.relations@hsbc.com  
**Tel:** +(44) 207 860 6532  
**Internet site:** http://www.hail.hsbc.com  
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 Report Instance: 962775

### Fund Performance and Analysis

	HSBC GH Fund - Institutional Class (Hong Kong Dollar) - Hedged	MSCI Hedged World USD Index	HFRI Fund of Funds Composite Index	JP Morgan Global Government Bond Index Unhedged in USD
MTD Return	-0.88%	-2.28%	-0.79%	-0.33%
YTD Return	4.07%	12.74%	3.58%	-5.03%
12 Month Return	7.80%	17.74%	5.86%	-5.80%
Actual Return	7.94%	17.49%	5.27%	-4.44%
Annualised Return	5.90%	12.85%	3.93%	-3.35%
Annualised Volatility	3.72%	10.50%	3.46%	4.06%
Sharpe Ratio (Annualised)*	1.48	1.19	1.02	-0.92
Maximum Drawdown	-2.07%	-7.00%	-2.06%	-7.53%
% Positive Months	75.00%	75.00%	68.75%	31.25%
Correlation	1.00	0.66	0.94	-0.08
VaR(95%)	-1.75%	-5.01%	-1.64%	-1.91%
VaR(99%)	-2.46%	-7.02%	-2.32%	-2.71%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of 3M HIBOR Index over the period.  
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### Historical Performance



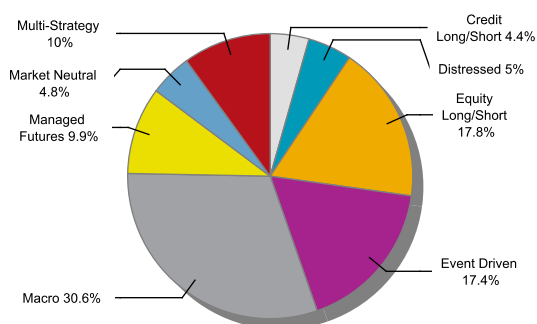
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### Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

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**Portfolio Size: USD 1,561.08m**

<b>Institutional Class (Hong Kong Dollar) - Hedged</b>	Month to date:	-0.88%
	Year to date:	4.07%
	NAV:	1079.42

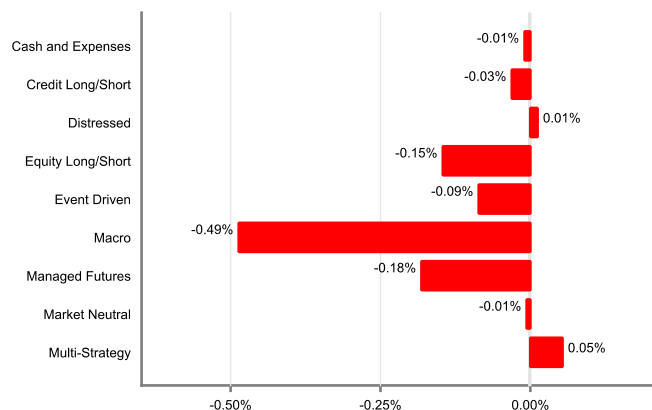
### Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	USD
<b>Inception Date</b>	30 April 2012
<b>Subscription</b>	Monthly, with 5 Business Day(s) notice
<b>Redemption</b>	Monthly, subject to 65 days notice and no exit fee or monthly with 1 month plus 5 Business Days notice and a 2% exit fee
<b>Minimum Management Fee</b>	HKD 20,000,000
<b>Performance Fee</b>	1% per annum
<b>Hurdle</b>	10% of any return exceeding the benchmark
<b>Reuters Page</b>	200% 3 month HIBOR Index
<b>Bloomberg</b>	HSGIHKD GU
<b>ISIN Number</b>	GG00B7RJPL48

### Top 10 Holdings \*

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Brevar Howard Fund Limited	7.12%
D.E. Shaw Oculus Intl Fund L.P.	6.81%
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Lansdowne Developed Markets Fund Limited	6.00%
CQS Directional Opportunities Feeder Fund Limited	4.99%
Two Sigma Spectrum Cayman Fund, Ltd.	4.78%
S.A.C. Capital International, Ltd.	4.74%
Halcyon Offshore Asset-Backed Value Fund Ltd.	4.71%
Top 10 Holdings	= 59.3% of portfolio
Top 20 Holdings	= 95.13% of portfolio

### Strategy Contribution

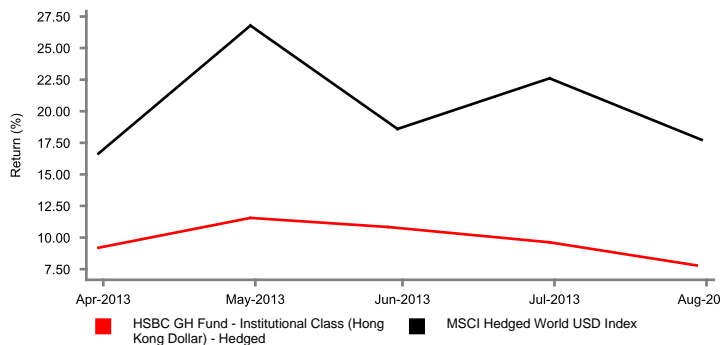


# HSBC GH Fund

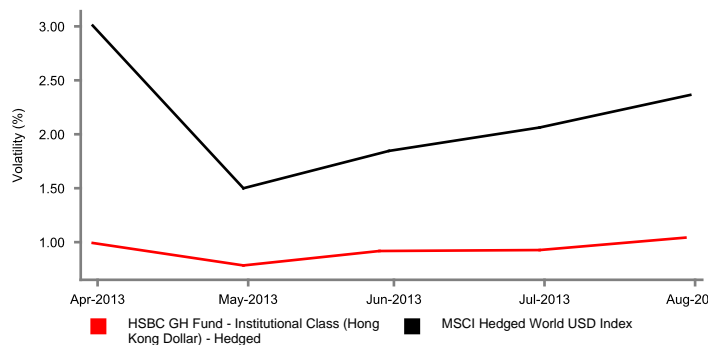
Institutional Class (Hong Kong Dollar) - Hedged

30 August 2013

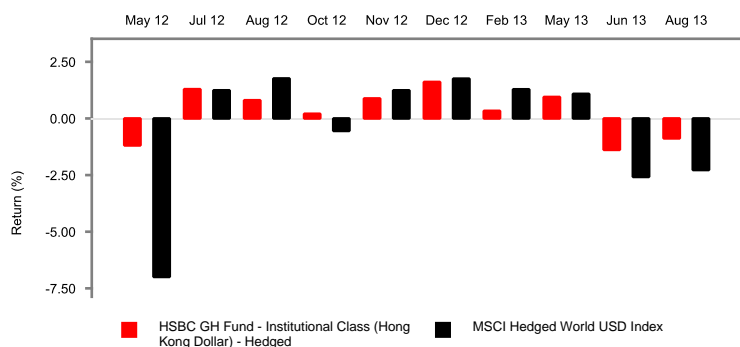
## 12 Month Rolling Return



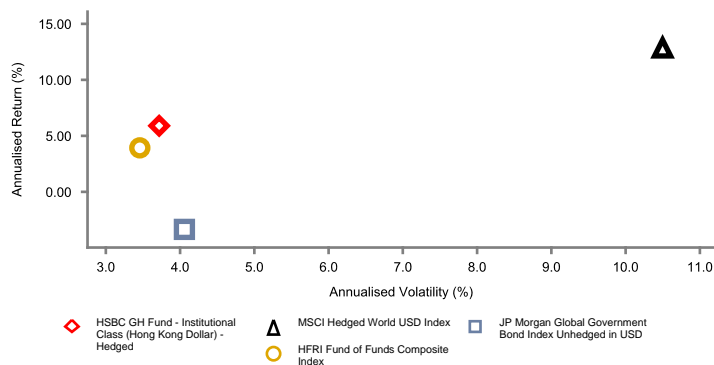
## 12 Month Rolling Volatility



## Worst Performing Months \*



## Risk / Return



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

## Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	2.43%	0.34%	1.06%	1.35%	0.95%	-1.39%	0.18%	-0.88%	0.84%	0.21%	0.88%	1.61%	4.07%
2012					-1.19%	-0.75%	1.29%	0.80%					3.72%

Share Class: Institutional Class (Hong Kong Dollar) - Hedged

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All subscriptions in any fund presented in this document are accepted only on the basis of the current prospectus, available on request also from the centralisation agent or the financial department. Before subscription, investors should refer to the prospectus for general and specific risk factors associated with this fund. The fund is a foreign umbrella fund with multiple sub-funds with special risks under Swiss law and is structured as an open-ended unit trust domiciled in Guernsey. The Fund invests as a "fund of funds" in hedge funds. An investment in the Fund carries substantial risks. The risks inherent to an investment in hedge funds are of a nature and degree not typically encountered in investments in securities of companies listed on major securities markets worldwide. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over time. Investors incur the risk of losing all or part of their investment in the Fund. Prospective investors should carefully consider whether an investment in shares is suitable for them in the light of their own circumstances and financial resources (see the sections entitled "Risk Warnings and Disclosures for Investors in the Funds" and "Additional Risk Factors" of the Prospectus). The Fund will, however, endeavour to monitor risks through the selection of the Fund's investments based on a Due Diligence procedure (see the section entitled "Due Diligence Process" in the Prospectus). This document may not be distributed in the United States, Canada, Australia or any other country in which its distribution is unlawful. **The HSBC GH Fund referenced herein is: (i) no longer offered by or through any HSBC U.S. booking center, and (ii) not offered or sold to U.S. residents.** © Copyright. HSBC Management (Guernsey) Limited 2013. ALL RIGHTS RESERVED. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of HSBC Management (Guernsey) Limited. Performance figures quoted are net of all fees. Issuance and redemption commissions are not included in the performance figures.

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 Creation Time: 10:44:00  
 Creation Date: 18 Sep 2013  
 Report Instance: 962776



# HSBC Leveraged GH Fund

USD Class

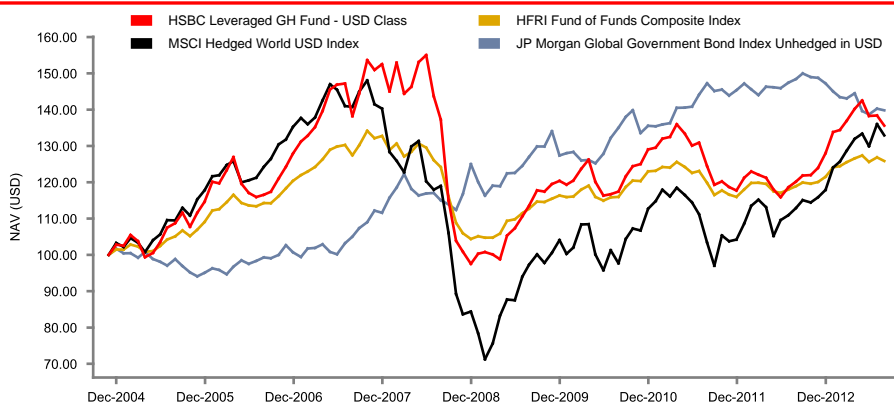
30 August 2013

## Fund Performance and Analysis

	HSBC Leveraged GH Fund - USD Class	MSCI Hedged World USD Index	HFRI Fund of Funds Composite Index	JP Morgan Global Government Bond Index Unhedged in USD
MTD Return	-2.02%	-2.28%	-0.79%	-0.33%
YTD Return	5.94%	12.74%	3.58%	-5.03%
12 Month Return	12.84%	17.74%	5.86%	-5.80%
Actual Return	35.60%	32.91%	25.85%	39.81%
Annualised Return	3.54%	3.30%	2.66%	3.90%
Annualised Volatility	11.87%	14.71%	5.79%	6.69%
Sharpe Ratio (Annualised)*	0.11	0.07	0.06	0.24
Maximum Drawdown	-37.09%	-51.88%	-22.20%	-8.08%
% Positive Months	65.71%	60.95%	63.81%	57.14%
Correlation	1.00	0.63	0.95	-0.02
VaR(95%)	-5.59%	-7.02%	-2.76%	-3.16%
VaR(99%)	-7.96%	-9.92%	-3.89%	-4.49%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of USD 3M LIBOR Index over the period.  
All fund performance quoted above is since inception unless otherwise stated.

## Historical Performance



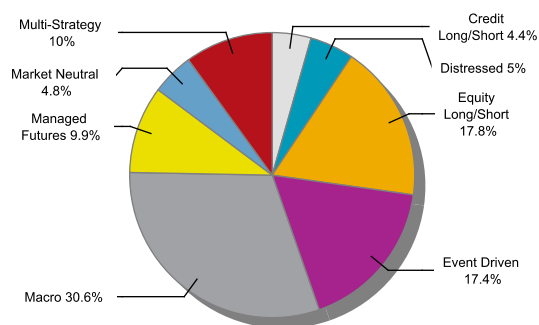
Past performance is not a reliable indicator of future results.

## Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

The Fund was down over the month, with losses largely driven by the Macro allocation. There were also smaller negative contributions from Managed Futures and Equity Long/Short. Within Macro, one fund drove the losses, hurt by a number of trades, especially in the energy sector. The manager had expected the WTI futures curve to flatten, but the front-end spiked in August due to the tensions in Syria. Managed Futures was also hurt by one fund's losses, primarily from longs in equity indices, shorts in precious metals and various currency positions. Although Equity Long/Short was down, performance was reasonably defensive given the falls in equity markets, thanks to modest net exposures and positioning in stocks and sectors. Elsewhere in the portfolio, returns were muted overall. The Event Driven allocation was mixed, with one fund helped by a position in a gold mining company, which reported strong drilling results, whilst another fund was hurt by various positions in the TMT (telecommunications, media and technology) sector. Distressed was up marginally, thanks to carry from the portfolio of ABS (Asset Backed Securities) securities, whilst high yield bond positions detracted from the performance of our Credit Long/Short allocation. Multi-Strategy was a positive contributor, driven by allocations to trading-oriented equity strategies.

## Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

## Fund Objective

The Fund seeks to provide a total return through leveraged investment predominantly in HSBC GH Fund, that itself seeks to provide a total return from selective investment in a number of hedge funds, which utilise and trade a range of different strategies and markets worldwide. The fund will borrow up to 100% of its Net Asset Value to facilitate additional investments in the target fund. The investment funds will be selected and monitored by HSBC Alternative Investments Limited. The Fund is a sub-fund within HSBC Portfolio Selection Fund; a unit trust umbrella that has been authorised as a Class B Scheme in Guernsey.

**Portfolio Size:** USD 1,561.08m

USD Class	Month to date:	-2.02%
	Year to date:	5.94%
	NAV:	135.60

## Fund Details

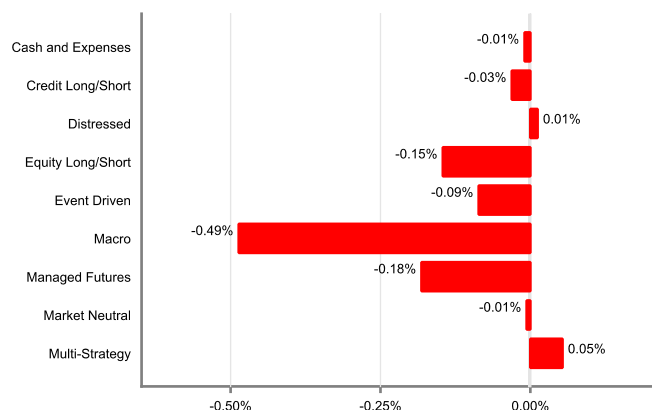
<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	USD
<b>Inception Date</b>	30 November 2004
<b>Subscription</b>	Monthly, with 6 Business Day(s) notice
<b>Redemption</b>	Monthly, subject to 1 month plus 6 Business Days notice.
<b>Minimum</b>	USD 25,000
<b>Management Fee</b>	1.75 % per annum
<b>Performance Fee</b>	10 % of any return exceeding the benchmark
<b>Hurdle</b>	200% USD 3M Libor Index. All fees charged on gross assets. Refer to the fund prospectus for all details.
<b>Reuters Page</b>	HSBC/HMGC
<b>Bloomberg</b>	HLVGGHD
<b>ISIN Number</b>	GB00B067KX72

## Top 10 Holdings \*

Third Point Offshore Fund, Ltd.	7.33%
Brevan Howard Fund Limited	7.12%
D.E. Shaw Oculus Intl Fund L.P.	6.81%
BTG Pactual Global Emerging Markets and Macro Fund	6.79%
Tudor BVI Global Fund Ltd.	6.04%
Lansdowne Developed Markets Fund Limited	6.00%
CQS Directional Opportunities Feeder Fund Limited	4.99%
Two Sigma Spectrum Cayman Fund, Ltd.	4.78%
S.A.C. Capital International, Ltd.	4.74%
Halcyon Offshore Asset-Backed Value Fund Ltd.	4.71%

Top 10 Holdings	=	59.3% of portfolio
Top 20 Holdings	=	95.13% of portfolio

## Strategy Contribution

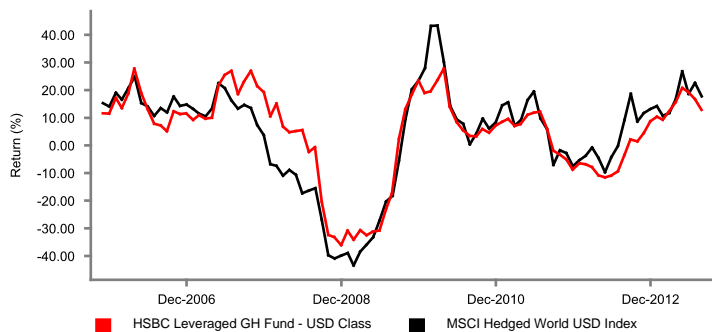


# HSBC Leveraged GH Fund

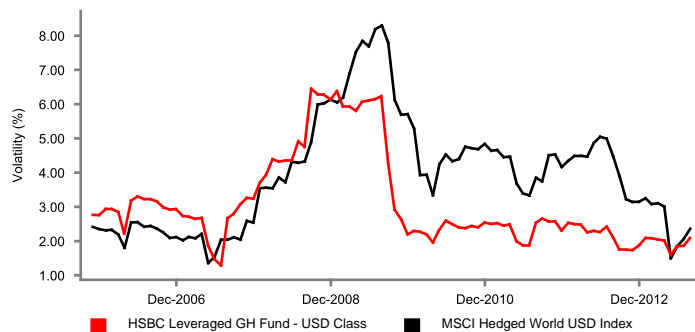
USD Class

30 August 2013

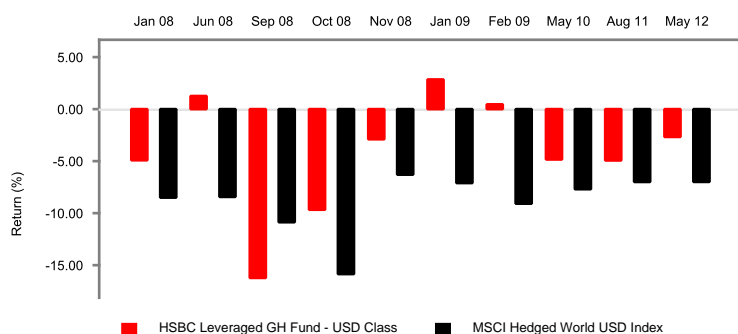
## 12 Month Rolling Return



## 12 Month Rolling Volatility

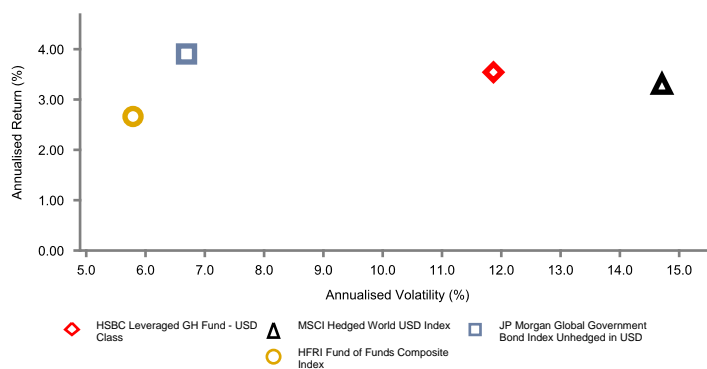


## Worst Performing Months \*



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

## Risk / Return



## Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	4.55%	0.43%	1.88%	2.41%	1.63%	-2.99%	0.09%	-2.02%					5.94%
2012	2.98%	1.43%	-0.72%	-0.70%	-2.67%	-1.79%	2.36%	1.31%	1.41%	0.09%	1.62%	3.26%	8.72%
2011	0.40%	1.90%	0.37%	2.63%	-1.88%	-2.48%	0.61%	-4.94%	-4.13%	0.78%	-1.29%	-0.80%	-8.76%
2010	-0.87%	0.94%	2.71%	2.01%	-4.84%	-3.15%	0.29%	0.64%	3.59%	2.29%	0.48%	3.22%	7.18%
2009	2.85%	0.46%	-0.66%	-1.31%	6.60%	1.92%	3.03%	2.67%	3.73%	-0.25%	1.74%	0.74%	23.44%
2008	-4.92%	5.45%	-5.58%	1.33%	4.64%	1.26%	-7.30%	-4.49%	-16.22%	-9.66%	-2.90%	-3.31%	-36.06%
2007	2.58%	1.23%	1.79%	3.28%	4.24%	0.91%	0.21%	-6.11%	4.49%	6.38%	-1.76%	1.05%	19.26%
2006	4.80%	-0.35%	2.99%	2.95%	-5.78%	-2.10%	-0.98%	0.53%	0.72%	3.09%	2.69%	2.92%	11.58%
2005	-0.26%	2.87%	-1.62%	-4.25%	1.20%	2.94%	3.86%	1.14%	2.65%	-3.47%	3.58%	2.72%	11.51%
2004												2.80%	2.80%

Share Class: USD Class

Past performance is not a reliable indicator of future results.

## Disclaimer

This document has been issued by HSBC Management (Guernsey) Limited, which is regulated by the Guernsey Financial Services Commission ("GFSC"). The Fund is a riskier part and the domicile of the Fund is Guernsey. The HSBC Leveraged GH Fund ("the Fund") is a sub-fund of HSBC Portfolio Selection Fund. The GFSC has authorised the Fund as a Class B Collective Investment Scheme under the Protection of Investors (Bailiwick of Guernsey) Law 1987. The GFSC does not guarantee the financial soundness or the correctness of any of the statements made or opinions expressed with regard to the Fund. The information has been issued by sources believed to be reliable, although this is not guaranteed, and the information stated and opinions expressed constitute best judgement at the time of publication, and are subject to change without prior notification. Past performance is not a guarantee of future performance. The price of units or shares can go down as well as up and may be affected by changes in exchange rates. An investor may not receive back the amount invested. It is essential that investors read the prospectus of the Fund and acquaint themselves with the risks associated with an investment in the Fund, including the risks of the underlying investments. The information contained within this material has not been reviewed in the light of your personal circumstances. If you require investment advice or wish to discuss the suitability of any investment decision, you should contact your Relationship Manager or you should seek such financial, legal or tax advice from your professional advisers as appropriate. This document is not and should not be construed as an offer to sell or solicitation of an offer to purchase or subscribe for any investment or service. In the UK, the Fund is an Unregulated Collective Investment Scheme and as such, distribution of this document is restricted to defined categories of investors described within The Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 and/or permissible categories of investor under FCA COBS 4.12. For Swiss investors, this is a non contractual document. The fund is authorised for public distribution in Switzerland in the meaning of Art. 120 of the Federal Collective Investment Schemes Act. You are kindly asked to consult the latest issued prospectus, statutes and the (semi-)annual report of the fund which may be obtained free of charge at the office of the Swiss representative: ACOLIN Fund Services AG, Stadelhoferstrasse 18, CH-8001 Zürich. Paying agent: HSBC Private Bank (Suisse) S.A., Quai Général Guisan 2, P.O. Box 3580, 1211 Geneva 3. Capital is not guaranteed. All subscriptions in any fund presented in this document are accepted only on the basis of the current prospectus, available on request also from the centralisation agent or the financial department. Before subscription, investors should refer to the prospectus for general and specific risk factors associated with this fund. The fund is a foreign umbrella fund with multiple sub-funds with special risks under Swiss law and is structured as an open-ended unit trust domiciled in Guernsey. The Fund invests as a "fund of funds" in hedge funds. An investment in the Fund carries substantial risks. The risks inherent to an investment in hedge funds are of a nature and degree not typically encountered in investments in securities of companies listed on major securities markets worldwide. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over time. Investors incur the risk of losing all or part of their investment in the Fund. Prospective investors should carefully consider whether an investment in shares is suitable for them in the light of their own circumstances and financial resources (see the sections entitled "Risk Warnings and Disclosures for Investors in the Funds" and "Additional Risk Factors" of the Prospectus). The Fund will, however, endeavour to monitor risks through the selection of the Fund's investments based on a Due Diligence procedure (see the section entitled "Due Diligence Process" in the Prospectus). This document may not be distributed in the United States, Canada, Australia or any other country in which its distribution is unlawful. **The HSBC Leveraged GH Fund referenced herein is: (i) no longer offered by or through any HSBC U.S. booking center, and (ii) not offered or sold to U.S. residents.** © Copyright. HSBC Management (Guernsey) Limited 2013. ALL RIGHTS RESERVED. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of HSBC Management (Guernsey) Limited. Performance figures quoted are net of all fees. Issuance and redemption commissions are not included in the performance figures.

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**Internet site:** <http://www.hail.hsbc.com>  
 Creation Time 10:46:14  
 Creation Date 18 Sep 2013  
 Report Instance 962778

# HSBC UCITS AdvantEdge Fund

Euro Class

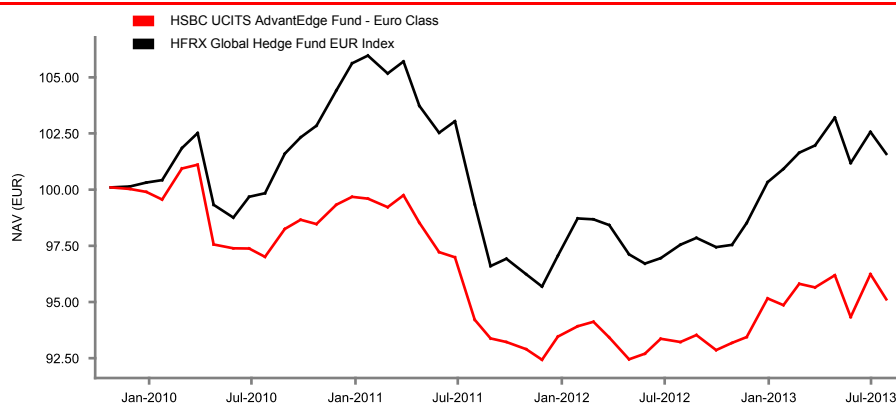
28 August 2013

## Fund Performance and Analysis

	HSBC UCITS AdvantEdge Fund - Euro Class	HFRX Global Hedge Fund EUR Index
MTD Return	-1.16%	-0.95%
YTD Return	1.80%	3.12%
12 Month Return	2.04%	4.14%
Actual Return	-4.81%	3.08%
Annualised Return	-1.31%	0.81%
Annualised Volatility	3.60%	4.37%
Sharpe Ratio (Annualised)*	-0.57	0.01
Maximum Drawdown	-8.58%	-9.70%
% Positive Months	43.48%	65.22%
Correlation	1.00	0.88
VaR(95%)	-1.70%	-2.08%
VaR(99%)	-2.41%	-2.98%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of EUR 3M LIBOR Index over the period.  
All fund performance quoted above is since inception unless otherwise stated.

## Historical Performance



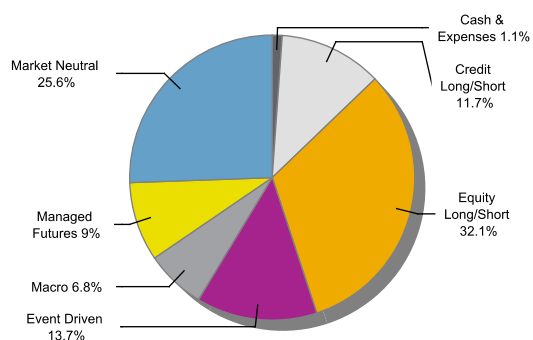
Past performance is not a reliable indicator of future results.

## Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

Against this backdrop, the Fund was down over the month with mixed performance from the strategies. Equity Long/Short was the largest negative contributor to performance as a holding in a US clothing retailer fell on the back of worse than expected Q2 2013 sales. Also, short positions in a Spanish bank and an Italian utilities company detracted. Managed Futures contributed negatively as losses were incurred from equity indices and cash equities, both of which sold off during the month and more than offset gains from the soybeans allocation. Event Driven incurred losses from European exposures, more specifically from names in the financial and airline sectors. Within Market Neutral positive performance from certain themes in the TMT (telecommunications, media and technology) sector, such as the out-performance of software investments versus legacy computer stocks, was more than offset by losses from short positions in UK and Nordic industrial exporters. Credit Long/Short added to performance as European credit markets outperformed the US on a relative basis, which was hurt from outflows from US mutual funds and ETFs. Significant contributors to the strategy's performance included a German real estate company and several high yield issuers. Macro finished the month nearly flat. Positive performance from long positions in the Korean Won was offset by losses from long Indian Rupee holdings.

## Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

## Fund Objective

The investment objective of the Fund is to generate long term capital growth by investing in an internationally diversified portfolio of shares and units in collective investment schemes and other permitted investments.

## Portfolio Size: EUR 80.44m

Euro Class	Month to date:	-1.16%
	Year to date:	1.80%
	NAV:	95.12

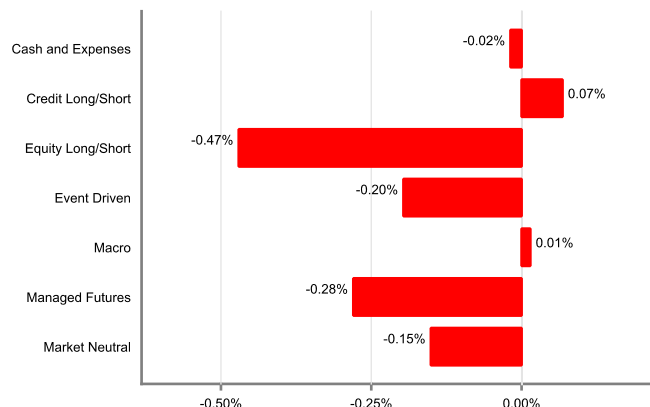
## Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	EUR
<b>Inception Date</b>	04 November 2009
<b>Subscription</b>	Weekly, with 3 Business Day(s) notice
<b>Redemption</b>	Weekly, subject to 3 Business Day(s) notice.
<b>Minimum Management Fee</b>	EUR 25,000
<b>Performance Fee</b>	1.5 % per annum
<b>Hurdle</b>	10 % of any return exceeding the benchmark
<b>Reuters Page</b>	EUR 3M LIBOR + 3.5% Index
<b>Bloomberg</b>	HSADVEU ID
<b>ISIN Number</b>	IE00B4T7Y304

## Top 10 Holdings \*

GLG European Equity Alternative	14.43%
MLIS - OZ Europe UCITS	13.71%
MLIS - CCI Healthcare Long-Short UCITS Fund	11.88%
BlackRock European Credit Strategies	11.69%
RWC US Absolute	11.20%
BlackRock EDEAR Fund	11.12%
World Invest Absolute Return SICAV	9.05%
DB Platinum IV DBX Systematic Alpha Index	8.98%
Brevan Howard Emerging Markets Fixed Income	6.81%
Cash and Expenses	1.13%

## Strategy Contribution

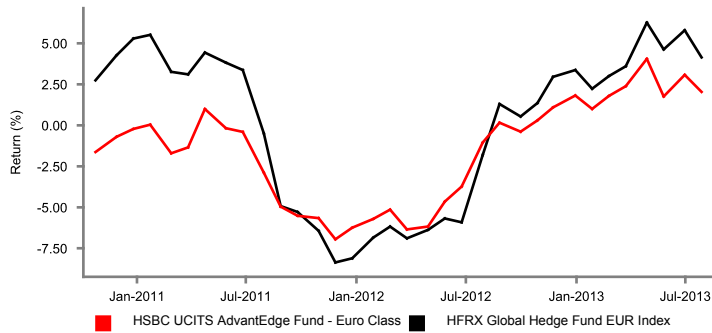


# HSBC UCITS AdvantEdge Fund

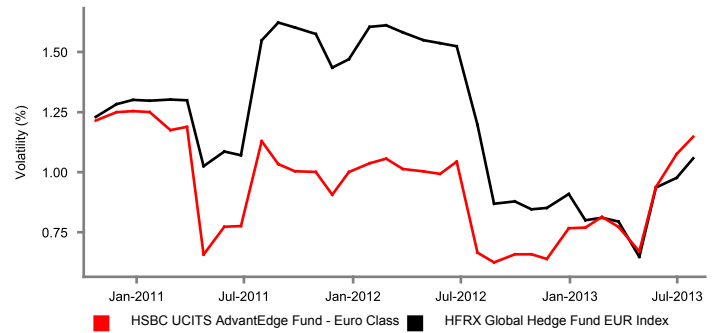
Euro Class

28 August 2013

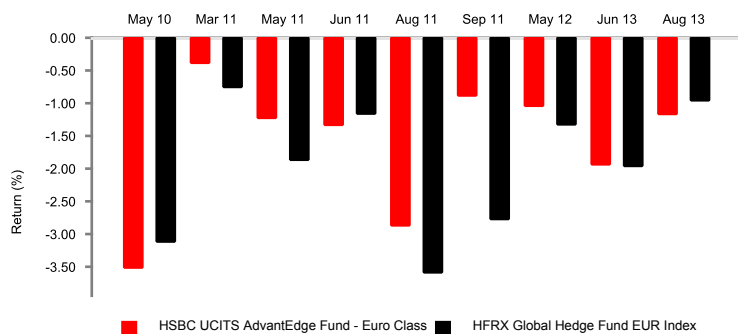
## 12 Month Rolling Return



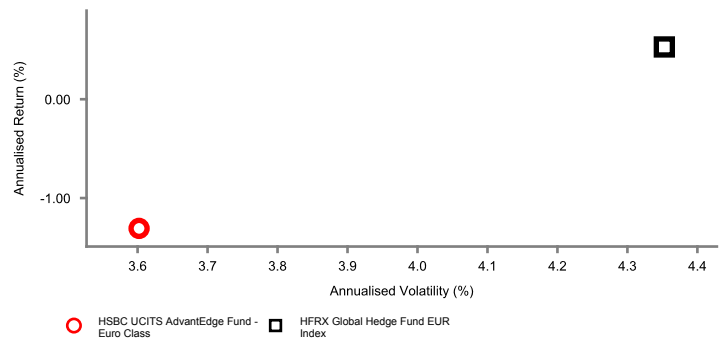
## 12 Month Rolling Volatility



## Worst Performing Months \*



## Risk / Return



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

## Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	1.84%	-0.32%	1.00%	-0.17%	0.56%	-1.93%	2.02%	-1.16%					<b>1.80%</b>
2012	1.11%	0.49%	0.21%	-0.74%	-1.04%	0.27%	0.72%	-0.16%	0.33%	-0.72%	0.34%	0.28%	<b>1.09%</b>
2011	0.35%	-0.08%	-0.38%	0.53%	-1.22%	-1.33%	-0.24%	-2.87%	-0.88%	-0.17%	-0.34%	-0.51%	<b>-6.95%</b>
2010	-0.13%	-0.34%	1.39%	0.17%	-3.51%	-0.17%	-0.01%	-0.38%	1.28%	0.42%	-0.19%	0.87%	<b>-0.70%</b>
2009											0.17%	-0.07%	<b>0.10%</b>

Share Class: Euro Class

Monthly returns based on NAVs as of the last Wednesday of the month

Past performance is not a reliable indicator of future results.

## Disclaimer

HSBC UCITS AdvantEdge Fund ("the Fund") is a sub-fund of HSBC UCITS AdvantEdge plc This document has been issued by the investment manager HSBC Alternative Investments Limited ("HAIL"), which is regulated by the Financial Conduct Authority ("FCA"). HSBC UCITS AdvantEdge Fund ("the Fund") is a sub-fund of HSBC UCITS AdvantEdge plc (the Company), an open-ended umbrella limited liability investment company, with variable capital and segregated liability between its Funds, which is incorporated in Ireland and authorised under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003. Such authorisation is not an endorsement or guarantee of the Fund or the Company by the Financial Regulator nor is the Financial Regulator responsible for the contents of the company's prospectus. 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It is essential that investors read the prospectus of the Company, including the supplement relating to the Fund and acquaint themselves with the risks associated with an investment in the Fund, including the risks of the underlying investments. The information contained within this material has not been reviewed in the light of your personal circumstances. If you require investment advice or wish to discuss the suitability of any investment decision, you should contact your Relationship Manager or you should seek such financial, legal or tax advice from your professional advisers as appropriate. This document is not and should not be construed as an offer to sell or solicitation of an offer to purchase or subscribe for any investment or service. For Swiss investors, this is a non contractual document. The fund is authorised for public distribution in Switzerland in the meaning of Art. 120 of the Federal Collective Investment Schemes Act. You are kindly asked to consult the latest issued prospectus, KIID, statutes and the (semi)-annual report of the fund which may be obtained free of charge at the office of the Swiss representative: ACOLIN Fund Services AG, Stadelhoferstrasse 18, CH-8001 Zürich. Paying agent: HSBC Private Bank (Suisse) S.A., Quai Général Guisan 2, P.O. Box 3580, 1211 Geneva 3. Capital is not guaranteed. All subscriptions in any fund presented in this document are accepted only on the basis of the current prospectus, available on request also from the centralisation agent or the financial department. Before subscription, investors should refer to the prospectus for general risk factors and to the KIID for specific risk factors associated with this fund. In the UK, this document is distributed by HSBC Private Bank (UK) Ltd, which is authorised and regulated by the FCA and whose office is located at 78 St James's Street, London, SW1A 1JB. This fund is recognised by the FCA under section 264 of FSMA. The Fund invests as a "fund of funds", predominately in other UCITS hedge funds. An investment in the Fund carries risks. The risks inherent to an investment in hedge funds are of a nature and degree not typically encountered in investments in securities of companies listed on major securities markets worldwide. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over time. Investors incur the risk of losing all or part of their investment in the Fund. Prospective investors should carefully consider whether an investment in shares is suitable for them in the light of their own circumstances and financial resources (see the section entitled "Risk Factors" in the Company's prospectus and the section entitled "Specific Risk Factors" in the Fund Supplement. This document may not be distributed in the United States, Canada, Australia or any other country in which its distribution is unlawful. **The HSBC UCITS AdvantEdge Fund referenced herein is: (i) no longer offered by or through any HSBC U.S. booking center, and (ii) not offered or sold to U.S. residents.** © Copyright. HSBC Alternative Investments Limited 2013. ALL RIGHTS RESERVED. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of HSBC Alternative Investments Limited. Performance figures quoted are net of all fees. Issuance and redemption commissions are not included in the performance figures.

## Contacts

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**Tel:** +(44) 207 860 6532  
**Internet site:** <http://www.hail.hbsc.com>  
 Creation Time 16:27:45  
 Creation Date 17 Sep 2013  
 Report Instance 962680

# HSBC UCITS AdvantEdge Fund

US Dollar Class - Hedged

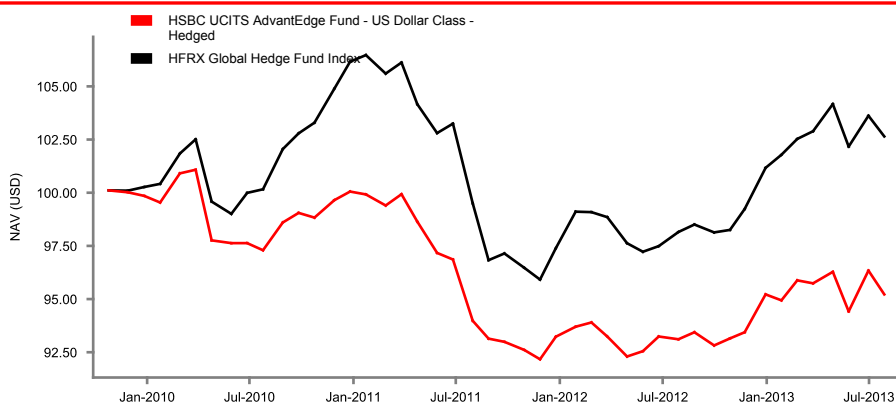
28 August 2013

## Fund Performance and Analysis

	HSBC UCITS AdvantEdge Fund - US Dollar Class - Hedged	HFRX Global Hedge Fund Index
MTD Return	-1.16%	-0.94%
YTD Return	1.90%	3.44%
12 Month Return	2.27%	4.58%
Actual Return	-4.71%	4.20%
Annualised Return	-1.28%	1.10%
Annualised Volatility	3.61%	4.38%
Sharpe Ratio (Annualised)*	-0.45	0.17
Maximum Drawdown	-8.81%	-9.91%
% Positive Months	43.48%	63.04%
Correlation	1.00	0.89
VaR(95%)	-1.70%	-2.09%
VaR(99%)	-2.42%	-2.94%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of USD 3M LIBOR Index over the period.  
All fund performance quoted above is since inception unless otherwise stated.

## Historical Performance



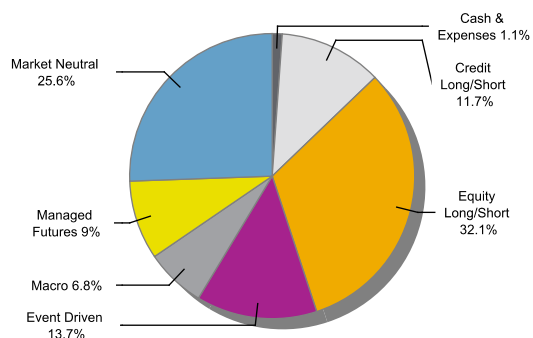
Past performance is not a reliable indicator of future results.

## Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

Against this backdrop, the Fund was down over the month with mixed performance from the strategies. Equity Long/Short was the largest negative contributor to performance as a holding in a US clothing retailer fell on the back of worse than expected Q2 2013 sales. Also, short positions in a Spanish bank and an Italian utilities company detracted. Managed Futures contributed negatively as losses were incurred from equity indices and cash equities, both of which sold off during the month and more than offset gains from the soybeans allocation. Event Driven incurred losses from European exposures, more specifically from names in the financial and airline sectors. Within Market Neutral positive performance from certain themes in the TMT (telecommunications, media and technology) sector, such as the out-performance of software investments versus legacy computer stocks, was more than offset by losses from short positions in UK and Nordic industrial exporters. Credit Long/Short added to performance as European credit markets outperformed the US on a relative basis, which was hurt from outflows from US mutual funds and ETFs. Significant contributors to the strategy's performance included a German real estate company and several high yield issuers. Macro finished the month nearly flat. Positive performance from long positions in the Korean Won was offset by losses from long Indian Rupee holdings.

## Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

## Fund Objective

The investment objective of the Fund is to generate long term capital growth by investing in an internationally diversified portfolio of shares and units in collective investment schemes and other permitted investments.

**Portfolio Size: EUR 80.44m**

US Dollar Class - Hedged	Month to date:	-1.16%
	Year to date:	1.90%
	NAV:	95.22

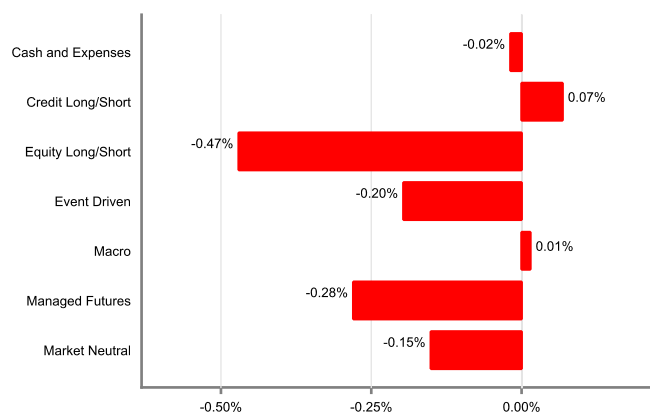
## Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	EUR
<b>Inception Date</b>	04 November 2009
<b>Subscription</b>	Weekly, with 3 Business Day(s) notice
<b>Redemption</b>	Weekly, subject to 3 Business Day(s) notice.
<b>Minimum Management Fee</b>	USD 25,000
<b>Performance Fee</b>	1.5 % per annum
<b>Hurdle</b>	10 % of any return exceeding the benchmark USD 3M LIBOR + 3.5% Index
<b>Reuters Page</b>	
<b>Bloomberg</b>	HSADVUS ID
<b>ISIN Number</b>	IE00B4WJWP18

## Top 10 Holdings \*

GLG European Equity Alternative	14.43%
MLIS - OZ Europe UCITS	13.71%
MLIS - CCI Healthcare Long-Short UCITS Fund	11.88%
BlackRock European Credit Strategies	11.69%
RWC US Absolute	11.20%
BlackRock EDEAR Fund	11.12%
World Invest Absolute Return SICAV	9.05%
DB Platinum IV DBX Systematic Alpha Index	8.98%
Brevan Howard Emerging Markets Fixed Income	6.81%
Cash and Expenses	1.13%

## Strategy Contribution

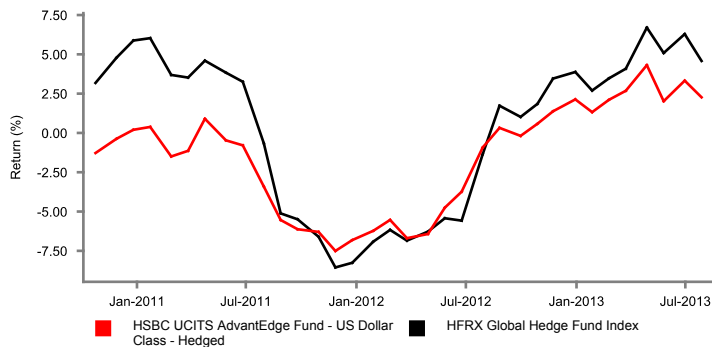


# HSBC UCITS AdvantEdge Fund

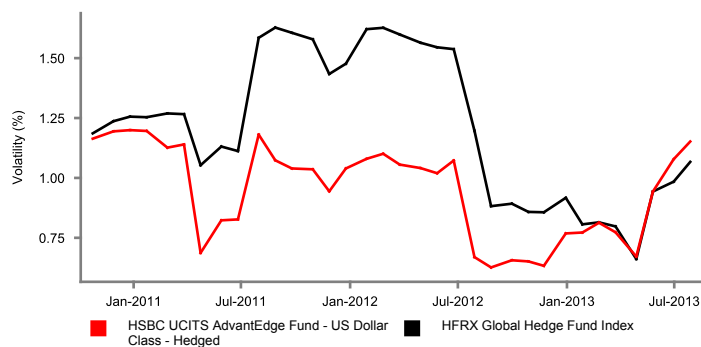
US Dollar Class - Hedged

28 August 2013

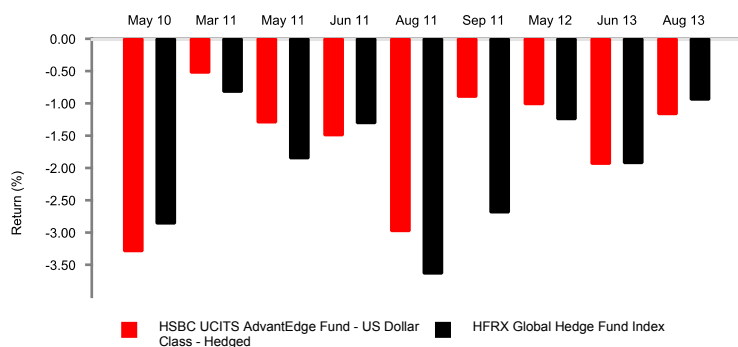
## 12 Month Rolling Return



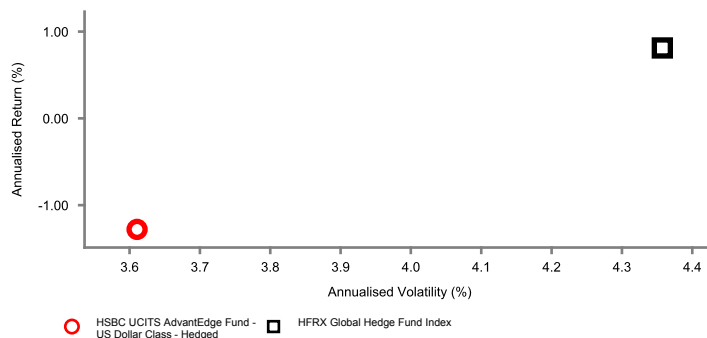
## 12 Month Rolling Volatility



## Worst Performing Months \*



## Risk / Return



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

## Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	1.90%	-0.29%	0.99%	-0.15%	0.56%	-1.93%	2.03%	-1.16%					1.90%
2012	1.15%	0.50%	0.21%	-0.70%	-1.01%	0.27%	0.75%	-0.14%	0.35%	-0.66%	0.36%	0.31%	1.38%
2011	0.40%	-0.13%	-0.52%	0.53%	-1.29%	-1.49%	-0.32%	-2.97%	-0.89%	-0.16%	-0.41%	-0.48%	-7.51%
2010	-0.17%	-0.31%	1.38%	0.17%	-3.28%	-0.13%	0.00%	-0.34%	1.34%	0.46%	-0.22%	0.83%	-0.37%
2009											0.18%	-0.09%	0.09%

Share Class: US Dollar Class - Hedged

Monthly returns based on NAVs as of the last Wednesday of the month

Past performance is not a reliable indicator of future results.

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**Internet site:** <http://www.hail.hbsc.com>

Creation Time 16:30:39  
 Creation Date 17 Sep 2013  
 Report Instance 962682

# HSBC UCITS AdvantEdge Fund

Sterling Class - Hedged

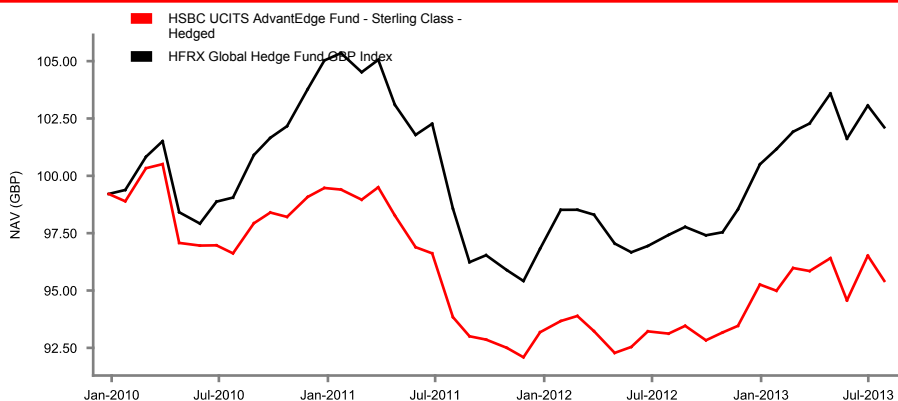
28 August 2013

## Fund Performance and Analysis

	HSBC UCITS AdvantEdge Fund - Sterling Class - Hedged	HFRX Global Hedge Fund GBP Index
MTD Return	-1.14%	-0.92%
YTD Return	2.10%	3.63%
12 Month Return	2.47%	4.82%
Actual Return	-4.58%	1.72%
Annualised Return	-1.30%	0.48%
Annualised Volatility	3.74%	4.43%
Sharpe Ratio (Annualised)*	-0.55	-0.07
Maximum Drawdown	-8.38%	-9.43%
% Positive Months	45.45%	63.64%
Correlation	1.00	0.90
VaR(95%)	-1.76%	-2.07%
VaR(99%)	-2.50%	-2.91%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of GBP 3M LIBOR Index over the period.  
All fund performance quoted above is since inception unless otherwise stated.

## Historical Performance



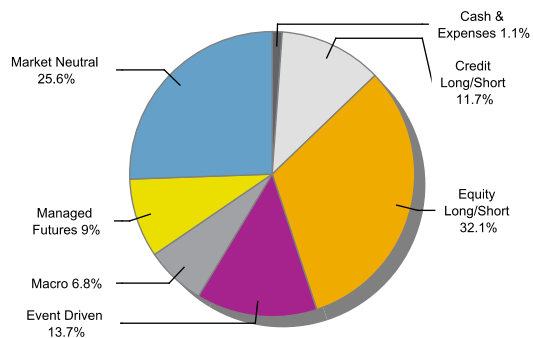
Past performance is not a reliable indicator of future results.

## Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

Against this backdrop, the Fund was down over the month with mixed performance from the strategies. Equity Long/Short was the largest negative contributor to performance as a holding in a US clothing retailer fell on the back of worse than expected Q2 2013 sales. Also, short positions in a Spanish bank and an Italian utilities company detracted. Managed Futures contributed negatively as losses were incurred from equity indices and cash equities, both of which sold off during the month and more than offset gains from the soybeans allocation. Event Driven incurred losses from European exposures, more specifically from names in the financial and airline sectors. Within Market Neutral positive performance from certain themes in the TMT (telecommunications, media and technology) sector, such as the out-performance of software investments versus legacy computer stocks, was more than offset by losses from short positions in UK and Nordic industrial exporters. Credit Long/Short added to performance as European credit markets outperformed the US on a relative basis, which was hurt from outflows from US mutual funds and ETFs. Significant contributors to the strategy's performance included a German real estate company and several high yield issuers. Macro finished the month nearly flat. Positive performance from long positions in the Korean Won was offset by losses from long Indian Rupee holdings.

## Strategy Allocation \*



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## Fund Objective

The investment objective of the Fund is to generate long term capital growth by investing in an internationally diversified portfolio of shares and units in collective investment schemes and other permitted investments.

## Portfolio Size: EUR 80.44m

Sterling Class - Hedged	Month to date:	-1.14%
	Year to date:	2.10%
	NAV:	95.42
Sterling R Class - Hedged	Month to date:	-1.09%
	Year to date:	1.98%
	NAV:	101.98
Sterling Institutional R Class - Hedged	Month to date:	-1.08%
	Year to date:	2.14%
	NAV:	102.14

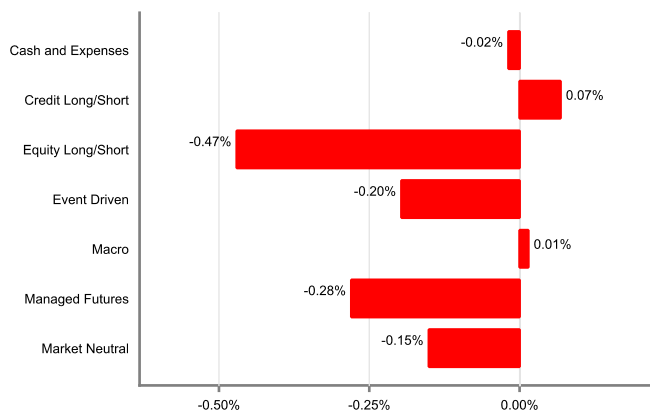
## Fund Details

Investment Adviser	HSBC Alternative Investments Limited
Base Currency	EUR
Inception Date	13 January 2010
Subscription	Weekly, with 3 Business Day(s) notice
Redemption	Weekly, subject to 3 Business Day(s) notice.
Minimum	GBP 25,000
Management Fee	1.5 % per annum
Performance Fee	10 % of any return exceeding the benchmark
Hurdle	GBP 3M LIBOR + 3.5% Index
Reuters Page	
Bloomberg	HSADVGB ID
ISIN Number	IE00B55H4F31

## Top 10 Holdings \*

GLG European Equity Alternative	14.43%
MLIS - OZ Europe UCITS	13.71%
MLIS - CCI Healthcare Long-Short UCITS Fund	11.88%
BlackRock European Credit Strategies	11.69%
RWC US Absolute	11.20%
BlackRock EDEAR Fund	11.12%
World Invest Absolute Return SICAV	9.05%
DB Platinum IV DBX Systematic Alpha Index	8.98%
Brevan Howard Emerging Markets Fixed Income	6.81%
Cash and Expenses	1.13%

## Strategy Contribution

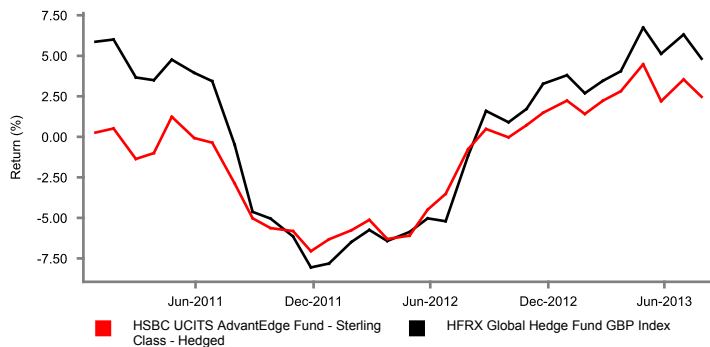


# HSBC UCITS AdvantEdge Fund

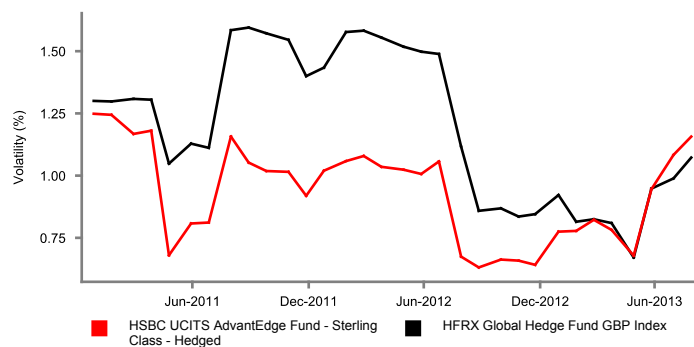
Sterling Class - Hedged

28 August 2013

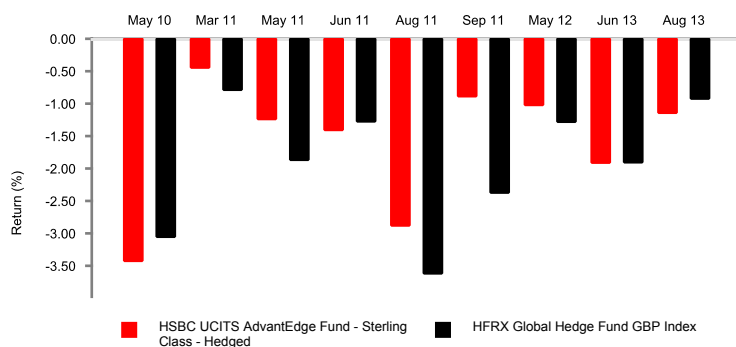
## 12 Month Rolling Return



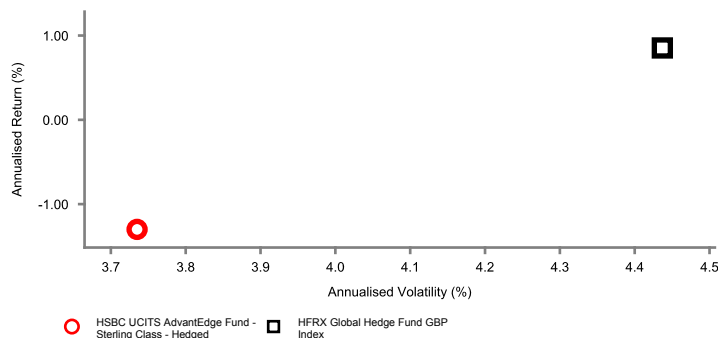
## 12 Month Rolling Volatility



## Worst Performing Months \*



## Risk / Return



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

## Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	1.93%	-0.28%	1.04%	-0.14%	0.58%	-1.91%	2.06%	-1.14%					2.10%
2012	1.18%	0.53%	0.23%	-0.70%	-1.02%	0.28%	0.73%	-0.11%	0.37%	-0.67%	0.37%	0.31%	1.49%
2011	0.39%	-0.07%	-0.44%	0.55%	-1.24%	-1.40%	-0.28%	-2.88%	-0.88%	-0.16%	-0.39%	-0.44%	-7.05%
2010	-0.79%	-0.32%	1.46%	0.18%	-3.42%	-0.11%	0.01%	-0.36%	1.36%	0.48%	-0.19%	0.89%	-0.92%

Share Class: Sterling Class - Hedged

Monthly returns based on NAVs as of the last Wednesday of the month

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## Contacts

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**Tel:** +(44) 207 860 6532

**Internet site:** <http://www.hail.hbsc.com>

Creation Time 16:28:44  
 Creation Date 17 Sep 2013  
 Report Instance 962681



# HSBC UCITS AdvantEdge Fund

Euro Institutional Class

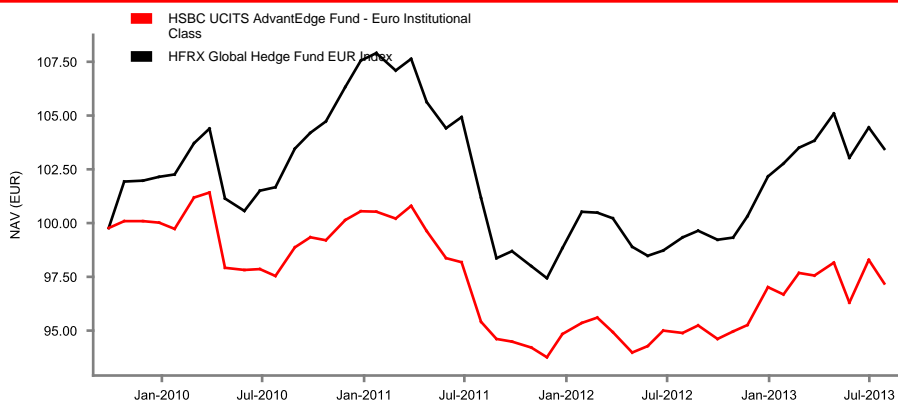
28 August 2013

## Fund Performance and Analysis

	HSBC UCITS AdvantEdge Fund - Euro Institutional Class	HFRX Global Hedge Fund EUR Index
MTD Return	-1.12%	-0.95%
YTD Return	2.03%	3.12%
12 Month Return	2.42%	4.14%
Actual Return	-3.27%	6.11%
Annualised Return	-0.86%	0.16%
Annualised Volatility	3.58%	4.41%
Sharpe Ratio (Annualised)*	-0.45	0.04
Maximum Drawdown	-7.55%	-9.70%
% Positive Months	44.68%	61.11%
Correlation	1.00	0.87
VaR(95%)	-1.70%	-2.07%
VaR(99%)	-2.41%	-2.93%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of EUR 3M LIBOR Index over the period.  
All fund performance quoted above is since inception unless otherwise stated.

## Historical Performance



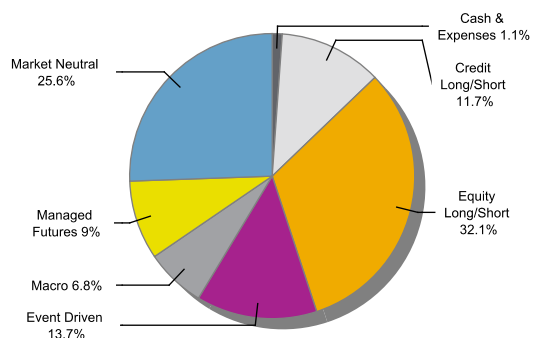
Past performance is not a reliable indicator of future results.

## Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

Against this backdrop, the Fund was down over the month with mixed performance from the strategies. Equity Long/Short was the largest negative contributor to performance as a holding in a US clothing retailer fell on the back of worse than expected Q2 2013 sales. Also, short positions in a Spanish bank and an Italian utilities company detracted. Managed Futures contributed negatively as losses were incurred from equity indices and cash equities, both of which sold off during the month and more than offset gains from the soybeans allocation. Event Driven incurred losses from European exposures, more specifically from names in the financial and airline sectors. Within Market Neutral positive performance from certain themes in the TMT (telecommunications, media and technology) sector, such as the out-performance of software investments versus legacy computer stocks, was more than offset by losses from short positions in UK and Nordic industrial exporters. Credit Long/Short added to performance as European credit markets outperformed the US on a relative basis, which was hurt from outflows from US mutual funds and ETFs. Significant contributors to the strategy's performance included a German real estate company and several high yield issuers. Macro finished the month nearly flat. Positive performance from long positions in the Korean Won was offset by losses from long Indian Rupee holdings.

## Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

## Fund Objective

The investment objective of the Fund is to generate long term capital growth by investing in an internationally diversified portfolio of shares and units in collective investment schemes and other permitted investments.

## Portfolio Size: EUR 80.44m

Class	Month to date:	Year to date:	NAV:
Euro Institutional Class	-1.12%	2.03%	97.19
Euro Institutional R Class	-1.09%	1.85%	101.85

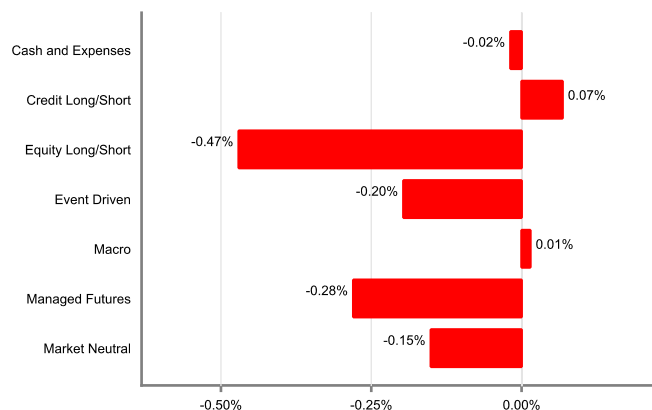
## Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	EUR
<b>Inception Date</b>	14 October 2009
<b>Subscription</b>	Weekly, with 3 Business Day(s) notice
<b>Redemption</b>	Weekly, subject to 3 Business Day(s) notice.
<b>Minimum</b>	EUR 1,000,000
<b>Management Fee</b>	1 % per annum
<b>Performance Fee</b>	10 % of any return exceeding the benchmark
<b>Hurdle</b>	EUR 3M LIBOR + 3.5% Index
<b>Reuters Page</b>	
<b>Bloomberg</b>	HSADVEI ID
<b>ISIN Number</b>	IE00B4WLTG77

## Top 10 Holdings \*

GLG European Equity Alternative	14.43%
MLIS - OZ Europe UCITS	13.71%
MLIS - CCI Healthcare Long-Short UCITS Fund	11.88%
BlackRock European Credit Strategies	11.69%
RWC US Absolute	11.20%
BlackRock EDEAR Fund	11.12%
World Invest Absolute Return SICAV	9.05%
DB Platinum IV DBX Systematic Alpha Index	8.98%
Brevan Howard Emerging Markets Fixed Income	6.81%
Cash and Expenses	1.13%

## Strategy Contribution

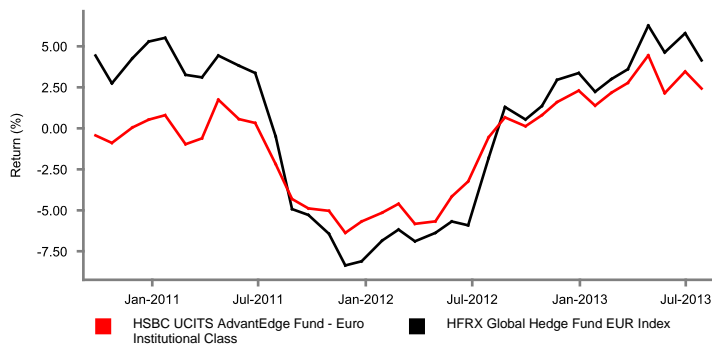


# HSBC UCITS AdvantEdge Fund

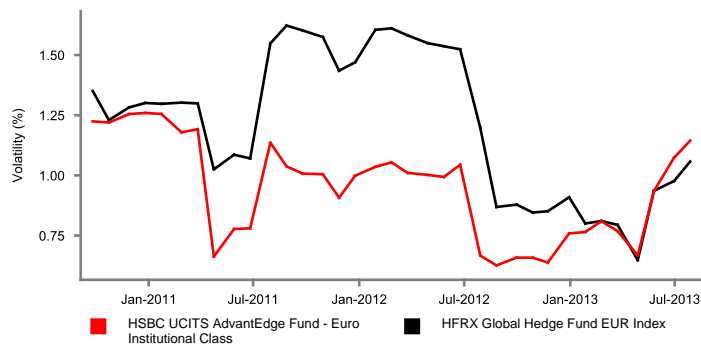
Euro Institutional Class

28 August 2013

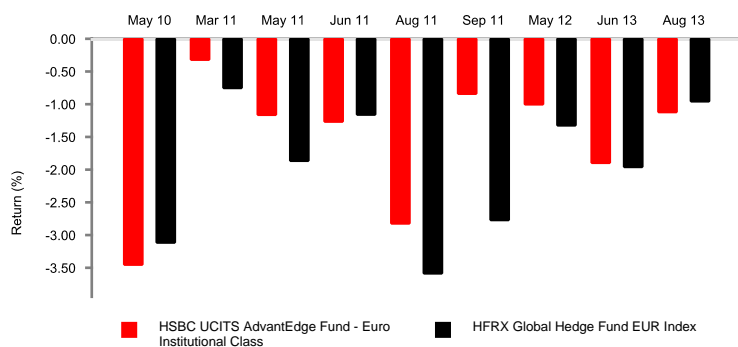
## 12 Month Rolling Return



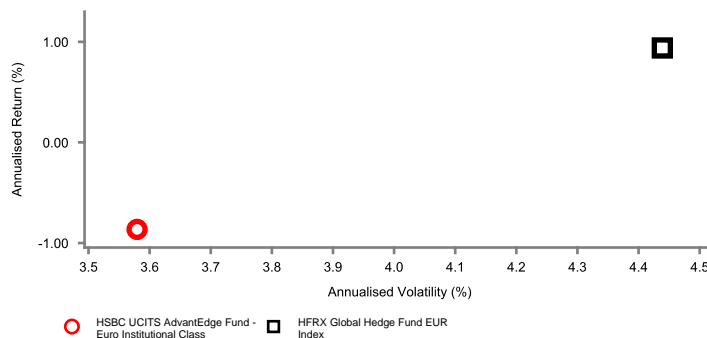
## 12 Month Rolling Volatility



## Worst Performing Months \*



## Risk / Return



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

## Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	1.85%	-0.35%	1.03%	-0.12%	0.62%	-1.89%	2.07%	-1.12%					2.03%
2012	1.15%	0.55%	0.25%	-0.70%	-1.00%	0.32%	0.76%	-0.12%	0.37%	-0.66%	0.37%	0.32%	1.60%
2011	0.41%	-0.02%	-0.32%	0.59%	-1.16%	-1.26%	-0.19%	-2.82%	-0.84%	-0.13%	-0.30%	-0.48%	-6.37%
2010	-0.07%	-0.29%	1.46%	0.23%	-3.45%	-0.10%	0.04%	-0.33%	1.36%	0.48%	-0.14%	0.95%	0.05%
2009										-0.71%	0.32%	0.00%	-0.39%

Share Class: Euro Institutional Class

Monthly returns based on NAVs as of the last Wednesday of the month

Past performance is not a reliable indicator of future results.

## Disclaimer

HSBC UCITS AdvantEdge Fund ("the Fund") is a sub-fund of HSBC UCITS AdvantEdge plc. This document has been issued by the investment manager HSBC Alternative Investments Limited ("HAIL"), which is regulated by the Financial Conduct Authority ("FCA"). HSBC UCITS AdvantEdge Fund ("the Fund") is a sub-fund of HSBC UCITS AdvantEdge plc (the Company), an open-ended umbrella limited liability investment company, with variable capital and segregated liability between its Funds, which is incorporated in Ireland and authorised under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003. Such authorisation is not an endorsement or guarantee of the Fund or the Company by the Financial Regulator nor is the Financial Regulator responsible for the contents of the company's prospectus. 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You are kindly asked to consult the latest issued prospectus, KIID, statutes and the (semi-)annual report of the fund which may be obtained free of charge at the office of the Swiss representative: ACOLIN Fund Services AG, Stadelhoferstrasse 18, CH-8001 Zürich. Paying agent: HSBC Private Bank (Suisse) S.A., Quai Général Guisan 2, P.O. Box 3580, 1211 Geneva 3. Capital is not guaranteed. All subscriptions in any fund presented in this document are accepted only on the basis of the current prospectus, available on request also from the centralisation agent or the financial department. Before subscription, investors should refer to the prospectus for general risk factors and to the KIID for specific risk factors associated with this fund. In the UK, this document is distributed by HSBC Private Bank (UK) Ltd, which is authorised and regulated by the FCA and whose office is located at 78 St James's Street, London, SW1A 1JB. This fund is recognised by the FCA under section 264 of FSMA. The Fund invests as a "fund of funds", predominately in other UCITS hedge funds. An investment in the Fund carries risks. The risks inherent to an investment in hedge funds are of a nature and degree not typically encountered in investments in securities of companies listed on major securities markets worldwide. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over time. Investors incur the risk of losing all or part of their investment in the Fund. Prospective investors should carefully consider whether an investment in shares is suitable for them in the light of their own circumstances and financial resources (see the section entitled "Risk Factors" in the Company's prospectus and the section entitled "Specific Risk Factors" in the Fund Supplement. 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Creation Time: 16:31:44  
 Creation Date: 17 Sep 2013  
 Report Instance: 962683

# HSBC UCITS AdvantEdge Fund

US Dollar Institutional Class - Hedged

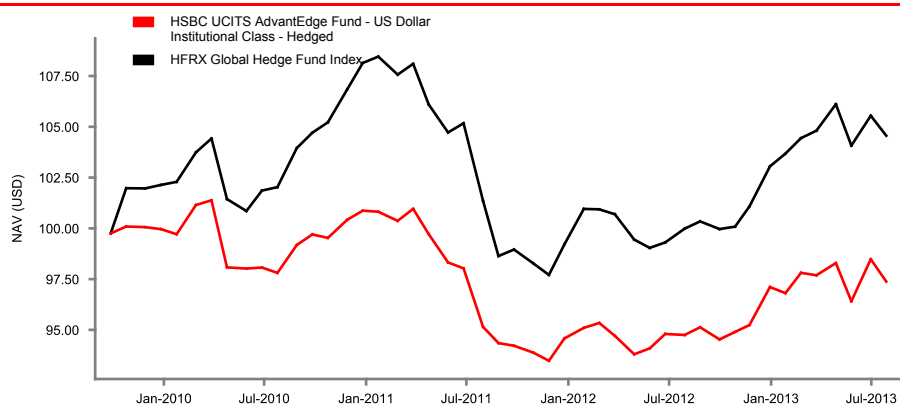
28 August 2013

## Fund Performance and Analysis

	HSBC UCITS AdvantEdge Fund - US Dollar Institutional Class - Hedged	HFRX Global Hedge Fund Index
MTD Return	-1.12%	-0.94%
YTD Return	2.25%	3.44%
12 Month Return	2.78%	4.58%
Actual Return	-3.07%	3.41%
Annualised Return	-0.81%	0.88%
Annualised Volatility	3.61%	4.46%
Sharpe Ratio (Annualised)*	-0.32	0.12
Maximum Drawdown	-7.79%	-9.91%
% Positive Months	44.68%	61.70%
Correlation	1.00	0.88
VaR(95%)	-1.72%	-2.06%
VaR(99%)	-2.41%	-2.89%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of USD 3M LIBOR Index over the period. All fund performance quoted above is since inception unless otherwise stated.

## Historical Performance



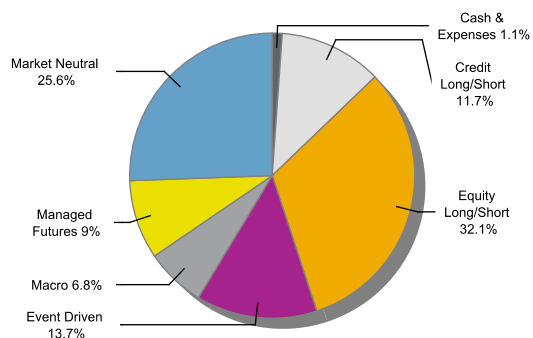
Past performance is not a reliable indicator of future results.

## Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

Against this backdrop, the Fund was down over the month with mixed performance from the strategies. Equity Long/Short was the largest negative contributor to performance as a holding in a US clothing retailer fell on the back of worse than expected Q2 2013 sales. Also, short positions in a Spanish bank and an Italian utilities company detracted. Managed Futures contributed negatively as losses were incurred from equity indices and cash equities, both of which sold off during the month and more than offset gains from the soybeans allocation. Event Driven incurred losses from European exposures, more specifically from names in the financial and airline sectors. Within Market Neutral positive performance from certain themes in the TMT (telecommunications, media and technology) sector, such as the out-performance of software investments versus legacy computer stocks, was more than offset by losses from short positions in UK and Nordic industrial exporters. Credit Long/Short added to performance as European credit markets outperformed the US on a relative basis, which was hurt from outflows from US mutual funds and ETFs. Significant contributors to the strategy's performance included a German real estate company and several high yield issuers. Macro finished the month nearly flat. Positive performance from long positions in the Korean Won was offset by losses from long Indian Rupee holdings.

## Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

## Fund Objective

The investment objective of the Fund is to generate long term capital growth by investing in an internationally diversified portfolio of shares and units in collectively investment schemes and other permitted investments.

**Portfolio Size: EUR 80.44m**

<b>US Dollar Institutional Class - Hedged</b>	Month to date:	-1.12%
	Year to date:	2.25%
	NAV:	97.38
<b>US Dollar Institutional R Class - Hedged</b>	Month to date:	-1.09%
	Year to date:	1.93%
	NAV:	101.93

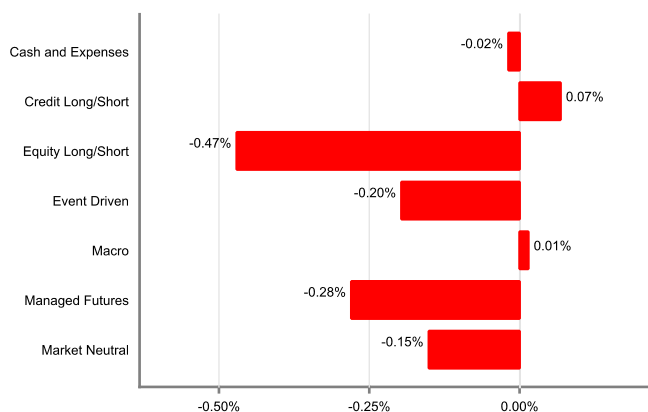
## Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	EUR
<b>Inception Date</b>	14 October 2009
<b>Subscription</b>	Weekly, with 3 Business Day(s) notice
<b>Redemption</b>	Weekly, subject to 3 Business Day(s) notice.
<b>Minimum Management Fee</b>	USD 1,000,000
<b>Performance Fee</b>	1% per annum 10% of any return exceeding the benchmark
<b>Hurdle</b>	USD 3M LIBOR + 3.5% Index
<b>Reuters Page</b>	
<b>Bloomberg</b>	HSADVUI ID
<b>ISIN Number</b>	IE00B4WSH191

## Top 10 Holdings \*

GLG European Equity Alternative	14.43%
MLIS - OZ Europe UCITS	13.71%
MLIS - CCI Healthcare Long-Short UCITS Fund	11.88%
BlackRock European Credit Strategies	11.69%
RWC US Absolute	11.20%
BlackRock EDEAR Fund	11.12%
World Invest Absolute Return SICAV	9.05%
DB Platinum IV DBX Systematic Alpha Index	8.98%
Brevan Howard Emerging Markets Fixed Income	6.81%
Cash and Expenses	1.13%

## Strategy Contribution

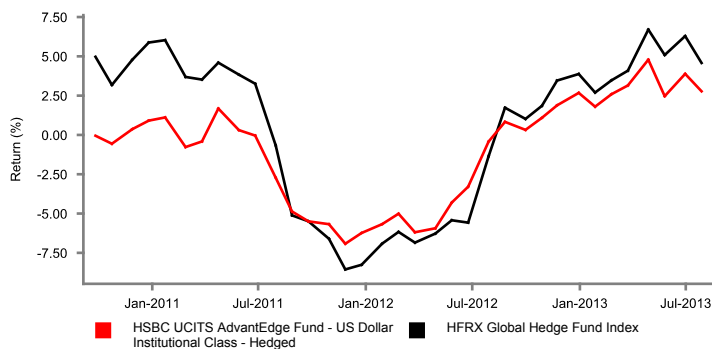


# HSBC UCITS AdvantEdge Fund

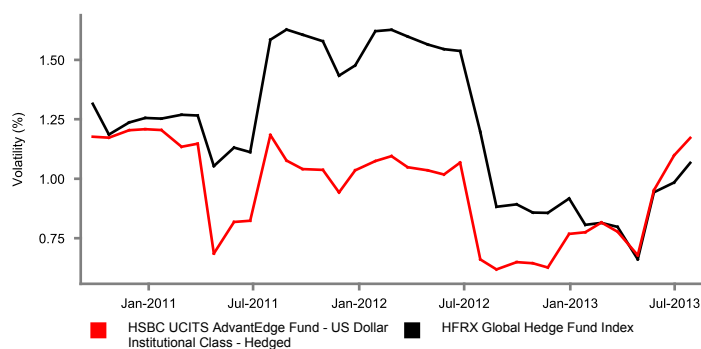
US Dollar Institutional Class - Hedged

28 August 2013

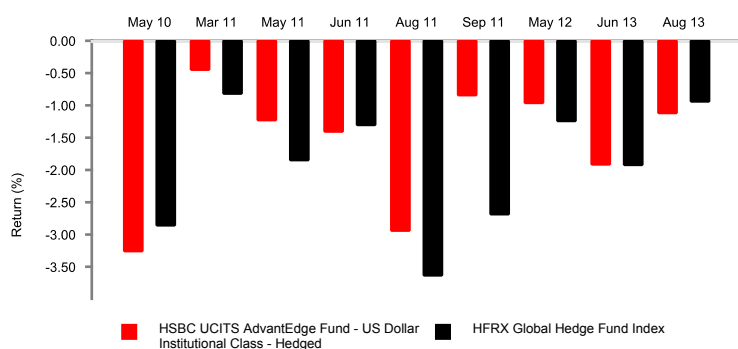
## 12 Month Rolling Return



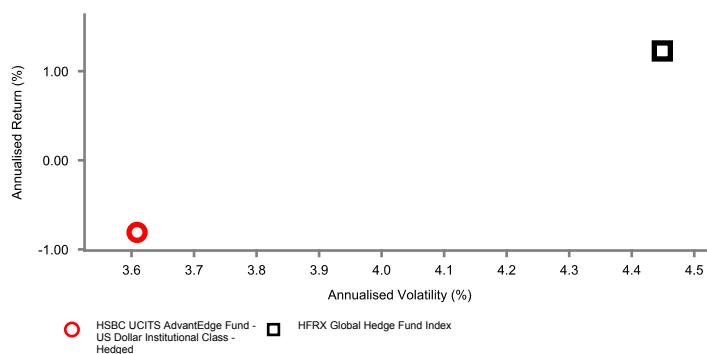
## 12 Month Rolling Volatility



## Worst Performing Months \*



## Risk / Return



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

## Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	1.96%	-0.31%	1.03%	-0.12%	0.61%	-1.91%	2.15%	-1.12%					2.25%
2012	1.18%	0.55%	0.25%	-0.66%	-0.96%	0.31%	0.75%	-0.05%	0.40%	-0.63%	0.39%	0.36%	1.88%
2011	0.44%	-0.05%	-0.45%	0.59%	-1.23%	-1.40%	-0.29%	-2.94%	-0.84%	-0.14%	-0.36%	-0.43%	-6.92%
2010	-0.10%	-0.25%	1.44%	0.23%	-3.26%	-0.06%	0.05%	-0.27%	1.40%	0.52%	-0.17%	0.90%	0.37%
2009										-0.71%	0.34%	-0.03%	-0.40%

Share Class: US Dollar Institutional Class - Hedged

Monthly returns based on NAVs as of the last Wednesday of the month

Past performance is not a reliable indicator of future results.

## Disclaimer

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**Internet site:** <http://www.hail.hbsc.com>

Creation Time 16:32:54  
 Creation Date 17 Sep 2013  
 Report Instance 962684

# HSBC Multi-Adviser Arbitrage Fund

US Dollar Class

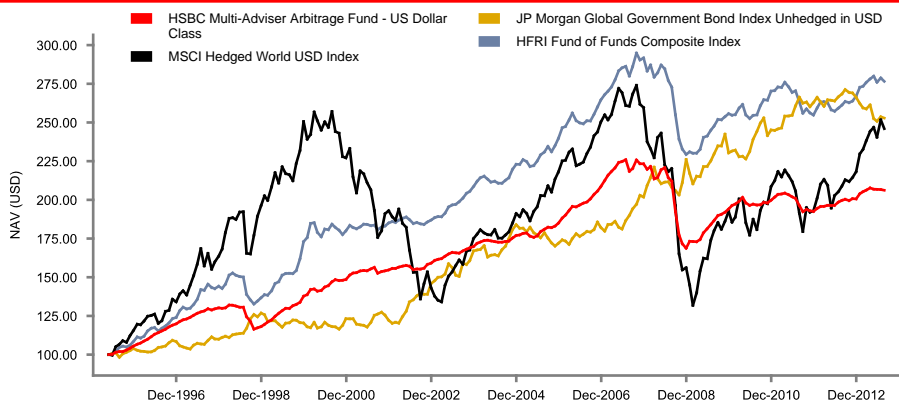
30 August 2013

## Fund Performance and Analysis

	HSBC Multi-Adviser Arbitrage Fund - US Dollar Class	MSCI Hedged World USD Index	JP Morgan Global Government Bond Index Unhedged in USD	HFRI Fund of Funds Composite Index
MTD Return	-0.20%	-2.28%	-0.33%	-0.79%
YTD Return	2.78%	12.74%	-5.03%	3.58%
12 Month Return	3.28%	17.74%	-5.80%	5.86%
Actual Return	106.20%	145.98%	152.86%	176.55%
Annualised Return	4.05%	5.06%	5.21%	5.73%
Annualised Volatility	4.79%	14.74%	6.59%	6.01%
Sharpe Ratio (Annualised)*	0.13	0.11	0.27	0.39
Maximum Drawdown	-25.30%	-51.88%	-8.14%	-22.20%
% Positive Months	73.97%	58.90%	57.99%	65.75%
Correlation	1.00	0.50	-0.11	0.80
VaR(95%)	-2.28%	-6.99%	-3.13%	-2.84%
VaR(99%)	-3.23%	-9.94%	-4.44%	-4.01%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of USD 3M LIBOR Index over the period.  
All fund performance quoted above is since inception unless otherwise stated.

## Historical Performance



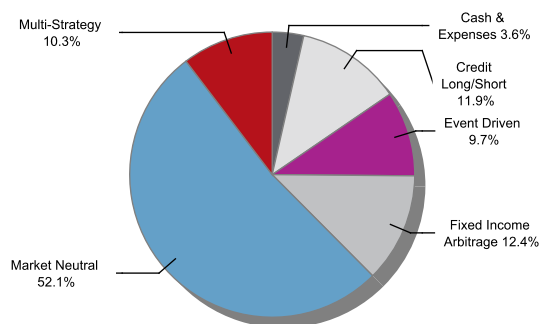
Past performance is not a reliable indicator of future results.

## Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

The Fund was down over the month with mixed performance from the strategies. Credit Long/Short and Multi-Strategy contributed positively while Event Driven, Fixed Income Arbitrage and Market Neutral detracted. In Credit Long/Short, positive performance was driven by long exposures in both structured credit and corporate credit positions as prices rose despite Fed tapering concerns. Exposures to RMBS (Residential Mortgage Backed Securities) and CMBS (Commercial Mortgage Backed Securities) contributed positively to the Event Driven allocation, but these gains were almost perfectly offset by losses in distressed positions within the airline and media sectors. In Multi-Strategy, relative value and opportunistic related trades in Asia did well. Spread trades in Chinese A Shares/H Shares, participation in IPOs (Initial Public Offerings) and Index rebalancing trades contributed positively. In Fixed Income Arbitrage, losses were incurred in the US allocation from curve steepening trades, while in Europe and the UK from "low rates for longer" strategies. Finally, in Market Neutral performance was mixed, with losses in Asian focused systematic models partially offset by gains from statistical arbitrage models' trading in US equities.

## Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

## Fund Objective

The Fund seeks to provide a total return from selective allocation of investment in hedge funds which invest and trade in arbitrage strategies in various asset classes. The investment funds will be selected and monitored by HSBC Alternative Investments Limited. The Fund is a sub-fund within HSBC Portfolio Selection Fund; a unit trust umbrella that has been authorised as a Class B Scheme in Guernsey.

## Portfolio Size: USD 96.17m

Class	Month to date:	Year to date:	NAV:
US Dollar Class	-0.20%	2.78%	206.20
	-0.22%	2.59%	109.15
	-0.18%	3.15%	118.88
Sterling Hedged Class	-0.23%	2.63%	98.10
	-0.23%	2.63%	98.10
	-0.23%	2.63%	98.10

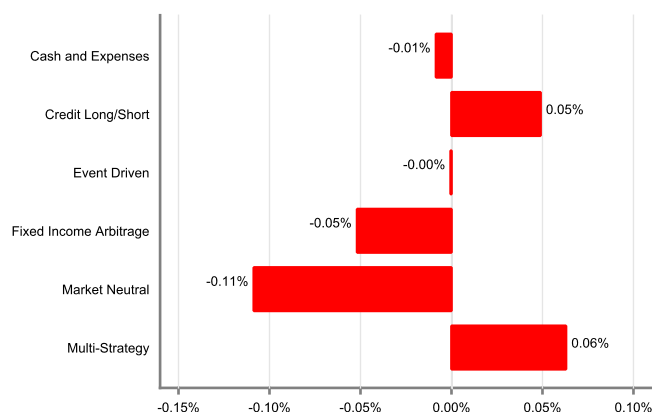
## Fund Details

Investment Adviser	HSBC Alternative Investments Limited
Base Currency	USD
Inception Date	15 June 1995
Subscription	Monthly, with 5 Business Day(s) notice
Redemption	Monthly, subject to 2% redemption fee and 1 month plus 5 Business Days notice or Quarterly, free of charge. Notice to be received by first business day of Feb, May, Aug and Nov.
Minimum	USD 25,000
Management Fee	1.75 % per annum
Performance Fee	10 % of any return exceeding the benchmark
Hurdle	150% USD 3M LIBOR Index
Reuters Page	HSBC/HMGB
Bloomberg	REPMAAI GU
ISIN Number	GB0007374274
Valoren Number	397124

## Top 10 Holdings \*

Two Sigma Spectrum Cayman Fund, Ltd.	10.44%
S.A.C. MultiQuant (International), Ltd.	7.60%
BlueCrest Capital International Limited	6.86%
A.R.T. International Investors	6.73%
Macquarie Asian Alpha Fund	6.47%
Prologue Fund	6.34%
Brevan Howard Credit Catalysts	6.31%
KLS Diversified Fund, Ltd.	6.08%
Claren Road Credit Fund, Ltd.	5.59%
Pan Asia Opportunities Offshore Fund Ltd.	5.57%
Top 10 Holdings	= 67.99% of portfolio
Top 20 Holdings	= 99.59% of portfolio

## Strategy Contribution

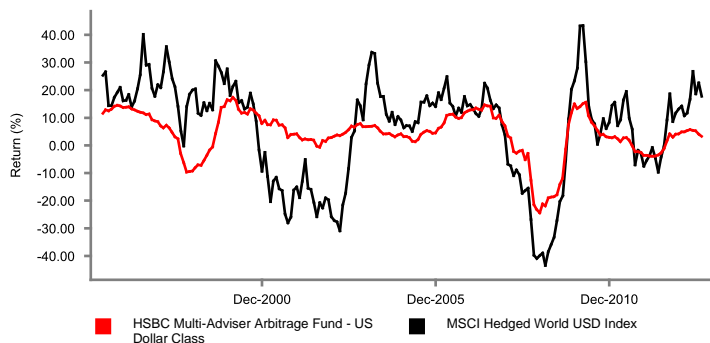


# HSBC Multi-Adviser Arbitrage Fund

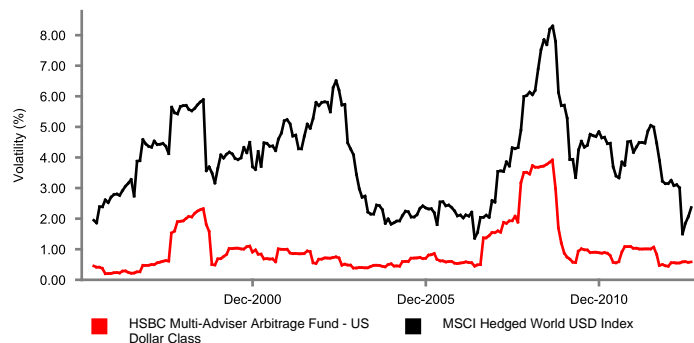
US Dollar Class

30 August 2013

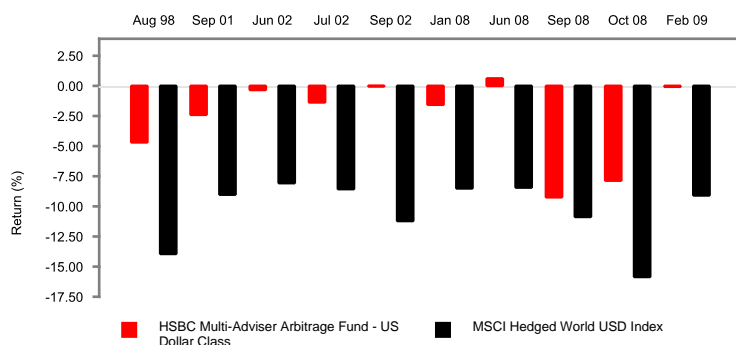
## 12 Month Rolling Return



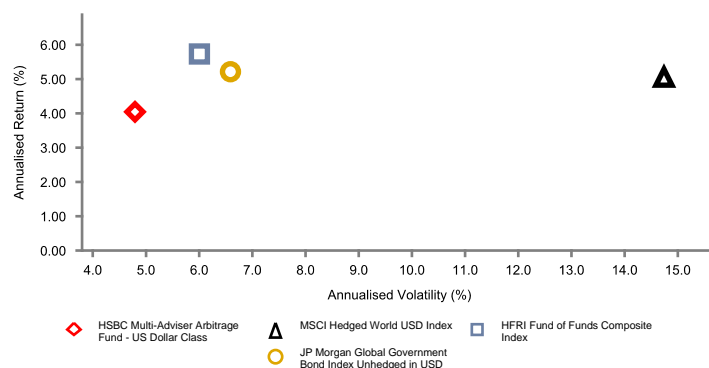
## 12 Month Rolling Volatility



## Worst Performing Months \*



## Risk / Return



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

## Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	1.65%	0.66%	0.48%	0.68%	-0.37%	-0.05%	-0.09%	-0.20%					2.78%
2012	1.00%	0.62%	0.08%	0.33%	-0.10%	0.11%	1.06%	0.55%	0.34%	-0.39%	0.61%	-0.06%	4.21%
2011	1.01%	0.87%	0.15%	0.26%	-0.50%	-0.65%	-0.52%	-2.25%	-2.04%	0.73%	-0.42%	-0.23%	-3.61%
2010	1.15%	0.50%	0.89%	1.27%	-1.80%	-0.76%	0.37%	-0.26%	0.09%	0.73%	-0.14%	0.87%	2.91%
2009	2.62%	-0.07%	-0.08%	0.83%	2.48%	1.49%	1.49%	1.39%	1.70%	0.44%	0.70%	1.09%	15.00%
2008	-1.57%	0.82%	-3.62%	0.45%	2.30%	0.62%	-2.94%	-1.05%	-9.24%	-7.86%	-3.20%	-1.68%	-24.40%
2007	1.87%	1.57%	1.15%	1.09%	1.55%	0.29%	0.51%	-3.31%	0.82%	2.50%	-1.05%	-0.06%	7.02%
2006	1.77%	1.03%	1.55%	1.36%	-0.11%	0.60%	0.60%	0.39%	1.02%	1.42%	1.08%	1.43%	12.80%
2005	0.20%	0.57%	0.13%	-1.11%	-0.42%	0.52%	1.56%	0.83%	0.73%	-0.13%	0.54%	1.03%	4.52%
2004	1.18%	0.51%	0.55%	0.14%	-0.27%	-0.27%	-0.20%	0.01%	0.23%	0.16%	1.16%	0.90%	4.16%
2003	1.08%	0.45%	0.32%	0.92%	0.89%	0.61%	-0.16%	-0.11%	0.83%	0.69%	0.51%	0.53%	6.76%
2002	0.61%	0.04%	0.52%	0.42%	0.28%	-0.34%	-0.24%	-0.03%	0.37%	1.53%	0.56%	2.86%	2.86%
2001	1.89%	0.87%	0.19%	0.69%	0.21%	-0.11%	0.78%	0.62%	-2.40%	0.68%	0.31%	0.38%	4.13%
2000	0.82%	2.35%	0.24%	-0.94%	0.31%	1.53%	0.68%	1.69%	0.92%	-0.38%	0.19%	0.30%	7.93%
1999	1.15%	1.29%	1.20%	1.83%	1.56%	1.36%	1.17%	-0.04%	1.34%	0.64%	1.05%	2.86%	16.51%
1998	-0.18%	0.23%	1.35%	-0.06%	-0.41%	-0.56%	-0.02%	-4.69%	-2.47%	-4.10%	0.76%	0.70%	-9.24%
1997	1.25%	0.87%	0.48%	0.83%	1.07%	1.02%	0.73%	0.47%	1.08%	-0.56%	0.54%	0.47%	8.57%
1996	1.16%	0.77%	1.15%	1.11%	1.51%	1.35%	0.97%	0.98%	0.93%	1.30%	0.93%	0.76%	13.71%
1995						0.25%	1.25%	0.45%	0.02%	0.97%	1.15%	1.24%	5.44%

Share Class: US Dollar Class

Past performance is not a reliable indicator of future results.

## Disclaimer

HSBC Multi-Adviser Arbitrage Fund ("the Fund") is a sub-fund of HSBC Portfolio Selection Fund. This document has been issued by HSBC Management (Guernsey) Limited, which is regulated by the Guernsey Financial Services Commission ("GFSC"). The Fund is à risque part and the domicile of the Fund is Guernsey. The HSBC Multi-Adviser Arbitrage Fund ("the Fund") is a sub-fund of HSBC Portfolio Selection Fund. The GFSC has authorised the Fund as a Class B Collective Investment Scheme under the Protection of Investors (Bailiwick of Guernsey) Law 1987. The GFSC does not guarantee the financial soundness or the correctness of any of the statements made or opinions expressed with regard to the Fund. The information has been issued by sources believed to be reliable, although this is not guaranteed, and the information stated and opinions expressed constitute best judgement at the time of publication, and are subject to change without prior notification. Past performance is not a guarantee of future performance. The price of units or shares can go down as well as up and may be affected by changes in exchange rates. An investor may not receive back the amount invested. It is essential that investors read the prospectus of the Fund and acquaint themselves with the risks associated with an investment in the Fund, including the risks of the underlying investments. The information contained within this material has not been reviewed in the light of your personal circumstances. If you require investment advice or wish to discuss the suitability of any investment decision, you should contact your Relationship Manager or you should seek such financial, legal or tax advice from your professional advisers as appropriate. This document is not and should not be construed as an offer to sell or solicitation of an offer to purchase or subscribe for any investment or service. 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All subscriptions in any fund presented in this document are accepted only on the basis of the current prospectus, available on request also from the centralisation agent or the financial department. Before subscription, investors should refer to the prospectus for general and specific risk factors associated with this fund. The fund is a foreign umbrella fund with multiple sub-funds with special risks under Swiss law and is structured as an open-ended unit trust domiciled in Guernsey. The Fund invests as a "fund of funds" in hedge funds. An investment in the Fund carries substantial risks. The risks inherent to an investment in hedge funds are of a nature and degree not typically encountered in investments in securities of companies listed on major securities markets worldwide. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over time. Investors incur the risk of losing all or part of their investment in the Fund. Prospective investors should carefully consider whether an investment in shares is suitable for them in the light of their own circumstances and financial resources (see the sections entitled "Risk Warnings and Disclosures for Investors in the Funds" and "Additional Risk Factors" of the Prospectus). The Fund will, however, endeavour to monitor risks through the selection of the Fund's investments based on a Due Diligence procedure (see the section entitled "Due Diligence Process" in the Prospectus). This document may not be distributed in the United States, Canada, Australia or any other country in which its distribution is unlawful. **The HSBC Multi-Adviser Arbitrage Fund referenced herein is: (i) no longer offered by or through any HSBC U.S. booking center, and (ii) not offered or sold to U.S. residents.** © Copyright. HSBC Management (Guernsey) Limited 2013. ALL RIGHTS RESERVED. 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 Creation Time 10:47:31  
 Creation Date 18 Sep 2013  
 Report Instance 962779

# HSBC Trading AdvantEdge Fund

US Dollar Class

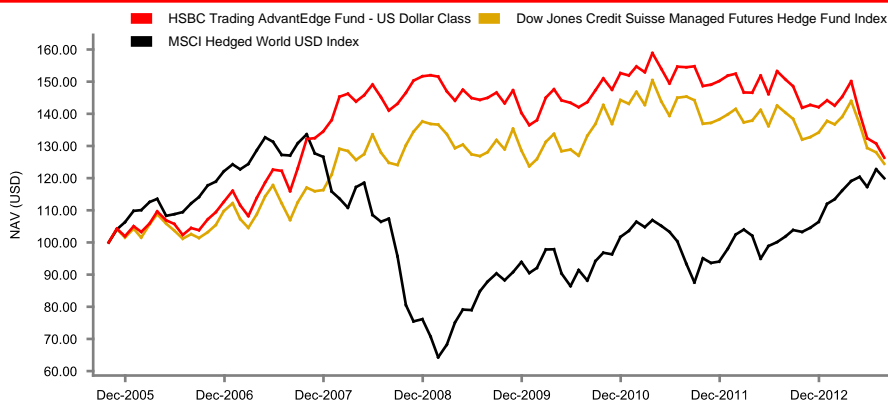
30 August 2013

## Fund Performance and Analysis

	HSBC Trading AdvantEdge Fund - US Dollar Class	MSCI Hedged World USD Index	Dow Jones Credit Suisse Managed Futures Hedge Fund Index
MTD Return	-3.37%	-2.28%	-2.77%
YTD Return	-11.09%	12.74%	-7.26%
12 Month Return	-16.15%	17.74%	-11.32%
Actual Return	26.33%	19.95%	24.46%
Annualised Return	3.03%	2.35%	2.83%
Annualised Volatility	10.03%	15.31%	11.06%
Sharpe Ratio (Annualised)*	0.08	0.01	0.06
Maximum Drawdown	-20.49%	-51.88%	-17.30%
% Positive Months	54.26%	61.70%	53.19%
Correlation	1.00	0.03	0.92
VaR(95%)	-4.79%	-7.27%	-5.24%
VaR(99%)	-6.81%	-10.29%	-7.50%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of USD 3M LIBOR Index over the period.  
All fund performance quoted above is since inception unless otherwise stated.

## Historical Performance



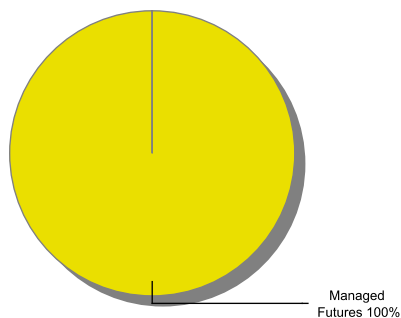
Past performance is not a reliable indicator of future results.

## Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

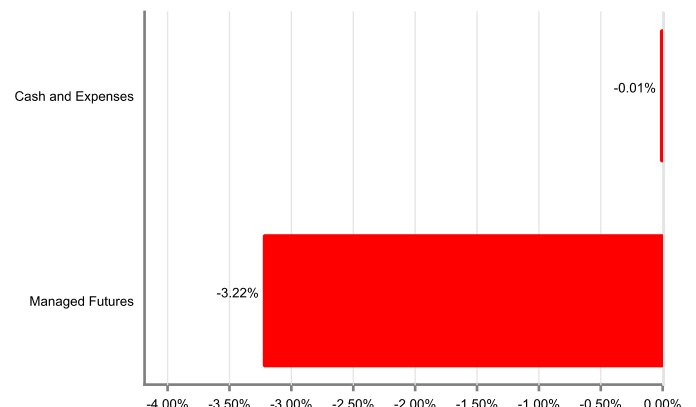
The Fund was down over the month with most managers contributing negatively to performance. From a sub-strategy perspective, losses were driven by momentum, value and trend following models. Profits from longer term models were offset by short term strategies, while medium term models were generally flat. From an asset class perspective, losses were attributable to long exposure in equities (offset partially by small gains in short Eurostoxx Index trades) and various USD and Euro related positions. Positions in bonds did well and offset small losses in short term interest rate holdings. Commodity exposure, specifically in energy and agriculture, also helped to offset some of the losses.

## Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

## Strategy Contribution



## Fund Objective

To provide a total return from selective investment in a number of hedge funds which utilise predominantly commodity trading advisor and managed future strategies. The investment funds will be selected and monitored by HSBC Alternative Investments Limited. The Fund is a sub-fund within HSBC Uni-Folio Fund; a unit trust umbrella that has been authorised as a Class B Scheme in Guernsey.

**Portfolio Size: USD 182.88m**

US Dollar Class	Month to date:	-3.37%
	Year to date:	-11.09%
	NAV:	126.33
US Dollar R Class	Month to date:	-3.29%
	Year to date:	-10.48%
	NAV:	89.52
Euro Class - Hedged	Month to date:	-3.38%
	Year to date:	-11.01%
	NAV:	114.25
Euro R Class - Hedged	Month to date:	-3.31%
	Year to date:	-12.61%
	NAV:	87.39
Sterling Class - Hedged	Month to date:	-3.35%
	Year to date:	-11.07%
	NAV:	121.93
Sterling R Class - Hedged	Month to date:	-3.22%
	Year to date:	-10.26%
	NAV:	89.74

## Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	USD
<b>Inception Date</b>	31 October 2005
<b>Subscription</b>	Monthly, with 5 Business Day(s) notice
<b>Redemption</b>	Monthly, subject to 1 month plus 5 Business Days notice.
<b>Minimum Management Fee</b>	USD 25,000
<b>Performance Fee</b>	1.75 % per annum 10 % of any return exceeding the benchmark
<b>Hurdle</b>	USD 3M LIBOR + 3.5% Index
<b>Reuters Page</b>	HSBC/HMGD
<b>Bloomberg</b>	HSBTRAD GU
<b>ISIN Number</b>	GB00B0WD2B15
<b>Valoren Number</b>	2625805

## Top 10 Holdings \*

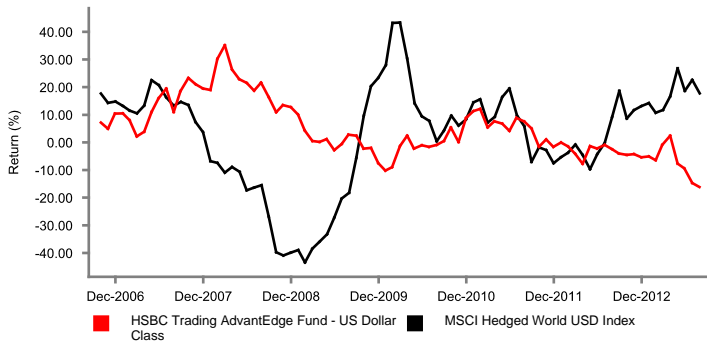
Tewksbury Investment Fund Ltd.	17.93%
Winton Futures Fund Ltd	17.06%
BlueTrend Fund Limited	16.23%
Cantab Quantitative Fund (The)	14.53%
AHL Evolution	12.03%
Transrend Fund Alliance Omnitrend Plus (USD)	9.41%
Discus Feeder Limited	7.88%
Crabel Fund SPC, Ltd.	4.94%

# HSBC Trading AdvantEdge Fund

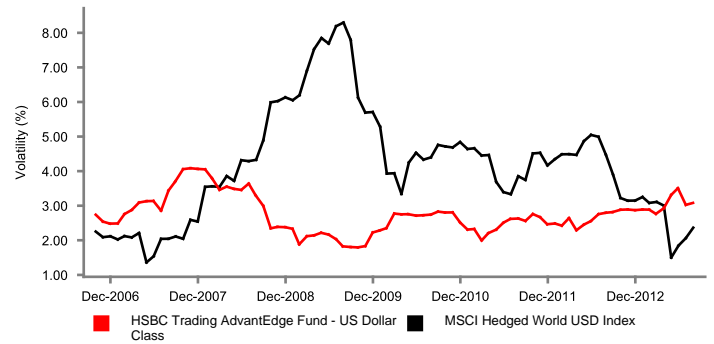
## US Dollar Class

30 August 2013

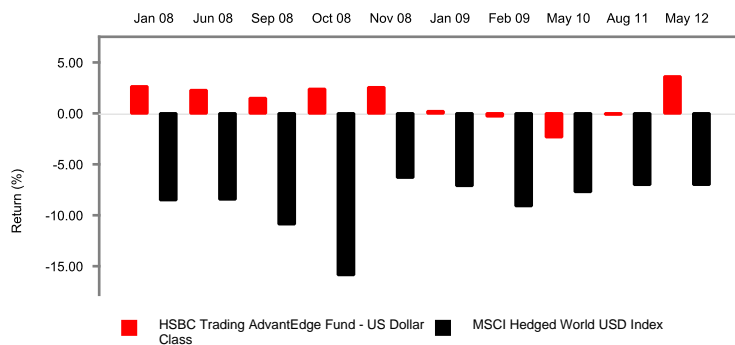
### 12 Month Rolling Return



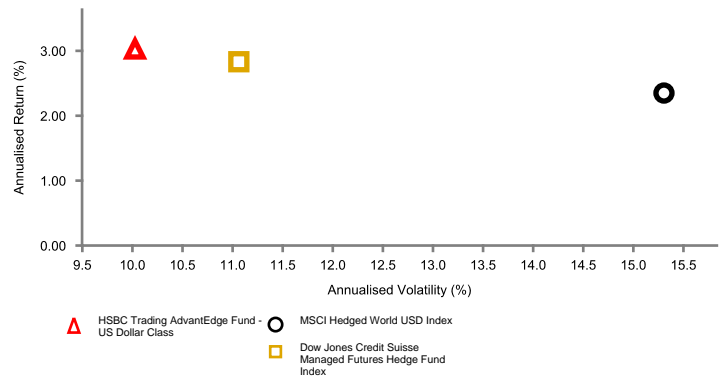
### 12 Month Rolling Volatility



### Worst Performing Months \*



### Risk / Return



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

### Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	1.48%	-1.12%	1.94%	3.30%	-6.59%	-5.59%	-1.25%	-3.37%					-11.09%
2012	1.14%	0.38%	-3.82%	-0.04%	3.62%	-3.79%	4.87%	-1.69%	-1.39%	-4.50%	0.61%	-0.47%	-5.39%
2011	-0.47%	1.83%	-1.16%	3.90%	-3.10%	-2.94%	3.49%	-0.11%	0.18%	-3.95%	0.28%	0.74%	-1.62%
2010	-2.71%	1.11%	5.11%	1.78%	-2.33%	-0.53%	-0.95%	1.12%	2.56%	2.50%	-2.32%	3.49%	8.82%
2009	0.21%	-0.28%	-3.03%	-1.95%	2.35%	-1.74%	-0.40%	0.44%	1.12%	-2.27%	2.82%	-4.77%	-7.51%
2008	2.65%	5.24%	0.64%	-1.64%	1.35%	2.28%	-2.62%	1.50%	2.40%	2.56%	0.90%	12.76%	
2007	3.10%	-3.88%	-3.00%	5.23%	4.20%	3.36%	-0.29%	-5.18%	6.10%	7.40%	0.23%	1.56%	19.49%
2006	3.03%	-1.69%	2.57%	3.51%	-2.51%	-1.08%	-3.21%	2.08%	-0.64%	3.24%	2.10%	2.88%	10.42%
2005											4.27%	-2.22%	1.95%

Share Class: US Dollar Class

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All subscriptions in any fund presented in this document are accepted only on the basis of the current prospectus, available on request also from the centralisation agent or the financial department. Before subscription, investors should refer to the prospectus for general and specific risk factors associated with this fund. The fund is a foreign umbrella fund with multiple sub-funds with special risks under Swiss law and is structured as an open-ended unit trust domiciled in Guernsey. The Fund invests as a "fund of funds" in hedge funds. An investment in the Fund carries substantial risks. The risks inherent to an investment in hedge funds are of a nature and degree not typically encountered in investments in securities of companies listed on major securities markets worldwide. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over time. Investors incur the risk of losing all or part of their investment in the Fund. Prospective investors should carefully consider whether an investment in shares is suitable for them in the light of their own circumstances and financial resources (see the sections entitled "Risk Warnings and Disclosures for Investors in the Funds" and "Additional Risk Factors" of the Prospectus). The Fund will, however, endeavour to monitor risks through the selection of the Fund's investments based on a Due Diligence procedure (see the section entitled "Due Diligence Process" in the Prospectus). This document may not be distributed in the United States, Canada, Australia or any other country in which its distribution is unlawful. **The HSBC Trading AdvantEdge Fund referenced herein is: (i) no longer offered by or through any HSBC U.S. booking center, and (ii) not offered or sold to U.S. residents.** © Copyright, HSBC Management (Guernsey) Limited 2013. ALL RIGHTS RESERVED. 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**Tel:** +(44) 207 860 6532  
**Internet site:** <http://www.hail.hsbc.com>  
 Creation Time 10:59:05  
 Creation Date 18 Sep 2013  
 Report Instance 962791



# HSBC Trading AdvantEdge Fund

Institutional Class (CHF) - Hedged

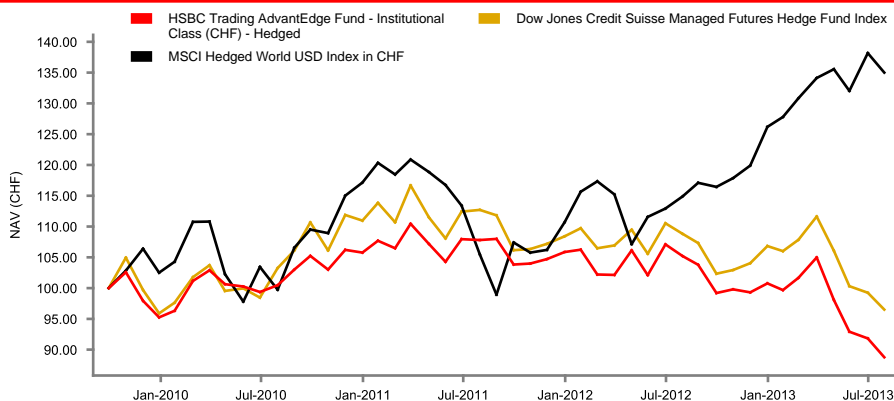
30 August 2013

## Fund Performance and Analysis

	HSBC Trading AdvantEdge Fund - Institutional Class (CHF) - Hedged	MSCI Hedged World USD Index in CHF	Dow Jones Credit Suisse Managed Futures Hedge Fund Index
MTD Return	-3.33%	-2.29%	-2.77%
YTD Return	-10.61%	12.59%	-7.26%
12 Month Return	-15.62%	17.50%	-11.32%
Actual Return	-11.23%	35.00%	-3.50%
Annualised Return	-3.06%	8.14%	-0.93%
Annualised Volatility	9.68%	13.20%	11.38%
Sharpe Ratio (Annualised)*	-0.33	0.61	-0.09
Maximum Drawdown	-19.63%	-18.15%	-17.30%
% Positive Months	47.83%	63.04%	54.35%
Correlation	1.00	0.13	0.94
VaR(95%)	-4.57%	-6.38%	-5.45%
VaR(99%)	-6.49%	-9.04%	-7.70%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of CHF 3M LIBOR Index over the period.  
All fund performance quoted above is since inception unless otherwise stated.

## Historical Performance



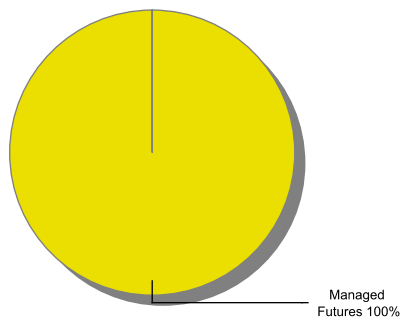
Past performance is not a reliable indicator of future results.

## Fund Commentary

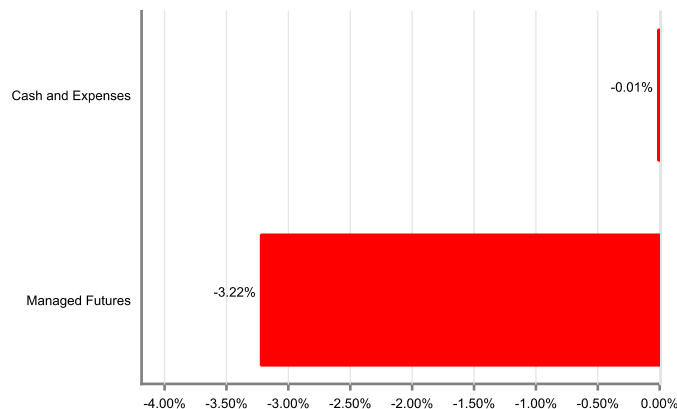
Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

The Fund was down over the month with most managers contributing negatively to performance. From a sub-strategy perspective, losses were driven by momentum, value and trend following models. Profits from longer term models were offset by short term strategies, while medium term models were generally flat. From an asset class perspective, losses were attributable to long exposure in equities (offset partially by small gains in short Eurostoxx Index trades) and various USD and Euro related positions. Positions in bonds did well and offset small losses in short term interest rate holdings. Commodity exposure, specifically in energy and agriculture, also helped to offset some of the losses.

## Strategy Allocation \*



## Strategy Contribution



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

## Fund Objective

To provide a total return from selective investment in a number of hedge funds which utilise predominantly commodity trading advisor and managed future strategies. The investment funds will be selected and monitored by HSBC Alternative Investments Limited. The Fund is a sub-fund within HSBC Uni-Folio Fund; a unit trust umbrella that has been authorised as a Class B Scheme in Guernsey.

**Portfolio Size: USD 182.88m**

Institutional Class (CHF) - Hedged	Month to date:	-3.33%
	Year to date:	-10.61%
	NAV:	88.77

## Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	USD
<b>Inception Date</b>	30 October 2009
<b>Subscription</b>	Monthly, with 5 Business Day(s) notice
<b>Redemption</b>	Monthly, subject to 65 days notice and no exit fee or monthly with 1 month plus 5 Business Days notice and a 2% exit fee
<b>Minimum Management Fee</b>	CHF 2,500,000
<b>Performance Fee</b>	1 % per annum
	10 % of any return exceeding the benchmark
<b>Hurdle</b>	CHF 3M LIBOR + 3.5% Index
<b>Reuters Page</b>	
<b>Bloomberg</b>	HSBTRSW GU
<b>ISIN Number</b>	GG00B58ZMP06

## Top 10 Holdings \*

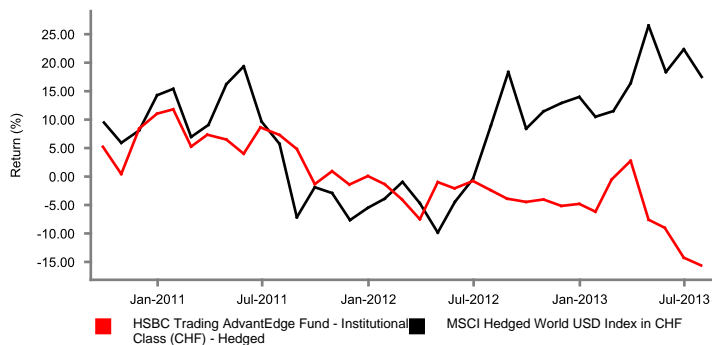
Tewksbury Investment Fund Ltd.	17.93%
Winton Futures Fund Ltd	17.06%
BlueTrend Fund Limited	16.23%
Cantab Quantitative Fund (The)	14.53%
AHL Evolution	12.03%
Transtrend Fund Alliance Omnitrend Plus (USD)	9.41%
Discus Feeder Limited	7.88%
Crabel Fund SPC, Ltd.	4.94%

# HSBC Trading AdvantEdge Fund

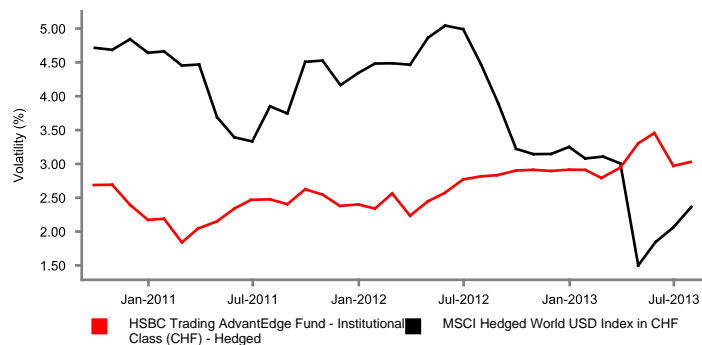
Institutional Class (CHF) - Hedged

30 August 2013

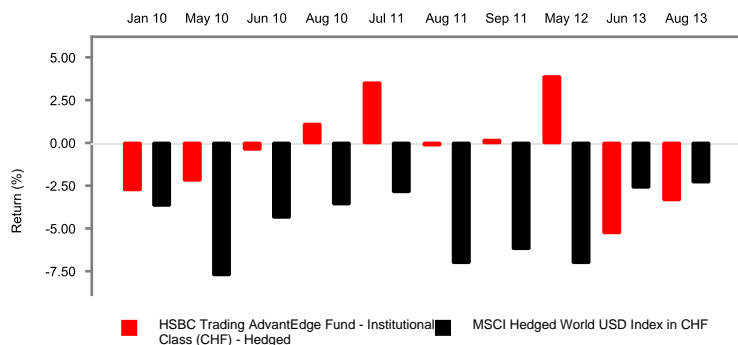
## 12 Month Rolling Return



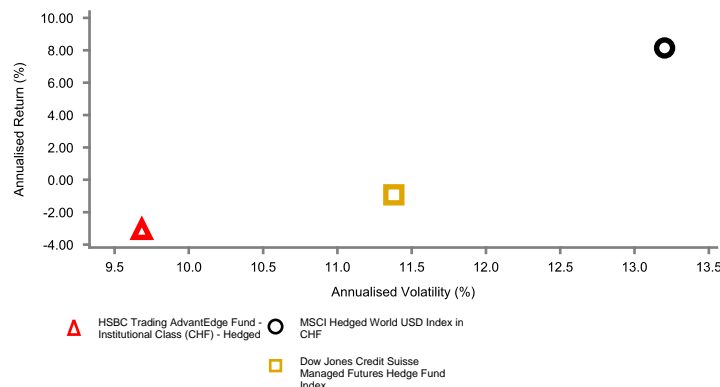
## 12 Month Rolling Volatility



## Worst Performing Months \*



## Risk / Return



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

## Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	1.47%	-1.08%	2.00%	3.26%	-6.57%	-5.26%	-1.17%	-3.33%					-10.61%
2012	1.10%	0.36%	-3.79%	-0.05%	3.89%	-3.79%	4.89%	-1.77%	-1.34%	-4.42%	0.60%	-0.49%	-5.16%
2011	-0.41%	1.82%	-1.11%	3.72%	-2.96%	-2.71%	3.52%	-0.13%	0.17%	-3.85%	0.15%	0.69%	-1.41%
2010	-2.75%	1.12%	5.04%	1.70%	-2.19%	-0.38%	-0.89%	1.11%	2.53%	2.16%	-2.10%	3.10%	8.44%
2009											2.57%	-4.51%	-2.06%

Share Class: Institutional Class (CHF) - Hedged

Past performance is not a reliable indicator of future results.

## Disclaimer

HSBC Trading AdvantEdge Fund ("the Fund") is a sub-fund of HSBC Uni-Folio. This document has been issued by HSBC Management (Guernsey) Limited, which is regulated by the Guernsey Financial Services Commission ("GFSC"). The Fund is a risk part and the domicile of the Fund is Guernsey. The HSBC Trading AdvantEdge Fund ("the Fund") is a sub-fund of HSBC Uni-Folio. The GFSC has authorised the Fund as a Class B Collective Investment Scheme under the Protection of Investors (Bailiwick of Guernsey) Law 1987. The GFSC does not guarantee the financial soundness or the correctness of any of the statements made or opinions expressed with regard to the Fund. The information has been issued by sources believed to be reliable, although this is not guaranteed, and the information stated and opinions expressed constitute best judgement at the time of publication, and are subject to change without prior notification. Past performance is not a guarantee of future performance. The price of units or shares can go down as well as up and may be affected by changes in exchange rates. An investor may not receive back the amount invested. It is essential that investors read the prospectus of the Fund and acquaint themselves with the risks associated with an investment in the Fund, including the risks of the underlying investments. The information contained within this material has not been reviewed in the light of your personal circumstances. If you require investment advice or wish to discuss the suitability of any investment decision, you should contact your Relationship Manager or you should seek such financial, legal or tax advice from your professional advisers as appropriate. This document is not and should not be construed as an offer to sell or solicitation of an offer to purchase or subscribe for any investment or service. In the UK, the Fund is an Unregulated Collective Investment Scheme and as such, distribution of this document is restricted to defined categories of investors described within The Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 and/or permissible categories of investor under FCA COBS 4.12. For Swiss investors, this is a non contractual document. The fund is authorised for public distribution in Switzerland in the meaning of Art. 120 of the Federal Collective Investment Schemes Act. You are kindly asked to consult the latest issued prospectus, statutes and the (semi)-annual report of the fund which may be obtained free of charge at the office of the Swiss representative: ACOLIN Fund Services AG, Stadelhoferstrasse 18, CH-8001 Zürich. Paying agent: HSBC Private Bank (Suisse) S.A., Quai Général Guisan 2, P.O. Box 3580, 1211 Geneva 3. Capital is not guaranteed. All subscriptions in any fund presented in this document are accepted only on the basis of the current prospectus, available on request also from the centralisation agent or the financial department. Before subscription, investors should refer to the prospectus for general and specific risk factors associated with this fund. The fund is a foreign umbrella fund with multiple sub-funds with special risks under Swiss law and is structured as an open-ended unit trust domiciled in Guernsey. The Fund invests as a "fund of funds" in hedge funds. An investment in the Fund carries substantial risks. The risks inherent to an investment in hedge funds are of a nature and degree not typically encountered in investments in securities of companies listed on major securities markets worldwide. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over time. 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 Creation Time: 11:00:03  
 Creation Date: 18 Sep 2013  
 Report Instance: 962792

# HSBC Special Opportunities Fund

US Dollar Class

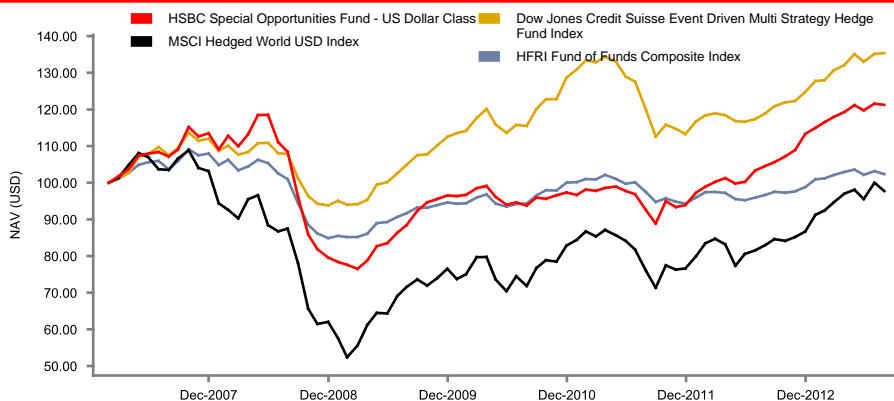
30 August 2013

## Fund Performance and Analysis

	HSBC Special Opportunities Fund - US Dollar Class	MSCI Hedged World USD Index	Dow Jones Credit Suisse Event Driven Multi Strategy Hedge Fund Index	HFRI Fund of Funds Composite Index
MTD Return	-0.27%	-2.28%	0.16%	-0.79%
YTD Return	7.01%	12.74%	8.50%	3.58%
12 Month Return	15.92%	17.74%	13.81%	5.86%
Actual Return	21.24%	-2.27%	35.37%	2.35%
Annualised Return	3.01%	-0.35%	4.77%	0.36%
Annualised Volatility	10.49%	16.43%	7.98%	6.14%
Sharpe Ratio (Annualised)*	0.13	-0.12	0.40	-0.20
Maximum Drawdown	-35.45%	-51.88%	-17.46%	-22.20%
% Positive Months	64.10%	56.41%	66.67%	61.54%
Correlation	1.00	0.74	0.82	0.90
VaR(95%)	-5.00%	-7.78%	-3.79%	-2.90%
VaR(99%)	-7.03%	-10.93%	-5.36%	-4.14%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of USD 3M LIBOR Index over the period.  
All fund performance quoted above is since inception unless otherwise stated.

## Historical Performance



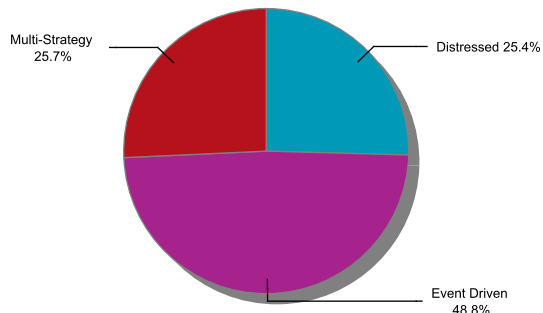
Past performance is not a reliable indicator of future results. The Fund underwent a restructuring at the end of September 2011.

## Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

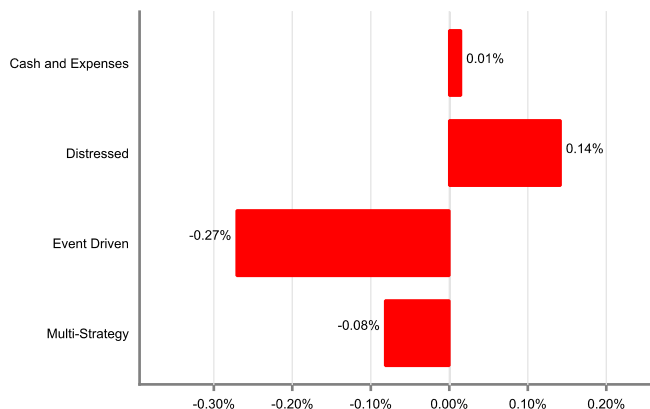
The Fund was down over the month with mixed performance from the strategies. Distressed contributed positively as underlying bank debt and high yield bond positions gained over the month. Further gains were attributable to Treasury hedges, and holdings in a UK retailer and telecommunications company. Multi-Strategy detracted slightly as the structured credit sub-allocation incurred losses. Event Driven contributed negatively. Gains from distressed holdings in a large US bank, a Spanish property company and a gold mining stock were more than offset by losses from long positions in a global supplier of gas for industrial use and a high profile US retailer.

## Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

## Strategy Contribution



## Fund Objective

The Fund seeks to provide an absolute return from selective investment in a number of hedge funds that utilise and trade a range of different strategies with a longer term investment horizon. The investment funds will be selected and monitored by HSBC Alternative Investments Limited. The Fund is a sub-fund within HSBC Alternative Strategy Fund; a unit trust umbrella that has been authorised as a Class B Scheme in Guernsey.

**Portfolio Size: USD 79.58m**

US Dollar Class	Month to date:	-0.27%
	Year to date:	7.01%
	NAV:	121.24
Euro Class - Hedged	Month to date:	-0.36%
	Year to date:	7.22%
	NAV:	114.77

## Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	USD
<b>Inception Date</b>	28 February 2007
<b>Subscription</b>	Quarterly, with 10 Business Day(s) notice
<b>Redemption</b>	Quarterly with 95 days notice, subject to a gate limit of 15% (at Manager's discretion) (1). 12 Month soft-lock up (5% penalty fee)
<b>Minimum Management Fee</b>	USD 100,000
<b>Performance Fee</b>	1.75 % per annum 10 % of any return exceeding the benchmark
<b>Hurdle</b>	USD 3M LIBOR + 5% Index
<b>Reuters Page</b>	HSBC/HMGN
<b>Bloomberg</b>	HSBCSOD
<b>ISIN Number</b>	GG00B1PDH540

## Top 10 Holdings \*

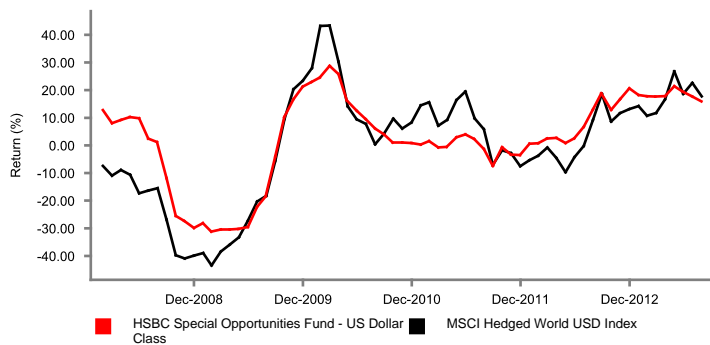
D.E. Shaw Composite International Fund L.P.	15.98%
Redwood Opportunity Offshore	13.10%
Davidson Kempner International, Ltd.	13.00%
Tyrus Capital Event Fund	12.48%
Beach Point Total Return Offshore Fund II	12.27%
CQS Directional Opportunities Feeder Fund Limited	9.75%
AG Super Fund International Ltd.	9.05%
Marcato International Ltd	7.76%
Pershing Square International, Ltd.	6.36%
Top 10 Holdings	= 99.76% of portfolio
Top 20 Holdings	= 99.76% of portfolio

# HSBC Special Opportunities Fund

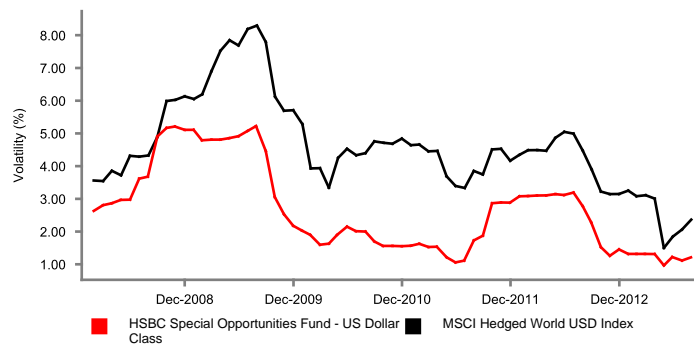
US Dollar Class

30 August 2013

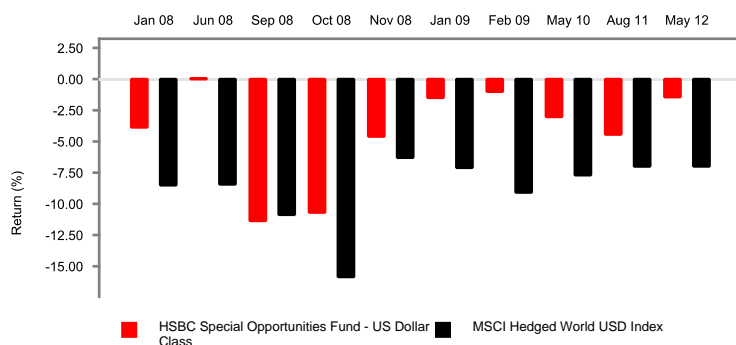
## 12 Month Rolling Return



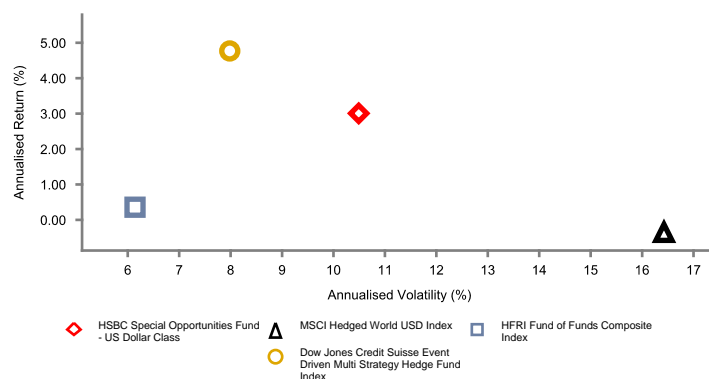
## 12 Month Rolling Volatility



## Worst Performing Months \*



## Risk / Return



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

## Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	1.47%	1.34%	1.23%	1.15%	1.55%	-1.16%	1.52%	-0.27%					7.01%
2012	3.53%	1.73%	1.33%	1.01%	-1.44%	0.45%	3.09%	1.21%	0.97%	1.52%	1.63%	3.99%	20.63%
2011	-0.69%	1.54%	-0.36%	0.80%	0.37%	-1.19%	-0.93%	-4.44%	-3.98%	6.89%	-1.72%	0.60%	-3.50%
2010	-0.16%	0.30%	1.93%	0.61%	-3.03%	-2.18%	0.64%	-0.89%	2.35%	-0.38%	0.99%	0.79%	0.85%
2009	-1.50%	-1.01%	-1.42%	2.98%	4.92%	1.03%	3.42%	2.35%	4.42%	2.50%	0.99%	0.98%	21.26%
2008	-3.87%	3.38%	-2.50%	2.97%	4.62%	0.05%	-6.29%	-2.37%	-11.36%	-10.69%	-4.60%	-2.81%	-29.86%
2007			1.77%	1.88%	3.64%	0.45%	0.44%	-1.16%	1.76%	5.69%	-2.26%	0.75%	13.48%

Share Class: US Dollar Class

Past performance is not a reliable indicator of future results.

## Disclaimer

(1) The Manager may limit the number of shares in the Fund which may be redeemed on any dealing day to not more than 15% of the total number of shares in issue immediately before such date. Any shares failing to be redeemed upon the exercise of this discretion by the Manager will be carried forward to the next dealing day and shall be redeemed pro rata in priority to any other shares in respect of which a redemption notice has subsequently been received.

This document has been issued by HSBC Management (Guernsey) Limited, which is regulated by the Guernsey Financial Services Commission ("GFSC"). The HSBC Special Opportunities Fund ("the Fund") is a sub-fund of HSBC Alternative Strategy Fund. The Fund is à risque part and the domicile of the Fund is Guernsey. The GFSC has authorised the Fund as a Class B Collective Investment Scheme under the Protection of Investors (Bailiwick of Guernsey) Law 1987. The GFSC does not guarantee the financial soundness or the correctness of any of the statements made or opinions expressed with regard to the Fund. The information has been issued by sources believed to be reliable, although this is not guaranteed, and the information stated and opinions expressed constitute best judgement at the time of publication, and are subject to change without prior notification. Past performance is not a guarantee of future performance. The price of units or shares can go down as well as up and may be affected by changes in exchange rates. An investor may not receive back the amount invested. It is essential that investors read the prospectus of the Fund and acquaint themselves with the risks associated with an investment in the Fund, including the risks of the underlying investments. The information contained within this material has not been reviewed in the light of your personal circumstances. If you require investment advice or wish to discuss the suitability of any investment decision, you should contact your Relationship Manager or you should seek such financial, legal or tax advice from your professional advisers as appropriate. This document is not and should not be construed as an offer to sell or solicitation of an offer to purchase or subscribe for any investment or service. In the UK, the Fund is an Unregulated Collective Investment Scheme and as such, distribution of this document is restricted to defined categories of investors described within The Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 and/or permissible categories of investor under FCA COBS 4.12. For Swiss investors, this is a non contractual document. Please note that the presented fund is not authorised for public distribution according to Art. 120 of the Federal Collective Investment Schemes Act in Switzerland. This presentation is therefore intended exclusively towards qualified investors in the meaning of Art. 10 para 3 of the Federal Collective Investment Schemes Act (CISA). Capital is not guaranteed. All subscriptions in any fund presented in this document are accepted only on the basis of the current prospectus, available on request also from the centralisation agent or the financial department. The Fund invests as a "fund of funds" in hedge funds. An investment in the Fund carries substantial risks. The risks inherent to an investment in hedge funds are of a nature and degree not typically encountered in investments in securities of companies listed on major securities markets worldwide. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over time. Investors incur the risk of losing all or part of their investment in the Fund. Prospective investors should carefully consider whether an investment in shares is suitable for them in the light of their own circumstances and financial resources (see the sections entitled "Risk Warnings and Disclosures for Investors in the Funds" and "Additional Risk Factors" of the Prospectus). The Fund will, however, endeavour to monitor risks through the selection of the Fund's investments based on a Due Diligence procedure (see the section entitled "Due Diligence Process" in the Prospectus). This document may not be distributed in the United States, Canada, Australia or any other country in which its distribution is unlawful. **The HSBC Special Opportunities Fund referenced herein is: (i) no longer offered by or through any HSBC U.S. booking center, and (ii) not offered or sold to U.S. residents.** © Copyright. HSBC Management (Guernsey) Limited 2013. ALL RIGHTS RESERVED. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of HSBC Management (Guernsey) Limited. Performance figures quoted are net of all fees.

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 Creation Time 10:57:57  
 Creation Date 18 Sep 2013  
 Report Instance 962790

# HSBC Credit Market Opportunities Fund

US Dollar Class

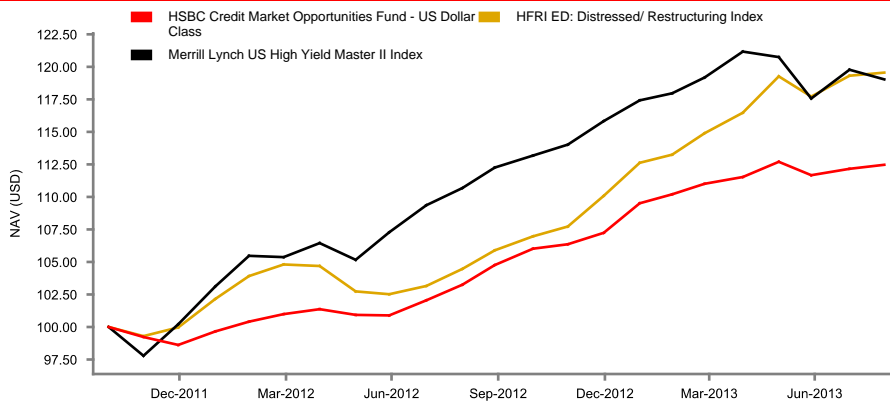
30 August 2013

## Fund Performance and Analysis

	HSBC Credit Market Opportunities Fund - High Yield Master II US Dollar Class	Merrill Lynch US High Yield Master II Index	HFRI ED: Distressed/Restructuring Index
MTD Return	0.28%	-0.62%	0.20%
YTD Return	4.88%	2.77%	8.61%
12 Month Return	8.93%	7.55%	14.45%
Actual Return	12.47%	19.04%	19.56%
Annualised Return	6.62%	9.97%	10.23%
Annualised Volatility	2.60%	5.06%	3.95%
Sharpe Ratio (Annualised)*	2.39	1.89	2.49
Maximum Drawdown	-1.38%	-2.97%	-2.18%
% Positive Months	77.27%	72.73%	77.27%
Correlation	1.00	0.52	0.78
VaR(95%)	-1.25%	-2.40%	-1.88%
VaR(99%)	-1.77%	-3.36%	-2.68%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of USD 3M LIBOR Index over the period.  
All fund performance quoted above is since inception unless otherwise stated.

## Historical Performance



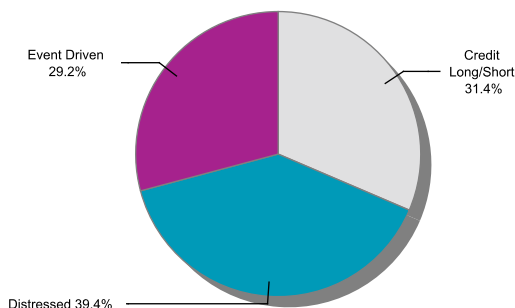
Past performance is not a reliable indicator of future results.

## Fund Commentary

August saw investors once again turn their attention to the Federal Reserve and whether they would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the yield on the 10 year US Treasury closing 20 basis points higher at 2.8%. The move in Treasury bonds marked the fourth consecutive month of increased yields. The Merrill Lynch US High Yield Index finished the month down 0.62% as yields ended the month 26 basis points wider. August did however witness a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone.

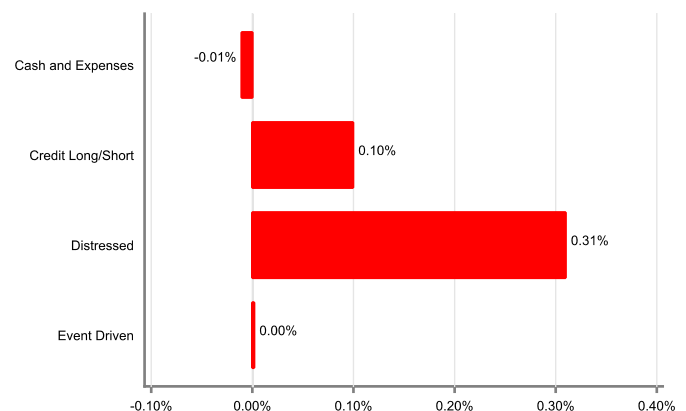
The Fund was up over the month with all strategies contributing positively to performance. Distressed was the largest positive contributor to performance with RMBS (Residential Mortgage Backed Securities) and CMBS (Commercial Mortgage Backed Securities) rising in value despite Fed tapering concerns. A position in a US financial also performed well, as it gained from various liquidation claims positions. Within the Credit Long/Short strategy, long positions in European structured credit attributed positively while short positions in corporate credit were relatively flat. The performance of Event Driven was driven by long RMBS positions and positive contribution from credit exposures in an e-commerce, computer technology and a US financial company.

## Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

## Strategy Contribution



## Fund Objective

The Fund seeks to provide an absolute return from selective investment in a number of funds and managed accounts that utilise and trade a range of different strategies that may benefit from stressed or distressed market opportunities. The investment funds will be selected and monitored by HSBC Alternative Investments Limited. The Fund is a sub-fund within HSBC Alternative Strategy Fund; a unit trust umbrella that has been authorised as a Class B Scheme in Guernsey.

## Portfolio Size: USD 60.2m

Class	Month to date:	Year to date:	NAV:
US Dollar Class	0.28%	4.88%	112.47
	0.25%	4.72%	111.88
	NaN	0.38%	100.38
Euro Class	0.25%	4.72%	111.88
	0.25%	4.72%	111.88
	NaN	0.38%	100.38
US Dollar R Class	0.25%	4.72%	111.88
	0.25%	4.72%	111.88
	NaN	0.38%	100.38

## Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	USD
<b>Inception Date</b>	31 October 2011
<b>Subscription</b>	Monthly, with 5 Business Day(s) notice
<b>Redemption</b>	Quarterly with 95 days notice, subject to a gate limit of 15% (at Manager's discretion). 5% exit fees apply to redemptions within 12 months of the date of investment
<b>Minimum Investment</b>	USD 25,000
<b>Management Fee</b>	1.75 % per annum
<b>Performance Fee</b>	10 % of any return exceeding the benchmark
<b>Hurdle</b>	USD 3M LIBOR + 5% Index
<b>Reuters Page</b>	
<b>Bloomberg</b>	HCRMOUS GU
<b>ISIN Number</b>	GG00B5KRVB33

## Top 10 Holdings \*

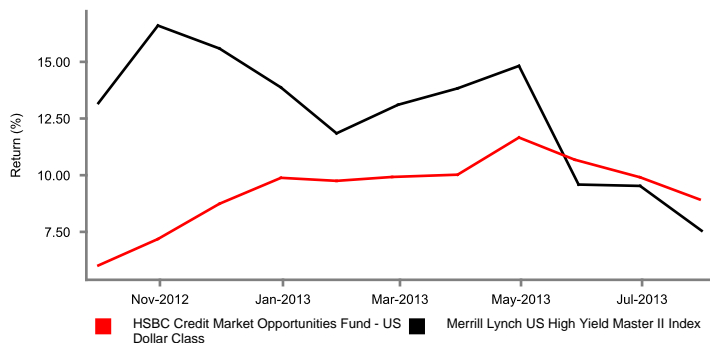
OZ Europe Overseas Fund II, Ltd.	17.25%
King Street Europe Ltd	16.83%
JPS Credit Opportunities Fund (Cayman) Limited	12.22%
AG Super Fund International Ltd.	11.90%
Halcyon Offshore Asset-Backed Value Fund Ltd.	11.65%
Sothic Capital European Opportunities	10.93%
CQS ABS Feeder Fund Ltd	10.46%
CQS ABS Alpha Feeder Fund Limited	8.74%

# HSBC Credit Market Opportunities Fund

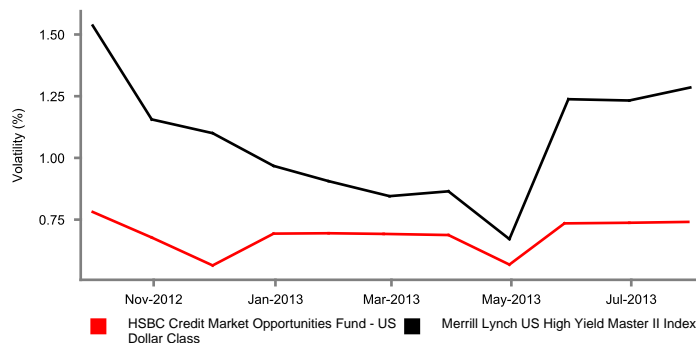
US Dollar Class

30 August 2013

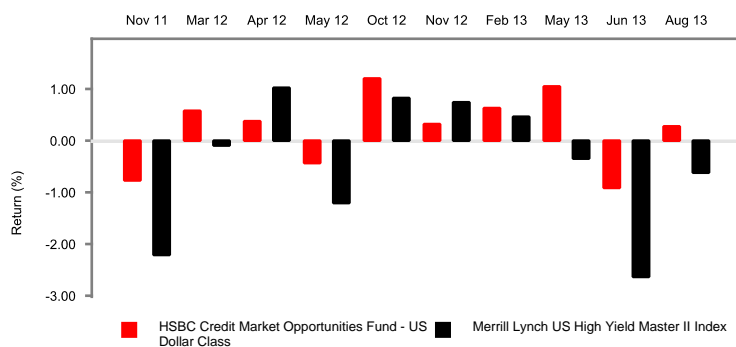
## 12 Month Rolling Return



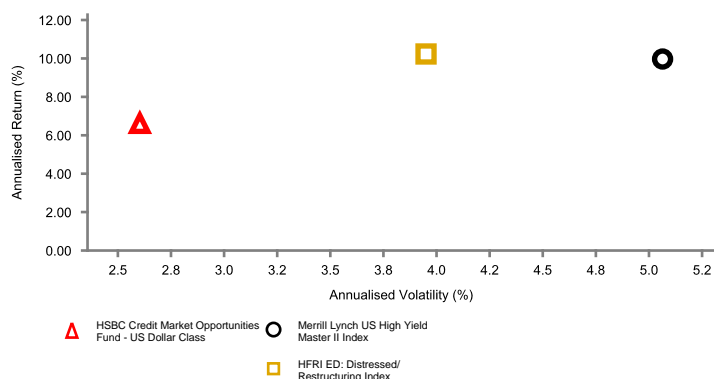
## 12 Month Rolling Volatility



## Worst Performing Months \*



## Risk / Return



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

## Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	2.12%	0.63%	0.74%	0.47%	1.05%	-0.91%	0.44%	0.28%					4.88%
2012	1.05%	0.75%	0.58%	0.38%	-0.43%	-0.04%	1.15%	1.18%	1.46%	1.20%	0.32%	0.83%	8.74%
2011											-0.77%	-0.61%	-1.38%

Share Class: US Dollar Class

Past performance is not a reliable indicator of future results.

## Disclaimer

This document has been issued by HSBC Management (Guernsey) Limited, which is regulated by the Guernsey Financial Services Commission ("GFSC"). The HSBC Credit Market Opportunities Fund ("the Fund") is a sub-fund of HSBC Alternative Strategy Fund. The Fund is a risk part and the domicile of the Fund is Guernsey. The GFSC has authorised the Fund as a Class B Collective Investment Scheme under the Protection of Investors (Bailiwick of Guernsey) Law 1987. The GFSC does not guarantee the financial soundness or the correctness of any of the statements made or opinions expressed with regard to the Fund. The information has been issued by sources believed to be reliable, although this is not guaranteed, and the information stated and opinions expressed constitute best judgement at the time of publication, and are subject to change without prior notification. Past performance is not a guarantee of future performance. The price of units or shares can go down as well as up and may be affected by changes in exchange rates. An investor may not receive back the amount invested. It is essential that investors read the prospectus of the Fund and acquaint themselves with the risks associated with an investment in the Fund, including the risks of the underlying investments. The information contained within this material has not been reviewed in the light of your personal circumstances. If you require investment advice or wish to discuss the suitability of any investment decision, you should contact your Relationship Manager or you should seek such financial, legal or tax advice from your professional advisers as appropriate. This document is not and should not be construed as an offer to sell or solicitation of an offer to purchase or subscribe for any investment or service. In the UK, the Fund is an Unregulated Collective Investment Scheme and as such, distribution of this document is restricted to defined categories of investors described within The Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 and/or permissible categories of investor under FCA COBS 4.12. For Swiss investors, this is a non contractual document. Please note that the presented fund is not authorised for public distribution according to Art. 120 of the Federal Collective Investment Schemes Act in Switzerland. This presentation is therefore intended exclusively towards qualified investors in the meaning of Art. 10 para 3 of the Federal Collective Investment Schemes Act (CISA). Capital is not guaranteed. All subscriptions in any fund presented in this document are accepted only on the basis of the current prospectus, available on request also from the centralisation agent or the financial department. The Fund invests as a "fund of funds" in hedge funds. An investment in the Fund carries substantial risks. The risks inherent to an investment in hedge funds are of a nature and degree not typically encountered in investments in securities of companies listed on major securities markets worldwide. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over time. Investors incur the risk of losing all or part of their investment in the Fund. Prospective investors should carefully consider whether an investment in shares is suitable for them in the light of their own circumstances and financial resources (see the sections entitled "Risk Warnings and Disclosures for Investors in the Funds" and "Additional Risk Factors" of the Prospectus). The Fund will, however, endeavour to monitor risks through the selection of the Fund's investments based on a Due Diligence procedure (see the section entitled "Due Diligence Process" in the Prospectus). This document may not be distributed in the United States, Canada, Australia or any other country in which its distribution is unlawful. **The HSBC Credit Market Opportunities Fund referenced herein is: (i) no longer offered by or through any HSBC U.S. booking center, and (ii) not offered or sold to U.S. residents.** © Copyright. HSBC Management (Guernsey) Limited 2013. ALL RIGHTS RESERVED. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of HSBC Management (Guernsey) Limited. Performance figures quoted are net of all fees.

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Creation Time: 10:28:51  
 Creation Date: 18 Sep 2013  
 Report Instance: 962760

# HSBC Credit Market Opportunities Fund

Institutional Class (US Dollar)

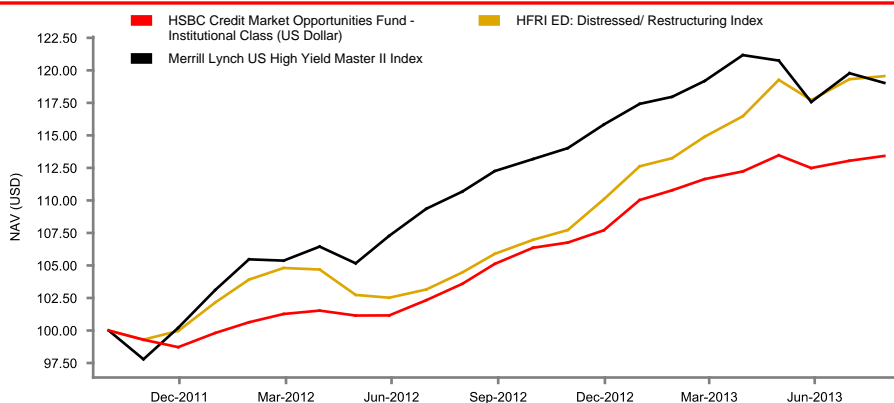
30 August 2013

## Fund Performance and Analysis

	HSBC Credit Market Opportunities Fund - High Yield Master II Institutional Class (US Dollar)	Merrill Lynch US High Yield Index	HFRI ED: Distressed/Restructuring Index
MTD Return	0.33%	-0.62%	0.20%
YTD Return	5.31%	2.77%	8.61%
12 Month Return	9.49%	7.55%	14.45%
Actual Return	13.42%	19.04%	19.56%
Annualised Return	7.11%	9.97%	10.23%
Annualised Volatility	2.59%	5.06%	3.95%
Sharpe Ratio (Annualised)*	2.59	1.89	2.49
Maximum Drawdown	-1.28%	-2.97%	-2.18%
% Positive Months	81.82%	72.73%	77.27%
Correlation	1.00	0.51	0.79
VaR(95%)	-1.24%	-2.46%	-1.88%
VaR(99%)	-1.76%	-3.46%	-2.65%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of USD 3M LIBOR Index over the period.  
All fund performance quoted above is since inception unless otherwise stated.

## Historical Performance



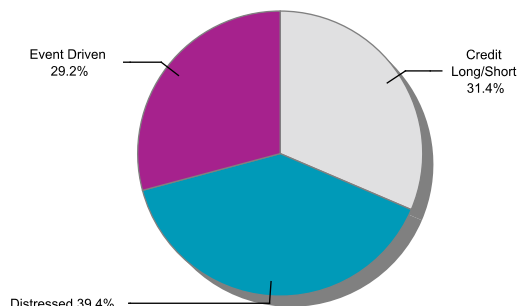
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## Fund Commentary

August saw investors once again turn their attention to the Federal Reserve and whether they would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the yield on the 10 year US Treasury closing 20 basis points higher at 2.8%. The move in Treasury bonds marked the fourth consecutive month of increased yields. The Merrill Lynch US High Yield Index finished the month down 0.62% as yields ended the month 26 basis points wider. August did however witness a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone.

The Fund was up over the month with all strategies contributing positively to performance. Distressed was the largest positive contributor to performance with RMBS (Residential Mortgage Backed Securities) and CMBS (Commercial Mortgage Backed Securities) rising in value despite Fed tapering concerns. A position in a US financial also performed well, as it gained from various liquidation claims positions. Within the Credit Long/Short strategy, long positions in European structured credit attributed positively while short positions in corporate credit were relatively flat. The performance of Event Driven was driven by long RMBS positions and positive contribution from credit exposures in an e-commerce, computer technology and a US financial company.

## Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

## Fund Objective

The Fund seeks to provide an absolute return from selective investment in a number of funds and managed accounts that utilise and trade a range of different strategies that may benefit from stressed or distressed market opportunities. The investment funds will be selected and monitored by HSBC Alternative Investments Limited. The Fund is a sub-fund within HSBC Alternative Strategy Fund; a unit trust umbrella that has been authorised as a Class B Scheme in Guernsey.

**Portfolio Size: USD 60.2m**

Institutional Class (US Dollar)	Month to date:	0.33%
	Year to date:	5.31%
	NAV:	113.42

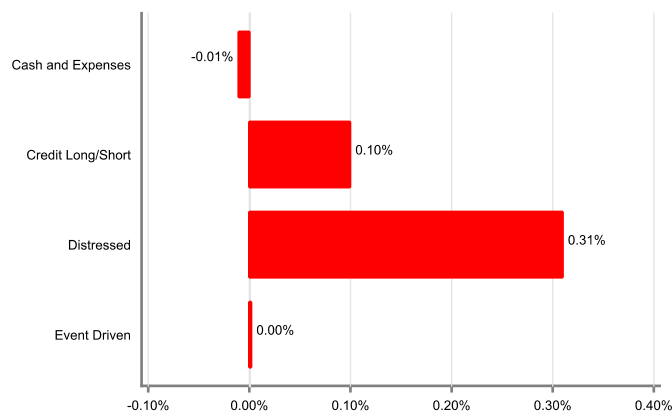
## Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	USD
<b>Inception Date</b>	31 October 2011
<b>Subscription</b>	Monthly, with 5 Business Day(s) notice
<b>Redemption</b>	Quarterly with 95 days notice, subject to a gate limit of 15% (at Manager's discretion). 5% exit fees apply to redemptions within 12 months of the date of investment
<b>Minimum Management Fee</b>	USD 2,500,000
<b>Performance Fee</b>	1% per annum
<b>Hurdle</b>	10% of any return exceeding the benchmark
<b>Reuters Page</b>	USD 3M LIBOR + 5% Index
<b>Bloomberg</b>	HCRM0IU GU
<b>ISIN Number</b>	GG00B5SDJ863

## Top 10 Holdings \*

OZ Europe Overseas Fund II, Ltd.	17.25%
King Street Europe Ltd	16.83%
JPS Credit Opportunities Fund (Cayman) Limited	12.22%
AG Super Fund International Ltd.	11.90%
Halcyon Offshore Asset-Backed Value Fund Ltd.	11.65%
Sothic Capital European Opportunities	10.93%
CQS ABS Feeder Fund Ltd	10.46%
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## Strategy Contribution

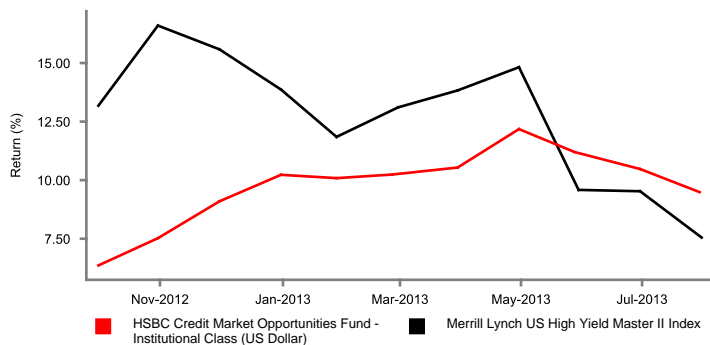


# HSBC Credit Market Opportunities Fund

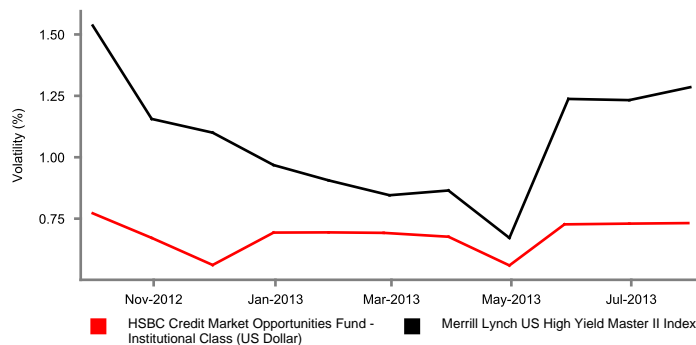
Institutional Class (US Dollar)

30 August 2013

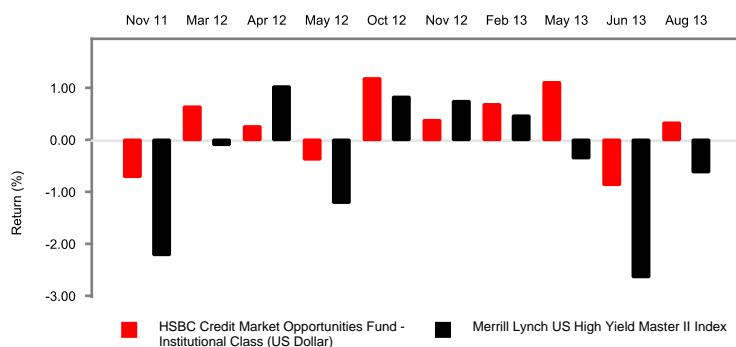
## 12 Month Rolling Return



## 12 Month Rolling Volatility

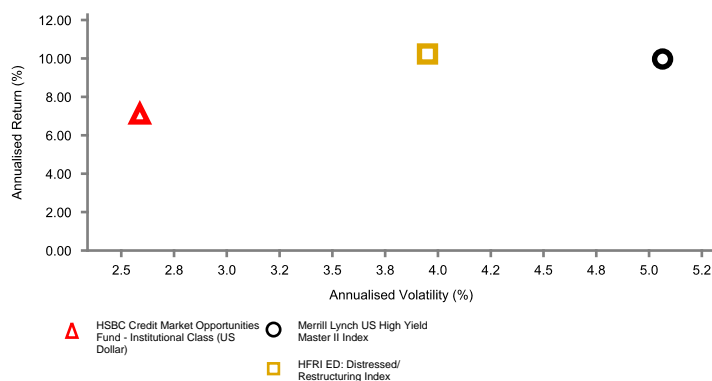


## Worst Performing Months \*



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

## Risk / Return



## Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	2.16%	0.68%	0.78%	0.53%	1.10%	-0.86%	0.50%	0.33%					5.31%
2012	1.11%	0.81%	0.64%	0.26%	-0.37%	0.01%	1.16%	1.23%	1.48%	1.18%	0.38%	0.88%	9.10%
2011											-0.71%	-0.57%	-1.28%

Share Class: Institutional Class (US Dollar)

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## Disclaimer

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Creation Time 10:29:46  
 Creation Date 18 Sep 2013  
 Report Instance 962761



# HSBC Asian AdvantEdge Fund

US Dollar Class

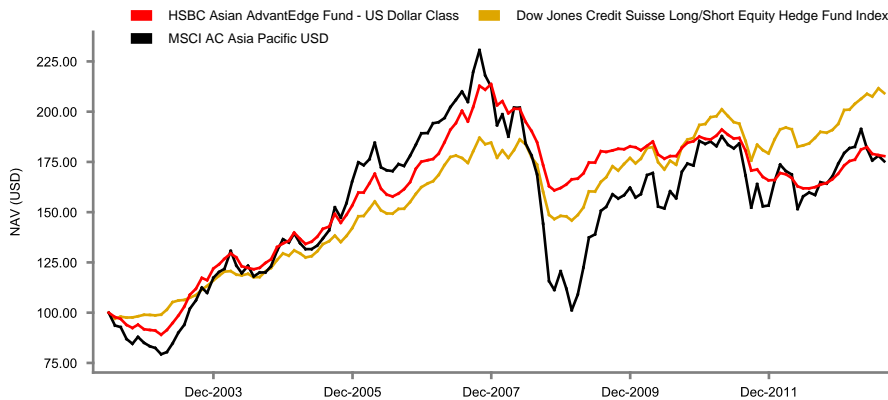
30 August 2013

## Fund Performance and Analysis

	HSBC Asian AdvantEdge Fund - US Dollar Class	MSCI AC Asia Pacific USD	Dow Jones Credit Suisse Long/Short Equity Hedge Fund Index
MTD Return	-0.29%	-1.57%	-1.11%
YTD Return	5.15%	0.63%	7.89%
12 Month Return	9.50%	10.55%	11.90%
Actual Return	77.89%	75.28%	109.23%
Annualised Return	5.29%	5.15%	6.83%
Annualised Volatility	8.15%	17.85%	7.76%
Sharpe Ratio (Annualised)*	0.39	0.17	0.61
Maximum Drawdown	-24.73%	-56.10%	-22.00%
% Positive Months	61.19%	58.21%	66.42%
Correlation	1.00	0.79	0.78
VaR(95%)	-3.89%	-8.52%	-3.72%
VaR(99%)	-5.45%	-12.05%	-5.25%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of USD 3M LIBOR Index over the period.  
All fund performance quoted above is since inception unless otherwise stated.

## Historical Performance



Past performance is not a reliable indicator of future results.

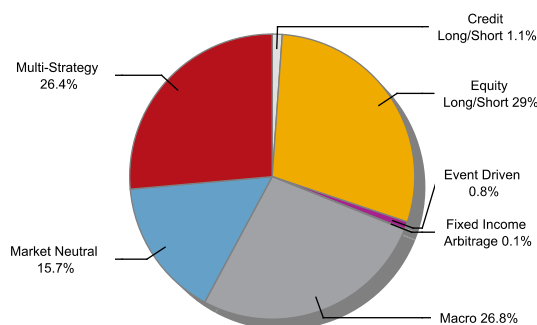
## Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3%. August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6%. Losses in Japan were offset by gains in China, where recent data suggests that China may be stabilizing ahead of the rest of the Emerging Markets. In addition, the Bank of Japan has shifted toward an unconditional easing bias, confirming the fight against deflation as the number one priority. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8%. Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

The Fund was down over the month with mixed performance from the strategies. Multi-Strategy was the strongest contributor to performance. Increasing levels of market activity allowed managers to generate returns from relative value trading, participation in IPOs (Initial Public Offering), Index rebalancing and corporate action trades. Equity Long/Short finished the month nearly flat. Gains from a Chinese auto and a property company were more than offset by losses from short exposure to global cyclical industries, as better than expected PMIs (Purchasing Manager Indices) figures in China benefitted these industries. Negative returns in Macro were driven by the equities and currency allocations, namely from trades in Japanese equities, Singapore Dollar, Indian Rupee and the Japanese Yen. Market Neutral detracted over the month as losses from the short portfolio more than offset gains from the long holdings. The majority of the losses were attributable to a short position in a Singapore gold mining company, which rallied strongly over the month.

Note: The HSBC Emerging AdvantEdge Fund merged into the HSBC Asian AdvantEdge Fund at the end of September 2012 for which investors should have received a specific communication. If you have any queries on the changes, please contact your HSBC representative.

## Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

## Fund Objective

The Fund seeks to provide a total return from selective investment in a number of hedge funds which utilise predominantly long/short equity strategies in Asian markets. The investment funds will be selected and monitored by HSBC Alternative Investments Limited. The Fund is a sub-fund within HSBC Uni-Folio; a unit trust umbrella that has been authorised as a Class B Scheme in Guernsey.

**Portfolio Size: USD 30.92m**

Class	Month to date:	Year to date:	NAV:
US Dollar Class	-0.29%	5.15%	177.89
	-0.29%	5.05%	95.05
	-0.20%	-0.20%	99.80

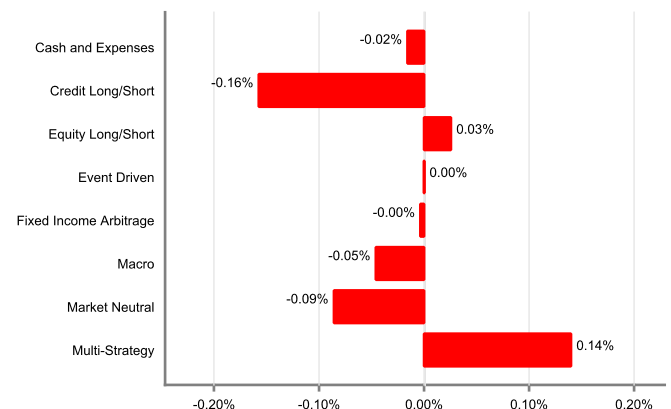
## Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	USD
<b>Inception Date</b>	28 June 2002
<b>Subscription</b>	Monthly, with 5 Business Day(s) notice
<b>Redemption</b>	Monthly redemptions, subject to 1 month plus 5 Business Days notice.
<b>Minimum</b>	USD 25,000
<b>Management Fee</b>	1.75 % per annum
<b>Performance Fee</b>	10 % of any return exceeding the benchmark
<b>Hurdle</b>	USD 3M LIBOR + 3.5% Index
<b>Reuters Page</b>	HSBC/HMGD
<b>Bloomberg</b>	REPASAA GU
<b>ISIN Number</b>	GB00B01FR579

## Top 10 Holdings \*

OZ Asia Overseas Fund, Ltd.	12.20%
Fortress Asia Macro Fund	11.43%
Segantii AP Equity Multi-Strategy	10.67%
Pinpoint China Fund	8.90%
Brevar Howard Asia Fund Limited	8.87%
Macquarie Asian Alpha Fund	8.82%
Sensato Asia Pacific Offshore Fund, Ltd.	8.31%
Amazon Market Neutral Fund	6.92%
Dymon Asia Macro Fund	6.49%
Tybourne Equity Offshore Fund	6.46%
Top 10 Holdings	= 89.06% of portfolio
Top 20 Holdings	= 99.89% of portfolio

## Strategy Contribution

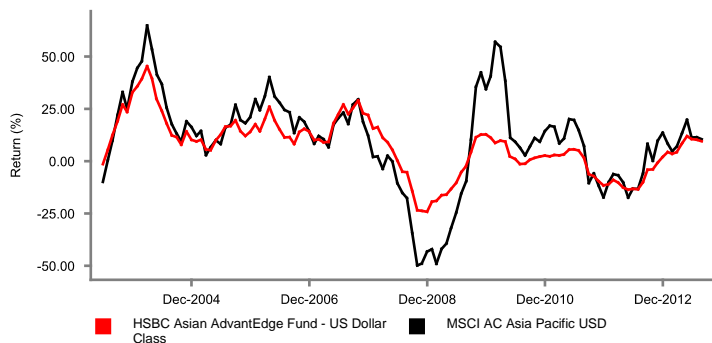


# HSBC Asian AdvantEdge Fund

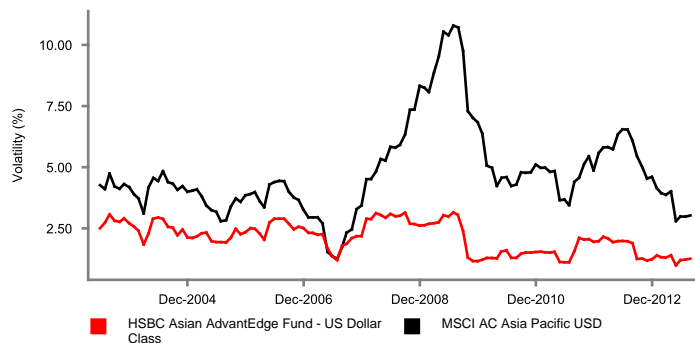
## US Dollar Class

30 August 2013

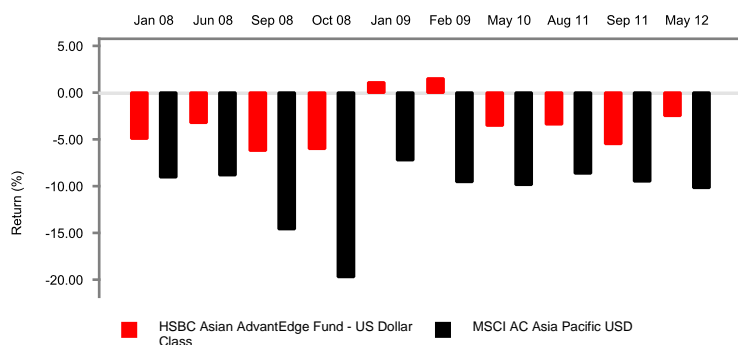
### 12 Month Rolling Return



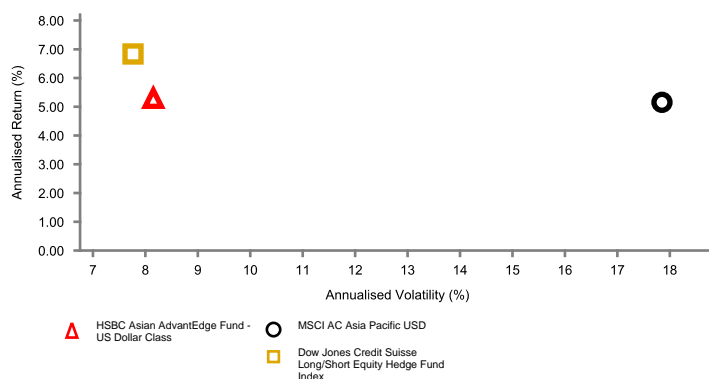
### 12 Month Rolling Volatility



### Worst Performing Months \*



### Risk / Return



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

### Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	2.39%	1.26%	0.41%	2.86%	0.64%	-1.83%	-0.34%	-0.29%					5.15%
2012	0.10%	2.08%	-0.36%	-1.11%	-2.47%	-0.60%	-0.01%	0.38%	0.76%	0.52%	1.11%	1.69%	2.01%
2011	-0.60%	-0.17%	1.05%	1.58%	-1.36%	-1.01%	0.18%	-3.38%	-5.48%	0.30%	-2.14%	-1.02%	-11.59%
2010	-0.25%	-0.78%	1.22%	1.14%	-3.52%	-1.13%	0.72%	0.02%	2.29%	1.38%	0.44%	1.24%	2.67%
2009	1.09%	1.51%	0.25%	1.55%	3.16%	0.07%	3.19%	-0.16%	0.36%	0.45%	-0.13%	0.79%	12.77%
2008	-4.91%	0.96%	-2.90%	1.12%	-0.03%	-3.22%	-2.93%	-6.20%	-6.00%	-1.28%	0.73%	-24.18%	
2007	0.43%	0.34%	1.51%	3.15%	3.38%	1.73%	3.14%	-2.63%	3.68%	5.19%	-0.89%	1.30%	22.05%
2006	4.24%	0.03%	2.83%	2.91%	-4.39%	-1.76%	-0.65%	0.94%	1.30%	2.23%	4.04%	2.03%	14.26%
2005	1.03%	2.96%	-2.20%	-1.86%	0.86%	1.84%	2.79%	0.83%	4.37%	-2.94%	2.71%	3.09%	14.01%
2004	1.74%	2.20%	2.08%	-1.53%	-3.44%	-0.65%	-0.52%	0.55%	1.99%	1.43%	4.82%	1.33%	10.21%
2003	-0.40%	-0.40%	-2.18%	2.59%	3.80%	3.97%	4.55%	5.66%	2.75%	4.83%	-0.99%	5.01%	32.91%
2002							-2.17%	-0.96%	-3.08%	-1.66%	1.82%	-2.41%	-2.21%

Share Class: US Dollar Class

Past performance is not a reliable indicator of future results.

### Disclaimer

HSBC Asian AdvantEdge Fund ("the Fund") is a sub-fund of HSBC Uni-Folio. This document has been issued by HSBC Management (Guernsey) Limited, which is regulated by the Guernsey Financial Services Commission ("GFSC"). The Fund is a risk part and the domicile of the Fund is Guernsey. The HSBC Asian AdvantEdge Fund ("the Fund") is a sub-fund of HSBC Uni-Folio. The GFSC has authorised the Fund as a Class B Collective Investment Scheme under the Protection of Investors (Bailiwick of Guernsey) Law 1987. The GFSC does not guarantee the financial soundness or the correctness of any of the statements made or opinions expressed with regard to the Fund. The information has been issued by sources believed to be reliable, although this is not guaranteed, and the information stated and opinions expressed constitute best judgement at the time of publication, and are subject to change without prior notification. Past performance is not a guarantee of future performance. The price of units or shares can go down as well as up and may be affected by changes in exchange rates. An investor may not receive back the amount invested. It is essential that investors read the prospectus of the Fund and acquaint themselves with the risks associated with an investment in the Fund, including the risks of the underlying investments. The information contained within this material has not been reviewed in the light of your personal circumstances. If you require investment advice or wish to discuss the suitability of any investment decision, you should contact your Relationship Manager or you should seek such financial, legal or tax advice from your professional advisers as appropriate. This document is not and should not be construed as an offer to sell or solicitation of an offer to purchase or subscribe for any investment or service. In the UK, the Fund is an Unregulated Collective Investment Scheme and as such, distribution of this document is restricted to defined categories of investors described within The Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 and/or permissible categories of investor under FCA COBS 4.12. For Swiss investors, this is a non contractual document. The fund is authorised for public distribution in Switzerland in the meaning of Art. 120 of the Federal Collective Investment Schemes Act. You are kindly asked to consult the latest issued prospectus, statutes and the (semi)-annual report of the fund which may be obtained free of charge at the office of the Swiss representative: ACOLIN Fund Services AG, Stadelhoferstrasse 18, CH-8001 Zürich. Paying agent: HSBC Private Bank (Suisse) S.A., Quai Général Guisan 2, P.O. Box 3580, 1211 Geneva 3. Capital is not guaranteed. All subscriptions in any fund presented in this document are accepted only on the basis of the current prospectus, available on request also from the centralisation agent or the financial department. Before subscription, investors should refer to the prospectus for general and specific risk factors associated with this fund. The fund is a foreign umbrella fund with multiple sub-funds with special risks under Swiss law and is structured as an open-ended unit trust domiciled in Guernsey. The Fund invests as a "fund of funds" in hedge funds. An investment in the Fund carries substantial risks. The risks inherent to an investment in hedge funds are of a nature and degree not typically encountered in investments in securities of companies listed on major securities markets worldwide. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over time. Investors incur the risk of losing all or part of their investment in the Fund. Prospective investors should carefully consider whether an investment in shares is suitable for them in the light of their own circumstances and financial resources (see the sections entitled "Risk Warnings and Disclosures for Investors in the Funds" and "Additional Risk Factors" of the Prospectus). The Fund will, however, endeavour to monitor risks through the selection of the Fund's investments based on a Due Diligence procedure (see the section entitled "Due Diligence Process" in the Prospectus). This document may not be distributed in the United States, Canada, Australia or any other country in which its distribution is unlawful. **The HSBC Asian AdvantEdge Fund referenced herein is: (i) no longer offered by or through any HSBC U.S. booking center, and (ii) not offered or sold to U.S. residents.** © Copyright. HSBC Management (Guernsey) Limited 2013. ALL RIGHTS RESERVED. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of HSBC Management (Guernsey) Limited. Performance figures quoted are net of all fees. Issuance and redemption commissions are not included in the performance figures.

### Contacts

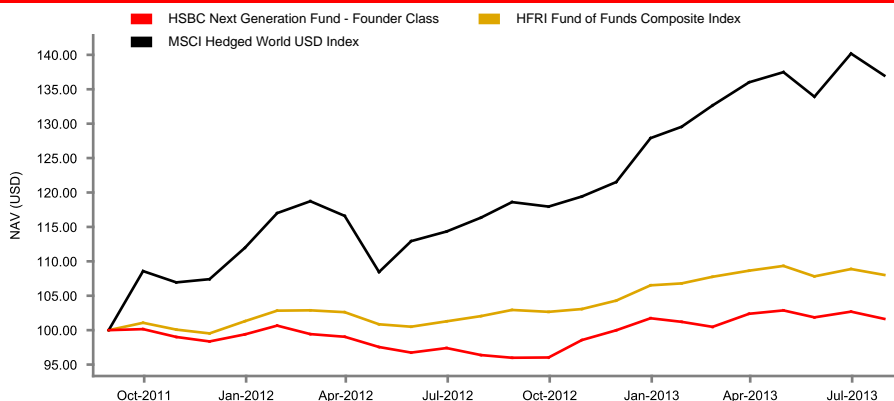
**Email:** [hail.investor.relations@hsbc.com](mailto:hail.investor.relations@hsbc.com)  
**Tel:** +(44) 207 860 6532  
**Internet site:** <http://www.hail.hsbc.com>  
 Creation Time 14:36:22  
 Creation Date 18 Sep 2013  
 Report Instance 963054

### Fund Performance and Analysis

	HSBC Next Generation Fund - Founder Class	MSCI Hedged World USD Index	HFRI Fund of Funds Composite Index
MTD Return	-1.02%	-2.28%	-0.79%
YTD Return	1.66%	12.74%	3.58%
12 Month Return	5.46%	17.74%	5.86%
Actual Return	1.64%	36.99%	8.02%
Annualised Return	0.85%	17.85%	4.11%
Annualised Volatility	4.05%	11.16%	3.46%
Sharpe Ratio (Annualised)*	0.11	1.56	1.07
Maximum Drawdown	-4.64%	-8.67%	-2.31%
% Positive Months	47.83%	73.91%	65.22%
Correlation	1.00	0.50	0.69
VaR(95%)	-1.92%	-5.36%	-1.64%
VaR(99%)	-2.71%	-7.58%	-2.33%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of USD 3M LIBOR Index over the period.  
All fund performance quoted above is since inception unless otherwise stated.

### Historical Performance



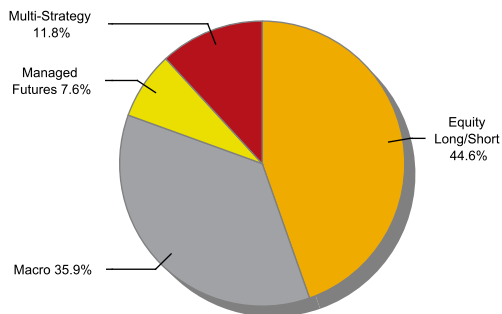
Past performance is not a reliable indicator of future results.

### Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

The Fund was down over the month. All of the underlying strategies apart from Multi-Strategy contributed negatively to performance. Macro was the largest negative contributor to performance, with losses driven by long exposure in the Indian Rupee, which depreciated significantly during the month due to macro concerns. These concerns also had a negative impact within the Equity Long/Short strategy as Indian financial, mining and beverages exposures sold off heavily during the month. Long exposures to Chinese consumer related stocks helped to offset these losses. However, the strategy finished down as positions in a Turkish airline and a US pharmaceutical company detracted slightly. Within the Managed Futures strategy, losses were driven from short and medium term trend following systems in equities, metals and currencies. Finally, in Multi Strategy, volatility trading dominated the positive performance as a long volatility (VIX) index trade gained. Other areas of performance within the strategy came from a merger trade in a technology company and various capital structure arbitrage positions which recovered following a sell-off in July.

### Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

### Fund Objective

The fund seeks to provide a total return from selective investment in a number of emerging manager funds, which utilise and trade a range of different strategies and markets worldwide. The investment funds will be selected and monitored by HSBC Alternative Investments Limited. The Fund is a sub-fund within HSBC Alternative Strategy Fund; a unit trust umbrella that has been authorised as a Class B Scheme in Guernsey.

**Portfolio Size: USD 45.86m**

<b>Founder Class</b>	Month to date:	-1.02%
	Year to date:	1.66%
	NAV:	101.64

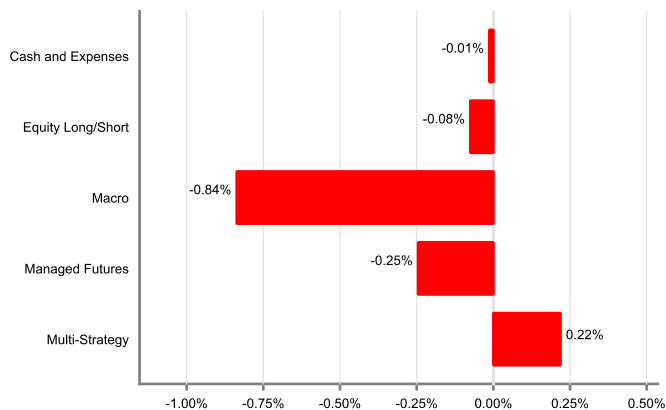
### Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	USD
<b>Inception Date</b>	30 September 2011
<b>Subscription</b>	Monthly, with 5 Business Day(s) notice
<b>Redemption</b>	Monthly, subject to 65 calendar days notice. 5% exit fees apply to redemptions within 12 months of the date of investment
<b>Minimum Management Fee</b>	USD 2,500,000
<b>Performance Fee</b>	0.75 % per annum
	5 % of any return exceeding the benchmark
<b>Hurdle</b>	USD 3M LIBOR + 8% Index
<b>Reuters Page</b>	
<b>Bloomberg</b>	HSBCNGF GU
<b>ISIN Number</b>	GG00B4JY4865

### Top 10 Holdings \*

Zeal China	12.18%
BTG Pactual GEO Fund Ltd	11.83%
Dymon Asia Currency Value	10.36%
Laurion Capital Global Markets	9.44%
Carrhae Capital Fund Ltd	9.04%
Higgs Capital Fund Limited	8.68%
JENOP Global Healthcare Fund Limited	8.64%
Suvretta Offshore Fund, Ltd.	7.64%
Solaise Systematic Fund Limited	7.64%
Avantium Liquid EM Macro	7.43%
Top 10 Holdings	= 92.89% of portfolio
Top 20 Holdings	= 100% of portfolio

### Strategy Contribution

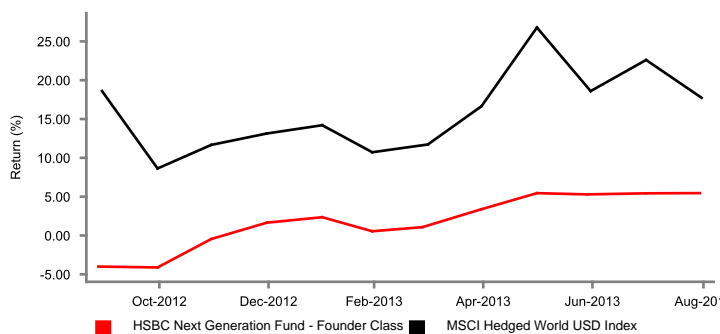


# HSBC Next Generation Fund

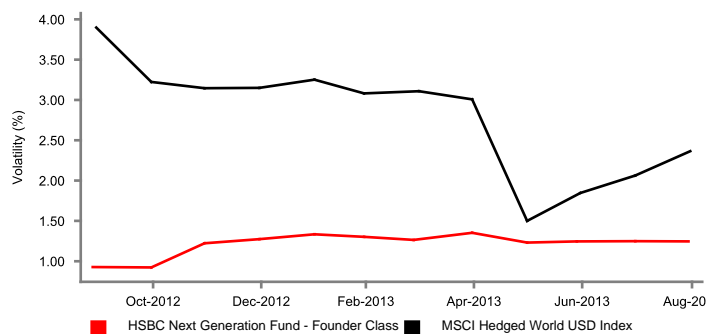
Founder Class

30 August 2013

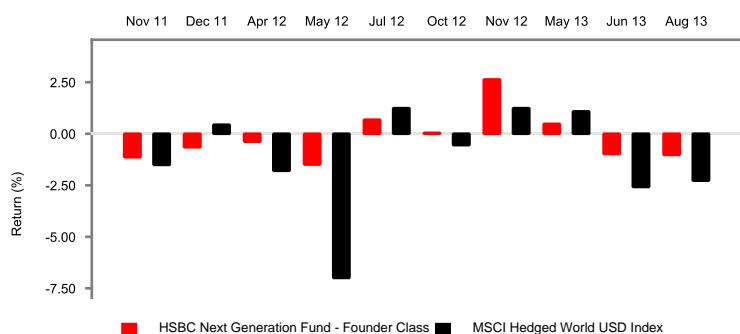
## 12 Month Rolling Return



## 12 Month Rolling Volatility

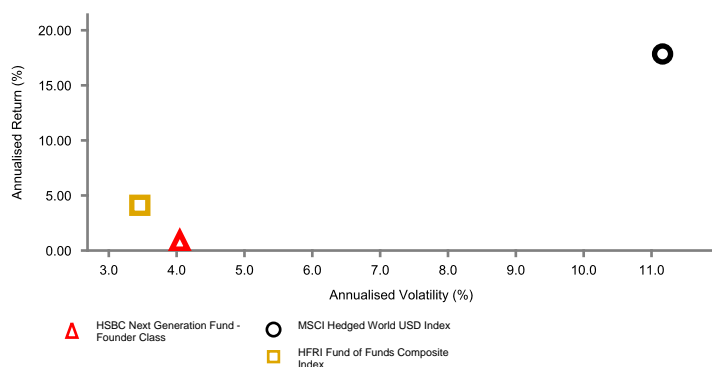


## Worst Performing Months \*



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

## Risk / Return



## Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	1.75%	-0.51%	-0.72%	1.89%	0.48%	-0.98%	0.81%	-1.02%					1.66%
2012	1.05%	1.28%	-1.24%	-0.38%	-1.49%	-0.83%	0.68%	-1.05%	-0.40%	0.04%	2.63%	1.44%	1.65%
2011										0.15%	-1.14%	-0.66%	-1.64%

Share Class: Founder Class

Past performance is not a reliable indicator of future results.

## Disclaimer

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## Contacts

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Creation Time 10:50:49  
 Creation Date 18 Sep 2013  
 Report Instance 962783

# HSBC Next Generation Fund

US Dollar Class

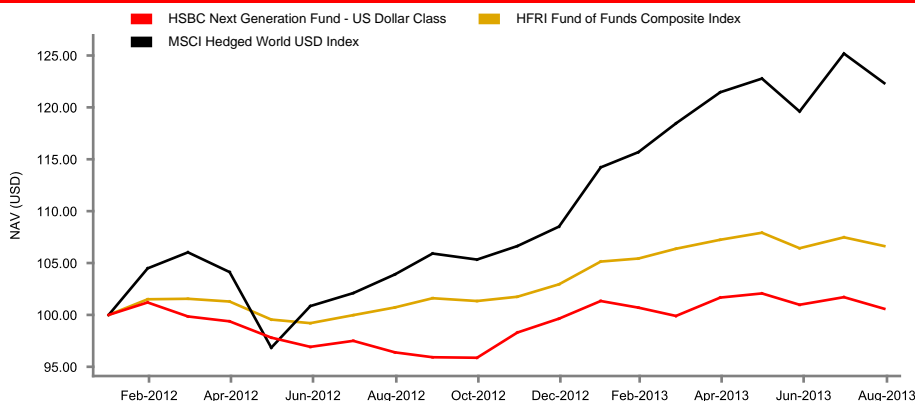
30 August 2013

## Fund Performance and Analysis

	HSBC Next Generation Fund - US Dollar Class	MSCI Hedged World USD Index	HFRI Fund of Funds Composite Index
MTD Return	-1.10%	-2.28%	-0.79%
YTD Return	0.95%	12.74%	3.58%
12 Month Return	4.36%	17.74%	5.86%
Actual Return	0.59%	22.33%	6.63%
Annualised Return	0.37%	13.58%	4.14%
Annualised Volatility	4.24%	10.26%	3.34%
Sharpe Ratio (Annualised)*	-0.00	1.29	1.12
Maximum Drawdown	-5.27%	-8.67%	-2.31%
% Positive Months	42.11%	73.68%	68.42%
Correlation	1.00	0.52	0.66
VaR(95%)	-2.03%	-4.88%	-1.60%
VaR(99%)	-2.86%	-6.96%	-2.24%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of USD 3M LIBOR Index over the period. All fund performance quoted above is since inception unless otherwise stated.

## Historical Performance

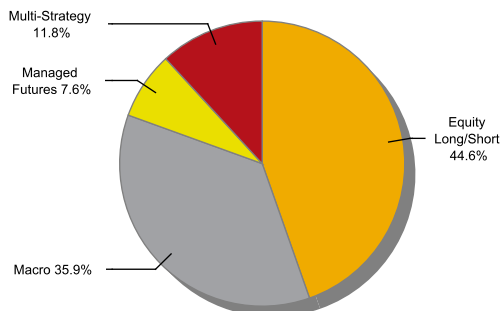


## Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

The Fund was down over the month. All of the underlying strategies apart from Multi-Strategy contributed negatively to performance. Macro was the largest negative contributor to performance, with losses driven by long exposure in the Indian Rupee, which depreciated significantly during the month due to macro concerns. These concerns also had a negative impact within the Equity Long/Short strategy as Indian financial, mining and beverages exposures sold off heavily during the month. Long exposures to Chinese consumer related stocks helped to offset these losses. However, the strategy finished down as positions in a Turkish airline and a US pharmaceutical company detracted slightly. Within the Managed Futures strategy, losses were driven from short and medium term trend following systems in equities, metals and currencies. Finally, in Multi Strategy, volatility trading dominated the positive performance as a long volatility (VIX) index trade gained. Other areas of performance within the strategy came from a merger trade in a technology company and various capital structure arbitrage positions which recovered following a sell-off in July.

## Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

## Fund Objective

The fund seeks to provide a total return from selective investment in a number of emerging manager funds, which utilise and trade a range of different strategies and markets worldwide. The investment funds will be selected and monitored by HSBC Alternative Investments Limited. The Fund is a sub-fund within HSBC Alternative Strategy Fund; a unit trust umbrella that has been authorised as a Class B Scheme in Guernsey.

**Portfolio Size: USD 45.86m**

US Dollar Class	Month to date:	-1.10%
	Year to date:	0.95%
	NAV:	100.59

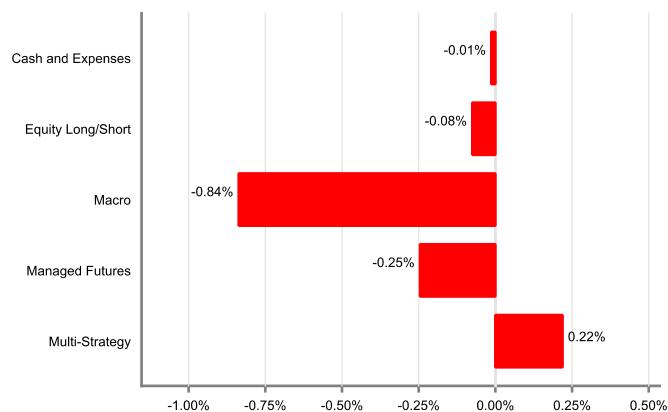
## Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	USD
<b>Inception Date</b>	31 January 2012
<b>Subscription</b>	Monthly, with 5 Business Day(s) notice
<b>Redemption</b>	Monthly, subject to 65 calendar days notice.
<b>Minimum</b>	USD 25,000
<b>Management Fee</b>	1.75 % per annum
<b>Performance Fee</b>	10 % of any return exceeding the benchmark
<b>Hurdle</b>	USD 3M LIBOR + 8% Index
<b>Reuters Page</b>	
<b>Bloomberg</b>	HSNGRUS GU
<b>ISIN Number</b>	GG00B73T7M36

## Top 10 Holdings \*

Zeal China	12.18%
BTG Pactual GEO Fund Ltd	11.83%
Dymon Asia Currency Value	10.36%
Laurion Capital Global Markets	9.44%
Carrhae Capital Fund Ltd	9.04%
Higgs Capital Fund Limited	8.68%
JENOP Global Healthcare Fund Limited	8.64%
Suvretta Offshore Fund, Ltd.	7.64%
Solaise Systematic Fund Limited	7.64%
Avantium Liquid EM Macro	7.43%
Top 10 Holdings	= 92.89% of portfolio
Top 20 Holdings	= 100% of portfolio

## Strategy Contribution

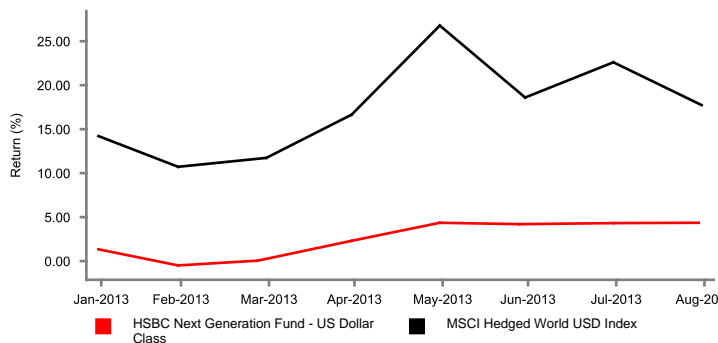


# HSBC Next Generation Fund

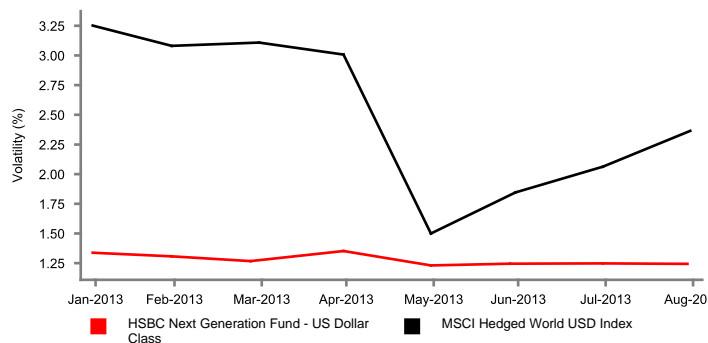
US Dollar Class

30 August 2013

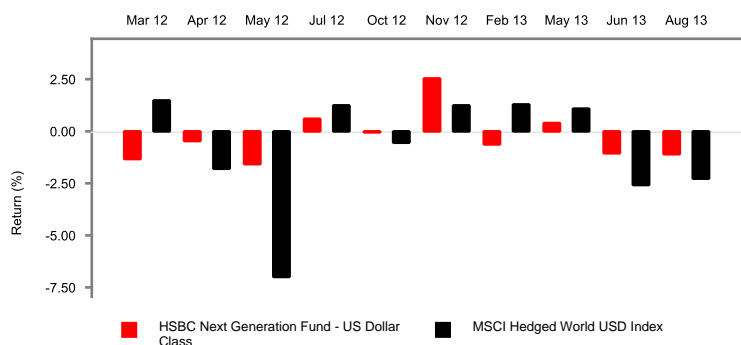
## 12 Month Rolling Return



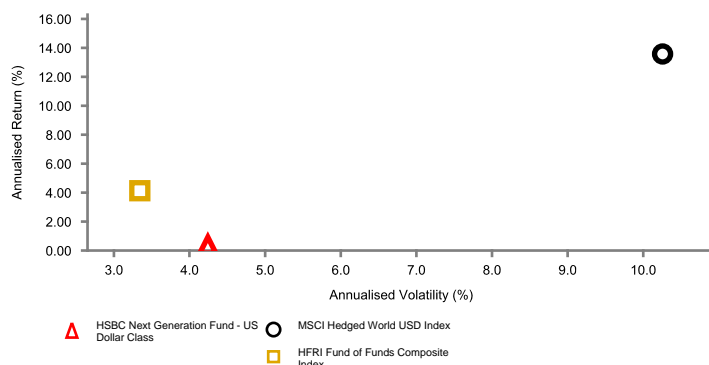
## 12 Month Rolling Volatility



## Worst Performing Months \*



## Risk / Return



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

## Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	1.71%	-0.63%	-0.79%	1.77%	0.39%	-1.06%	0.71%	-1.10%					0.95%
2012		1.20%	-1.33%	-0.47%	-1.58%	-0.91%	0.60%	-1.14%	-0.49%	-0.05%	2.53%	1.36%	-0.36%

Share Class: US Dollar Class

Past performance is not a reliable indicator of future results.

## Disclaimer

This document has been issued by HSBC Management (Guernsey) Limited, which is regulated by the Guernsey Financial Services Commission ("GFSC"). The HSBC Next Generation Fund ("the Fund") is a sub-fund of HSBC Alternative Strategy Fund. The Fund is à risque part and the domicile of the Fund is Guernsey. The GFSC has authorised the Fund as a Class B Collective Investment Scheme under the Protection of Investors (Bailiwick of Guernsey) Law 1987. The GFSC does not guarantee the financial soundness or the correctness of any of the statements made or opinions expressed with regard to the Fund. The information has been issued by sources believed to be reliable, although this is not guaranteed, and the information stated and opinions expressed constitute best judgement at the time of publication, and are subject to change without prior notification. Past performance is not a guarantee of future performance. The price of units or shares can go down as well as up and may be affected by changes in exchange rates. An investor may not receive back the amount invested. It is essential that investors read the prospectus of the Fund and acquaint themselves with the risks associated with an investment in the Fund, including the risks of the underlying investments. The information contained within this material has not been reviewed in the light of your personal circumstances. If you require investment advice or wish to discuss the suitability of any investment decision, you should contact your Relationship Manager or you should seek such financial, legal or tax advice from your professional advisers as appropriate. This document is not and should not be construed as an offer to sell or solicitation of an offer to purchase or subscribe for any investment or service. In the UK, the Fund is an Unregulated Collective Investment Scheme and as such, distribution of this document is restricted to defined categories of investors described within The Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 and/or permissible categories of investor under FCA COBS 4.12. For Swiss investors, this is a non contractual document. Please note that the presented fund is not authorised for public distribution according to Art. 120 of the Federal Collective Investment Schemes Act in Switzerland. This presentation is therefore intended exclusively towards qualified investors in the meaning of Art. 10 para 3 of the Federal Collective Investment Schemes Act (CISA). Capital is not guaranteed. All subscriptions in any fund presented in this document are accepted only on the basis of the current prospectus, available on request also from the centralisation agent or the financial department. The Fund invests as a "fund of funds" in hedge funds. An investment in the Fund carries substantial risks. The risks inherent to an investment in hedge funds are of a nature and degree not typically encountered in investments in securities of companies listed on major securities markets worldwide. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over time. Investors incur the risk of losing all or part of their investment in the Fund. Prospective investors should carefully consider whether an investment in shares is suitable for them in the light of their own circumstances and financial resources (see the sections entitled "Risk Warnings and Disclosures for Investors in the Funds" and "Additional Risk Factors" of the Prospectus). The Fund will, however, endeavour to monitor risks through the selection of the Fund's investments based on a Due Diligence procedure (see the section entitled "Due Diligence Process" in the Prospectus). This document may not be distributed in the United States, Canada, Australia or any other country in which its distribution is unlawful. **The HSBC Next Generation Fund referenced herein is: (i) no longer offered by or through any HSBC U.S. booking center, and (ii) not offered or sold to U.S. residents.** © Copyright. HSBC Management (Guernsey) Limited 2013. ALL RIGHTS RESERVED. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of HSBC Management (Guernsey) Limited. Performance figures quoted are net of all fees.

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**Internet site:** <http://www.hail.hsbc.com>  
 Creation Time: 10:57:06  
 Creation Date: 18 Sep 2013  
 Report Instance: 962789

# HSBC Next Generation Fund

Euro Class - Hedged

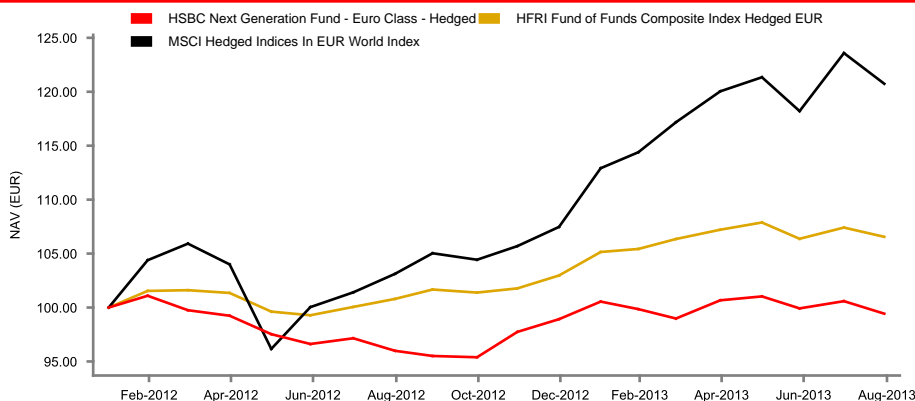
30 August 2013

## Fund Performance and Analysis

	HSBC Next Generation Fund - Euro Class - Hedged	MSCI Hedged Indices In EUR World Index	HFRI Fund of Funds Composite Index Hedged EUR
MTD Return	-1.15%	-2.30%	-0.80%
YTD Return	0.52%	12.33%	3.48%
12 Month Return	3.58%	17.09%	5.71%
Actual Return	-0.57%	20.74%	6.55%
Annualised Return	-0.36%	12.64%	4.09%
Annualised Volatility	4.21%	10.42%	3.34%
Sharpe Ratio (Annualised)*	-0.18	1.17	1.10
Maximum Drawdown	-5.64%	-9.21%	-2.29%
% Positive Months	42.11%	73.68%	68.42%
Correlation	1.00	0.53	0.66
VaR(95%)	-1.97%	-4.94%	-1.59%
VaR(99%)	-2.81%	-7.01%	-2.25%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of EUR 3M LIBOR Index over the period.  
All fund performance quoted above is since inception unless otherwise stated.

## Historical Performance

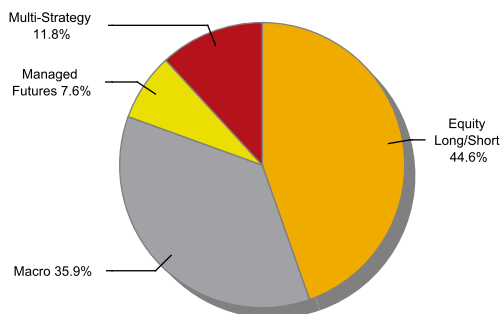


## Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

The Fund was down over the month. All of the underlying strategies apart from Multi-Strategy contributed negatively to performance. Macro was the largest negative contributor to performance, with losses driven by long exposure in the Indian Rupee, which depreciated significantly during the month due to macro concerns. These concerns also had a negative impact within the Equity Long/Short strategy as Indian financial, mining and beverages exposures sold off heavily during the month. Long exposures to Chinese consumer related stocks helped to offset these losses. However, the strategy finished down as positions in a Turkish airline and a US pharmaceutical company detracted slightly. Within the Managed Futures strategy, losses were driven from short and medium term trend following systems in equities, metals and currencies. Finally, in Multi Strategy, volatility trading dominated the positive performance as a long volatility (VIX) index trade gained. Other areas of performance within the strategy came from a merger trade in a technology company and various capital structure arbitrage positions which recovered following a sell-off in July.

## Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

## Fund Objective

The fund seeks to provide a total return from selective investment in a number of emerging manager funds, which utilise and trade a range of different strategies and markets worldwide. The investment funds will be selected and monitored by HSBC Alternative Investments Limited. The Fund is a sub-fund within HSBC Alternative Strategy Fund; a unit trust umbrella that has been authorised as a Class B Scheme in Guernsey.

**Portfolio Size: USD 45.86m**

<b>Euro Class - Hedged</b>	Month to date:	-1.15%
	Year to date:	0.52%
	NAV:	99.43

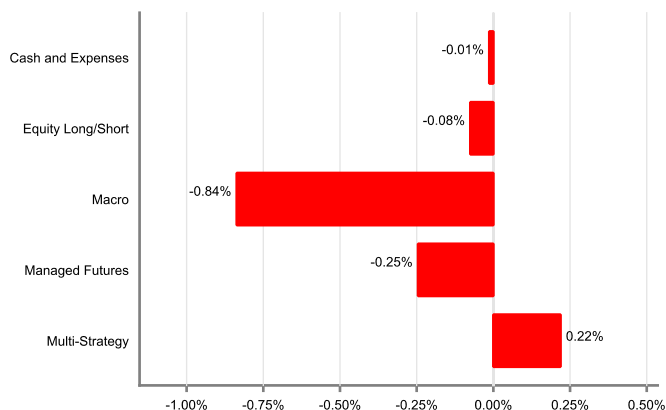
## Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	USD
<b>Inception Date</b>	31 January 2012
<b>Subscription</b>	Monthly, with 5 Business Day(s) notice
<b>Redemption</b>	Monthly, subject to 65 calendar days notice.
<b>Minimum</b>	EUR 25,000
<b>Management Fee</b>	1.75 % per annum
<b>Performance Fee</b>	10 % of any return exceeding the benchmark
<b>Hurdle</b>	EUR 3M LIBOR + 8% Index
<b>Reuters Page</b>	
<b>Bloomberg</b>	HSNGREU GU
<b>ISIN Number</b>	GG00B73QTG28

## Top 10 Holdings \*

Zeal China	12.18%
BTG Pactual GEO Fund Ltd	11.83%
Dymon Asia Currency Value	10.36%
Laurion Capital Global Markets	9.44%
Carrhae Capital Fund Ltd	9.04%
Higgs Capital Fund Limited	8.68%
JENOP Global Healthcare Fund Limited	8.64%
Suvretta Offshore Fund, Ltd.	7.64%
Solaise Systematic Fund Limited	7.64%
Avantium Liquid EM Macro	7.43%
Top 10 Holdings	= 92.89% of portfolio
Top 20 Holdings	= 100% of portfolio

## Strategy Contribution

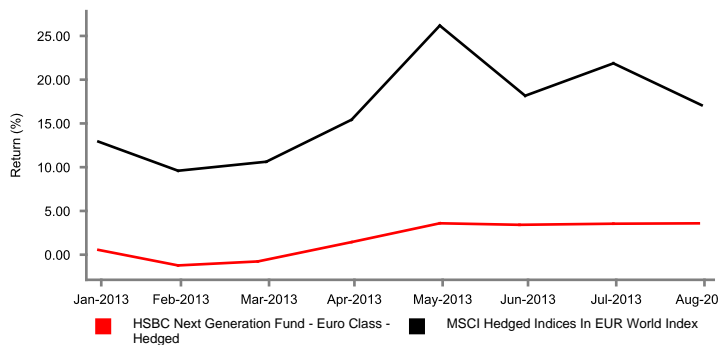


# HSBC Next Generation Fund

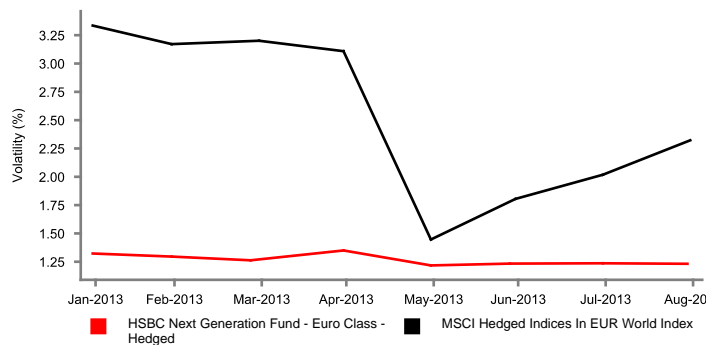
Euro Class - Hedged

30 August 2013

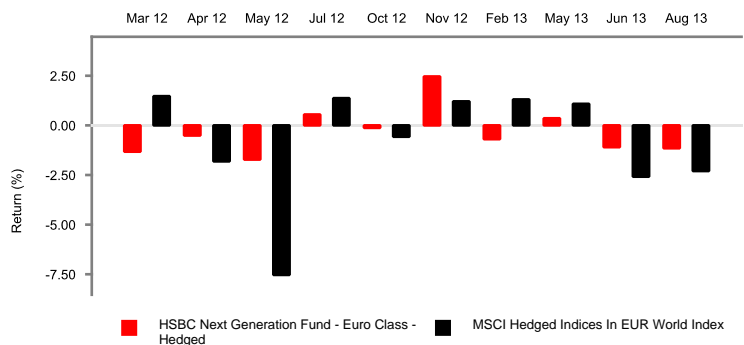
## 12 Month Rolling Return



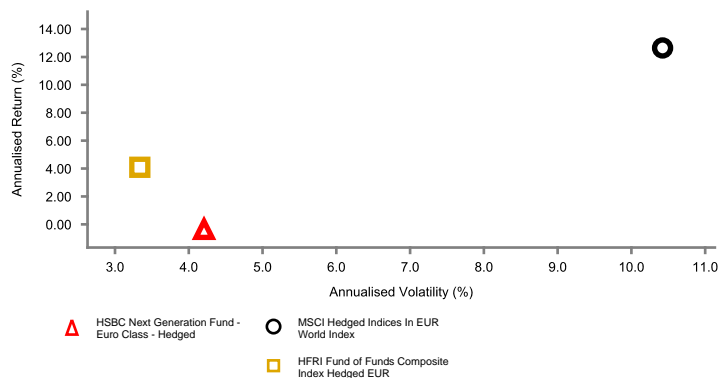
## 12 Month Rolling Volatility



## Worst Performing Months \*



## Risk / Return



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

## Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	1.65%	-0.70%	-0.87%	1.71%	0.36%	-1.10%	0.67%	-1.15%					0.52%
2012		1.09%	-1.33%	-0.51%	-1.72%	-0.93%	0.55%	-1.19%	-0.50%	-0.13%	2.46%	1.21%	-1.08%

Share Class: Euro Class - Hedged

Past performance is not a reliable indicator of future results.

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 Creation Time 10:49:52  
 Creation Date 18 Sep 2013  
 Report Instance 962782



# HSBC Next Generation Fund

Institutional Class (US Dollar)

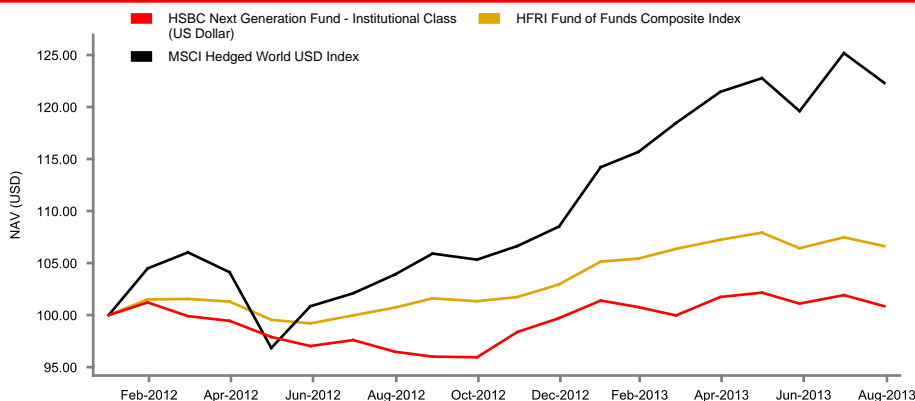
30 August 2013

## Fund Performance and Analysis

	HSBC Next Generation Fund - Institutional Class (US Dollar)	MSCI Hedged World USD Index	HFRI Fund of Funds Composite Index
MTD Return	-1.04%	-2.28%	-0.79%
YTD Return	1.15%	12.74%	3.58%
12 Month Return	4.54%	17.74%	5.86%
Actual Return	0.86%	22.33%	6.63%
Annualised Return	0.54%	13.58%	4.14%
Annualised Volatility	4.22%	10.26%	3.34%
Sharpe Ratio (Annualised)*	0.04	1.29	1.12
Maximum Drawdown	-5.21%	-8.67%	-2.31%
% Positive Months	42.11%	73.68%	68.42%
Correlation	1.00	0.52	0.65
VaR(95%)	-2.03%	-4.87%	-1.59%
VaR(99%)	-2.85%	-7.06%	-2.21%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of USD 3M LIBOR Index over the period.  
All fund performance quoted above is since inception unless otherwise stated.

## Historical Performance



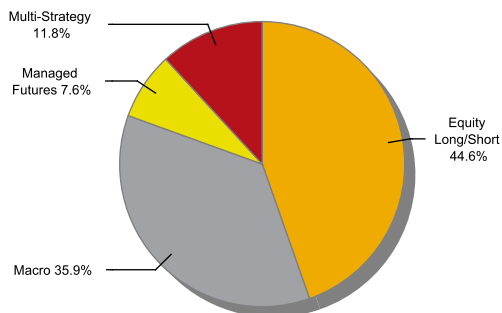
Past performance is not a reliable indicator of future results.

## Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

The Fund was down over the month. All of the underlying strategies apart from Multi-Strategy contributed negatively to performance. Macro was the largest negative contributor to performance, with losses driven by long exposure in the Indian Rupee, which depreciated significantly during the month due to macro concerns. These concerns also had a negative impact within the Equity Long/Short strategy as Indian financial, mining and beverages exposures sold off heavily during the month. Long exposures to Chinese consumer related stocks helped to offset these losses. However, the strategy finished down as positions in a Turkish airline and a US pharmaceutical company detracted slightly. Within the Managed Futures strategy, losses were driven from short and medium term trend following systems in equities, metals and currencies. Finally, in Multi Strategy, volatility trading dominated the positive performance as a long volatility (VIX) index trade gained. Other areas of performance within the strategy came from a merger trade in a technology company and various capital structure arbitrage positions which recovered following a sell-off in July.

## Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

## Fund Objective

The fund seeks to provide a total return from selective investment in a number of emerging manager funds, which utilise and trade a range of different strategies and markets worldwide. The investment funds will be selected and monitored by HSBC Alternative Investments Limited. The Fund is a sub-fund within HSBC Alternative Strategy Fund; a unit trust umbrella that has been authorised as a Class B Scheme in Guernsey.

**Portfolio Size: USD 45.86m**

Institutional Class (US Dollar)	Month to date:	-1.04%
	Year to date:	1.15%
	NAV:	100.86

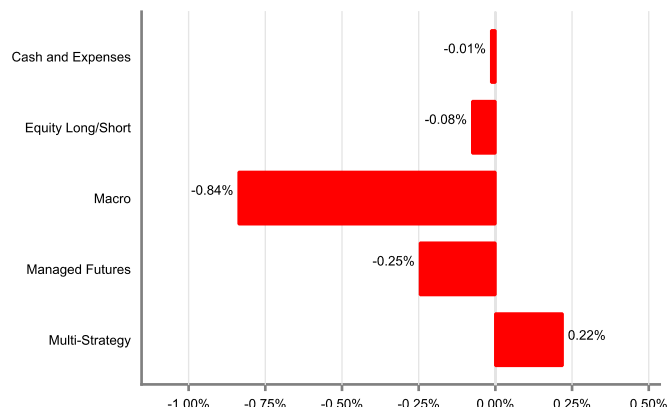
## Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	USD
<b>Inception Date</b>	31 January 2012
<b>Subscription</b>	Monthly, with 5 Business Day(s) notice
<b>Redemption</b>	Monthly, subject to 65 calendar days notice.
<b>Minimum</b>	USD 2,500,000
<b>Management Fee</b>	1 % per annum
<b>Performance Fee</b>	10 % of any return exceeding the benchmark
<b>Hurdle</b>	USD 3M LIBOR + 8% Index
<b>Reuters Page</b>	
<b>Bloomberg</b>	HSNGIUS GU
<b>ISIN Number</b>	GG00B66GC290

## Top 10 Holdings \*

Zeal China	12.18%
BTG Pactual GEO Fund Ltd	11.83%
Dymon Asia Currency Value	10.36%
Laurion Capital Global Markets	9.44%
Carrhae Capital Fund Ltd	9.04%
Higgs Capital Fund Limited	8.68%
JENOP Global Healthcare Fund Limited	8.64%
Suvretta Offshore Fund, Ltd.	7.64%
Solaise Systematic Fund Limited	7.64%
Avantium Liquid EM Macro	7.43%
Top 10 Holdings	= 92.89% of portfolio
Top 20 Holdings	= 100% of portfolio

## Strategy Contribution

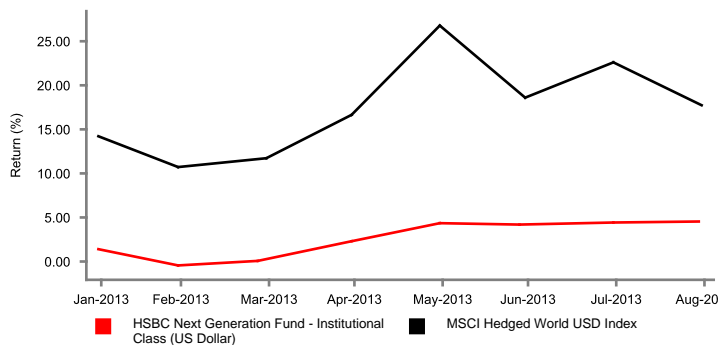


# HSBC Next Generation Fund

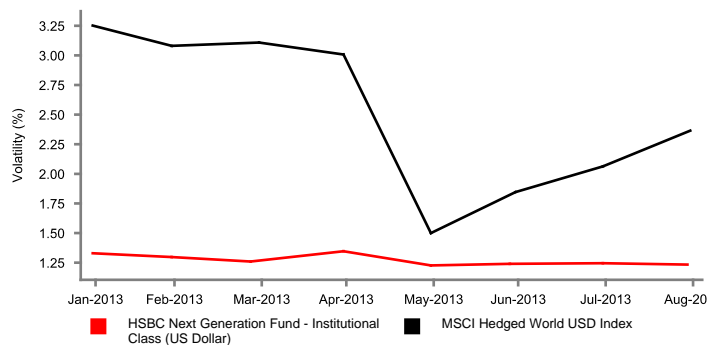
## Institutional Class (US Dollar)

30 August 2013

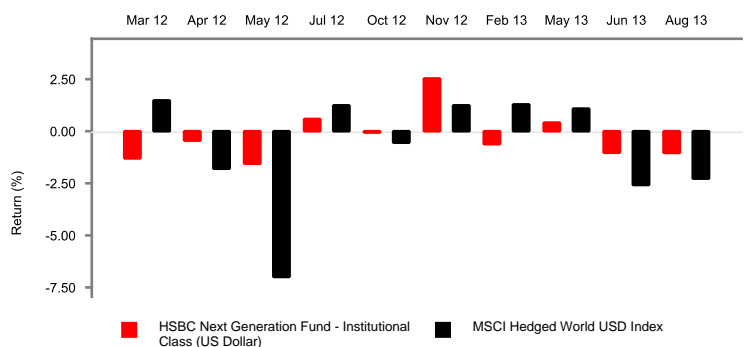
### 12 Month Rolling Return



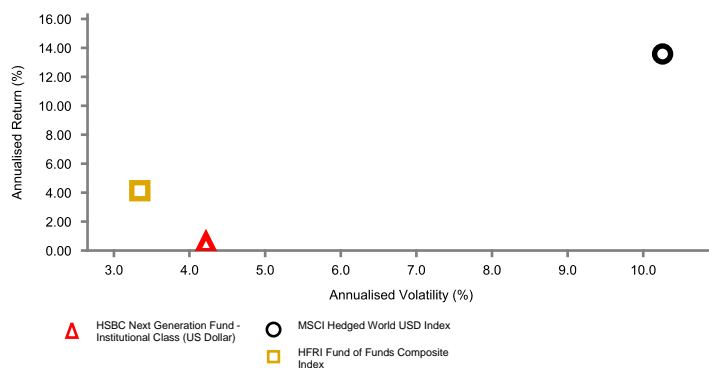
### 12 Month Rolling Volatility



### Worst Performing Months \*



### Risk / Return



\* Methodology used: The corresponding monthly Fund returns are mapped against the 10 worst monthly returns of the index since Fund inception.

### Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	1.69%	-0.62%	-0.79%	1.77%	0.41%	-1.03%	0.80%	-1.04%					1.15%
2012		1.22%	-1.30%	-0.45%	-1.56%	-0.89%	0.59%	-1.15%	-0.49%	-0.06%	2.53%	1.35%	-0.29%

Share Class: Institutional Class (US Dollar)

Past performance is not a reliable indicator of future results.

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 Creation Time: 10:51:45  
 Creation Date: 18 Sep 2013  
 Report Instance: 962786

# HSBC Alternative Focused Fund

ADM US Dollar Class

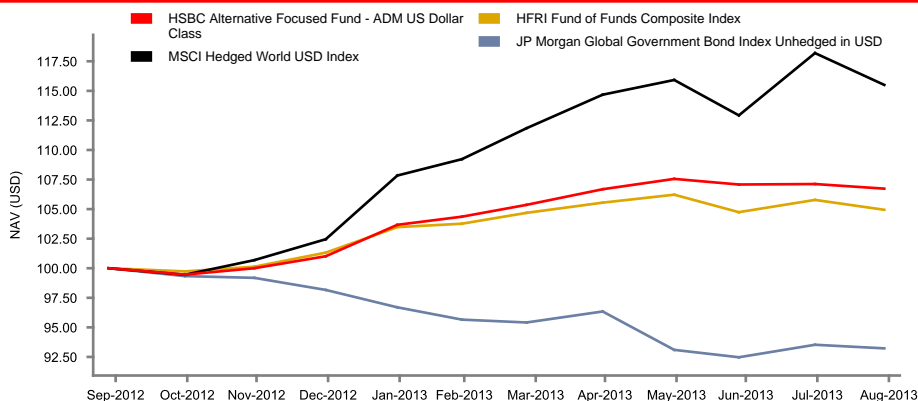
30 August 2013

## Fund Performance and Analysis

	HSBC Alternative Focused Fund - ADM US Dollar Class	MSCI Hedged World USD Index	HFRI Fund of Funds Composite Index	JP Morgan Global Government Bond Index Unhedged in USD
MTD Return	-0.36%	-2.28%	-0.79%	-0.33%
YTD Return	5.66%	12.74%	3.58%	-5.03%
12 Month Return	n/a	n/a	n/a	n/a
Actual Return	6.73%	15.50%	4.94%	-6.78%
Annualised Return	n/a	n/a	n/a	n/a
Annualised Volatility	n/a	n/a	n/a	n/a
Sharpe Ratio (Annualised)*	n/a	n/a	n/a	n/a
Maximum Drawdown	-0.77%	-2.58%	-1.39%	-7.53%
% Positive Months	72.73%	72.73%	72.73%	18.18%
Correlation	1.00	0.75	0.86	-0.23
VaR(95%)	-1.52%	-4.11%	-1.61%	-2.06%
VaR(99%)	-2.12%	-5.86%	-2.26%	-2.95%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of USD 3M LIBOR Index over the period. All fund performance quoted above is since inception unless otherwise stated.

## Historical Performance



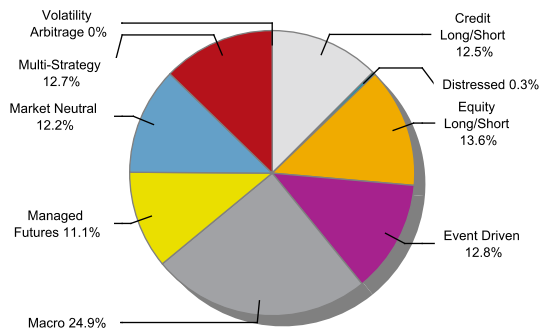
Past performance is not a reliable indicator of future results.

## Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (hedged in USD) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Asian equities, as measured by the MSCI AC Asia Index, declined by 1.6% with losses in Japan offset by gains in China. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). Precious metals and energy led the rebound for commodities, with Gold up 6.4% over the month.

The Fund was down over the month, with losses largely driven by the Macro and Managed Futures allocations. Within Macro, several positions detracted, including a number of UK thematic trades, such as long FTSE index positions and short GBP positions. Managed Futures was hurt by one fund's losses, primarily from longs in equity indices, shorts in precious metals and various currency positions. Although Equity Long/Short was marginally down, performance was reasonably defensive given the falls in equity markets, thanks to modest net exposures and positioning in stocks and sectors. Elsewhere in the portfolio, returns were muted overall. The Event Driven allocation was mixed, with one fund helped by structured and corporate credit allocations, whilst another fund was hurt by various positions in the TMT (telecommunications, media and technology) sector. Credit Long/Short was also mixed, with asset-backed securities strategies outperforming corporate credit long/short strategies. Multi-Strategy was a positive contributor, driven by allocations to trading-oriented equity strategies, and Market Neutral was also up marginally.

## Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

## Fund Objective

The Fund seeks to provide a total return from selective investment in a concentrated portfolio of established hedge funds, which utilise and trade a range of different strategies and markets worldwide. The investment funds will be selected and monitored by HSBC Alternative Investments Limited. The Fund is a sub-fund within the HSBC Portfolio Selection Fund; a unit trust umbrella that has been authorised as a Class B Scheme in Guernsey.

**Portfolio Size: USD 113.42m**

<b>ADM US Dollar Class</b>	Month to date:	-0.36%
	Year to date:	5.66%
	NAV:	106.73

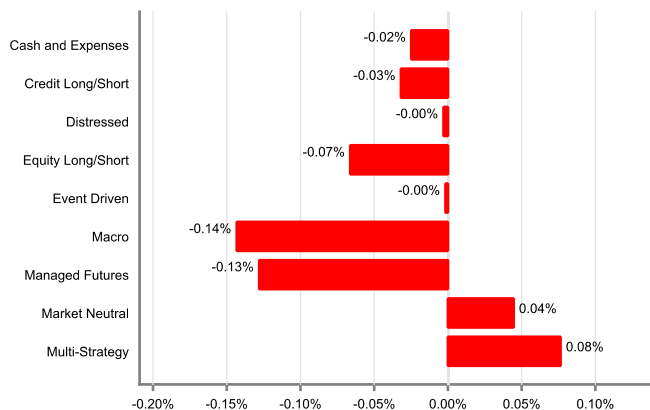
## Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	USD
<b>Inception Date</b>	28 September 2012
<b>Subscription</b>	Monthly, with 5 Business Day(s) notice
<b>Redemption</b>	Quarterly redemptions, subject to 95 days notice.
<b>Minimum Management Fee</b>	USD 2,500,000
<b>Performance Fee</b>	1 % per annum
	0 % of any return exceeding the benchmark
<b>Hurdle</b>	
<b>Reuters Page</b>	
<b>Bloomberg</b>	HSALFAU GU
<b>ISIN Number</b>	GG00B8FJBV52

## Top 10 Holdings \*

Tewksbury Investment Fund Ltd.	7.87%
Brevan Howard Fund Limited	7.81%
Third Point Offshore Fund, Ltd.	7.23%
Two Sigma Spectrum Cayman Fund, Ltd.	7.23%
Lansdowne Developed Markets Fund Limited	7.03%
Tudor BVI Global Fund Ltd.	6.76%
BTG Pactual Global Emerging Markets and Macro Fund	6.63%
BlueCrest Capital International Limited	6.60%
Scopus Fund Ltd	6.54%
S.A.C. Capital International, Ltd.	6.00%
Top 10 Holdings	= 69.71% of portfolio
Top 20 Holdings	= 99.12% of portfolio

## Strategy Contribution



# HSBC Alternative Focused Fund

ADM US Dollar Class

30 August 2013

## Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	2.63%	0.67%	0.96%	1.25%	0.82%	-0.45%	0.04%	-0.36%					
2012										-0.54%	0.54%	1.01%	5.66%

Share Class: ADM US Dollar Class

Past performance is not a reliable indicator of future results.

## Disclaimer

HSBC Alternative Focused Fund ("the Fund") is a sub-fund of HSBC Portfolio Selection Fund This document has been issued by HSBC Management (Guernsey) Limited, which is regulated by the Guernsey Financial Services Commission ("GFSC"). The Fund is à risque part and the domicile of the Fund is Guernsey. The HSBC Alternative Focused Fund ("the Fund") is a sub-fund of HSBC Portfolio Selection Fund. The GFSC has authorised the Fund as a Class B Collective Investment Scheme under the Protection of Investors (Bailiwick of Guernsey) Law 1987. The GFSC does not guarantee the financial soundness or the correctness of any of the statements made or opinions expressed with regard to the Fund. The information has been issued by sources believed to be reliable, although this is not guaranteed, and the information stated and opinions expressed constitute best judgement at the time of publication, and are subject to change without prior notification. Past performance is not a guarantee of future performance. The price of units or shares can go down as well as up and may be affected by changes in exchange rates. An investor may not receive back the amount invested. It is essential that investors read the prospectus of the Fund and acquaint themselves with the risks associated with an investment in the Fund, including the risks of the underlying investments. The information contained within this material has not been reviewed in the light of your personal circumstances. If you require investment advice or wish to discuss the suitability of any investment decision, you should contact your Relationship Manager or you should seek such financial, legal or tax advice from your professional advisers as appropriate. This document is not and should not be construed as an offer to sell or solicitation of an offer to purchase or subscribe for any investment or service. In the UK, the Fund is an Unregulated Collective Investment Scheme and as such, distribution of this document is restricted to defined categories of investors described within The Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 and/or permissible categories of investor under FCA COBS 4.12. For Swiss investors, this is a non contractual document. The fund is authorised for public distribution in Switzerland in the meaning of Art. 120 of the Federal Collective Investment Schemes Act. You are kindly asked to consult the latest issued prospectus, statutes and the (semi-)annual report of the fund which may be obtained free of charge at the office of the Swiss representative: ACOLIN Fund Services AG, Stadelhoferstrasse 18, CH-8001 Zürich. Paying agent: HSBC Private Bank (Suisse) S.A., Quai Général Guisan 2, P.O. Box 3580, 1211 Geneva 3. Capital is not guaranteed. All subscriptions in any fund presented in this document are accepted only on the basis of the current prospectus, available on request also from the centralisation agent or the financial department. Before subscription, investors should refer to the prospectus for general and specific risk factors associated with this fund. The fund is a foreign umbrella fund with multiple sub-funds with special risks under Swiss law and is structured as an open-ended unit trust domiciled in Guernsey. The Fund invests as a "fund of funds" in hedge funds. An investment in the Fund carries substantial risks. The risks inherent to an investment in hedge funds are of a nature and degree not typically encountered in investments in securities of companies listed on major securities markets worldwide. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over time. Investors incur the risk of losing all or part of their investment in the Fund. Prospective investors should carefully consider whether an investment in shares is suitable for them in the light of their own circumstances and financial resources (see the sections entitled "Risk Warnings and Disclosures for Investors in the Funds" and "Additional Risk Factors" of the Prospectus). The Fund will, however, endeavour to monitor risks through the selection of the Fund's investments based on a Due Diligence procedure (see the section entitled "Due Diligence Process" in the Prospectus). This document may not be distributed in the United States, Canada, Australia or any other country in which its distribution is unlawful. **The HSBC Alternative Focused Fund referenced herein is: (i) no longer offered by or through any HSBC U.S. booking center, and (ii) not offered or sold to U.S. residents.** © Copyright, HSBC Management (Guernsey) Limited 2013. ALL RIGHTS RESERVED. 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## Contacts

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Creation Time 10:27:43  
Creation Date 18 Sep 2013  
Report Instance 962757

# HSBC Credit Relative Value Fund

US Dollar Class

30 August 2013

## Fund Performance and Analysis

	HSBC Credit Relative Value Fund - US Dollar Class	Merrill Lynch US High Yield Master II Index	Merrill Lynch Corporate Master Index	HFRI RV: Fixed Income-Corporate Index
MTD Return	-0.21%	-0.62%	-0.67%	-0.15%
YTD Return	-1.24%	-1.42%	-2.70%	-1.36%
12 Month Return	n/a	n/a	n/a	n/a
Actual Return	-1.24%	-1.42%	-2.70%	-1.36%
Annualised Return	n/a	n/a	n/a	n/a
Annualised Volatility	n/a	n/a	n/a	n/a
Sharpe Ratio (Annualised)*	n/a	n/a	n/a	n/a
Maximum Drawdown	-1.46%	-2.64%	-2.76%	-1.99%
% Positive Months	33.33%	33.33%	33.33%	33.33%
Correlation	1.00	0.97	1.00	1.00
VaR(95%)	-1.58%	-3.58%	-2.90%	-2.25%
VaR(99%)	-2.18%	-5.06%	-3.95%	-3.17%

\* The risk free rate used to calculate the sharpe ratio is the annualised return of USD 3M LIBOR Index over the period.  
All fund performance quoted above is since inception unless otherwise stated.

## Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (USD hedged) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). The Merrill Lynch U.S. High Yield Master II Index lost 0.62% in August, as yields ended the month 26 basis points wider. Interestingly, by credit quality, CCC-rated issuance continued its recent outperformance vis-a-vis BB and B-rated bonds. As expected for the traditionally slow paced August, new issuance and corporate defaults were muted over the month.

The Fund was down over the month with mixed performance from the underlying managers. One specialist in particular benefitted from strong carry and gained from their short allocation, which more than offset losses from the long portfolio. A European-focused manager contributed positively. Their event sub-allocation gained from a German real estate company whose bonds rallied, while the long/short sub-strategies benefitted from several high yield issuers who performed well over the month. Elsewhere in the portfolio, losses were attributable to long corporate bonds, particularly high yield holdings. The underlying directional trading strategy cost performance for one specialist, as their long positions in Mexican government bonds detracted. However, their fundamental positive view on the position remains. Towards month-end, some managers shifted their positions to a more neutral stance, as they approach a number of what are considered to be market risk events in September.

## Fund Objective

The Fund seeks to provide a total return from selective investment in a concentrated portfolio of hedge funds, which utilise and trade a range of different credit strategies and credit markets worldwide. The investment funds will be selected and monitored by HSBC Alternative Investments Limited. The Fund is a sub-fund within the HSBC Portfolio Selection Fund; a unit trust umbrella that has been authorised as a Class B Scheme in Guernsey.

**Portfolio Size: USD 26.19m**

Class	Month to date:	Year to date:	NAV:
US Dollar Class	-0.21%	-1.24%	98.76
	-0.13%	-1.01%	98.99
	-0.15%	-1.03%	98.97
US Dollar R Class	-0.13%	-1.01%	98.99
Euro R Class	-0.15%	-1.03%	98.97
	-0.15%	-1.03%	98.97
	-0.15%	-1.03%	98.97

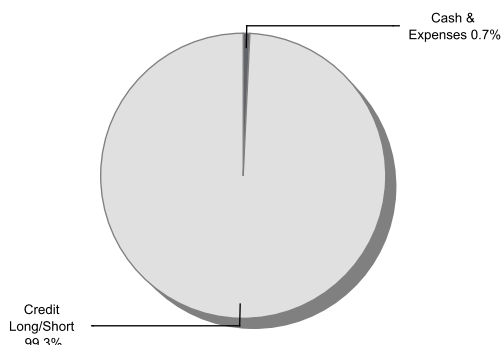
## Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	USD
<b>Inception Date</b>	31 May 2013
<b>Subscription</b>	Monthly, with 5 Business Day(s) notice
<b>Redemption</b>	Monthly, subject to 1 month plus 5 Business Days notice
<b>Minimum Management Fee</b>	USD 25,000
<b>Performance Fee</b>	1.75 % per annum 10 % of any return exceeding the benchmark
<b>Hurdle</b>	USD 3M LIBOR + 3.5% Index
<b>Reuters Page</b>	
<b>Bloomberg</b>	HSBCRVU GU
<b>ISIN Number</b>	GG00B9NNX26

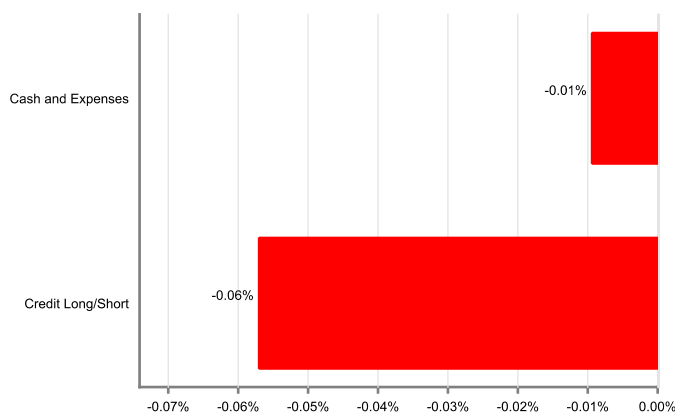
## Top 10 Holdings \*

Claren Road Credit Fund, Ltd.	19.13%
MidOcean Absolute Return Credit Fund	15.55%
MLIS - Beach Point UCITS	15.28%
Loomis Sayles Credit Long/Short Fund	15.23%
BlackRock European Credit Strategies	15.17%
Tricadia-GraniteRidge	13.18%
Smith Breeden Credit Relative	5.70%
Cash and Expenses	0.75%

## Strategy Allocation \*



## Strategy Contribution



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

# HSBC Credit Relative Value Fund

US Dollar Class

30 August 2013

## Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013						-1.46%	0.44%	-0.21%					-1.24%

Share Class: US Dollar Class

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## Contacts

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**Tel:** +(44) 207 860 6532

**Internet site:** <http://www.hail.hsbc.com>

Creation Time 10:31:55  
Creation Date 18 Sep 2013  
Report Instance 962763

# HSBC Credit Relative Value Fund

Institutional Class (US Dollar)

30 August 2013

## Fund Performance and Analysis

	HSBC Credit Relative Value Fund - Institutional Class (US Dollar)	Merrill Lynch US High Yield Master II Index	Merrill Lynch Corporate Master Index	HFRI RV: Fixed Income-Corporate Index
MTD Return	-0.15%	-0.62%	-0.67%	-0.15%
YTD Return	-1.06%	-1.42%	-2.70%	-1.36%
12 Month Return	n/a	n/a	n/a	n/a
Actual Return	-1.06%	-1.42%	-2.70%	-1.36%
Annualised Return	n/a	n/a	n/a	n/a
Annualised Volatility	n/a	n/a	n/a	n/a
Sharpe Ratio (Annualised)*	n/a	n/a	n/a	n/a
Maximum Drawdown	-1.41%	-2.64%	-2.76%	-1.99%
% Positive Months	33.33%	33.33%	33.33%	33.33%
Correlation	1.00	0.97	1.00	1.00
VaR(95%)	-1.61%	-3.70%	-2.87%	-2.35%
VaR(99%)	-2.17%	-5.29%	-4.08%	-3.27%

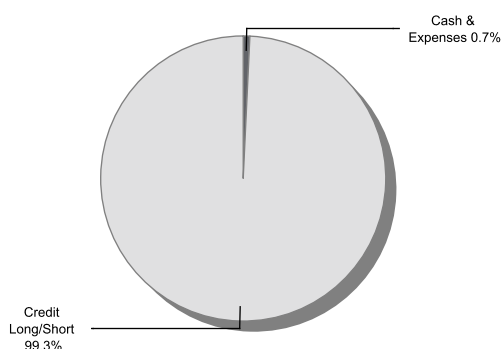
\* The risk free rate used to calculate the sharpe ratio is the annualised return of USD 3M LIBOR Index over the period.  
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## Fund Commentary

Global equities fell over the month as investor focus once again turned its attention to whether the Federal Reserve would begin tapering asset purchases this year. This coupled with geopolitical concerns surrounding possible military intervention in Syria sent markets lower over the month, with the MSCI World Index (USD hedged) down 2.3% and the S&P 500 Index down 3.1% (the worst decline for US equities in 2013 so far). August also witnessed strong earnings reports, a commitment to lower interest rates by the ECB, and better-than-anticipated economic data, particularly in the Eurozone. Developed Market economic fundamentals continued to show signs of a stable recovery, whilst in Emerging Markets data remained lacklustre. Credit markets ended August wider than they had started in both Europe and the US with concerns over a reversal of the Fed's quantitative easing programme pushing credit spreads back toward mid-July levels. Treasury yields continued to climb higher over the month, with yields on the US 10 year rising to 2.8% (from 2.6% at the end of July). The Merrill Lynch U.S. High Yield Master II Index lost 0.62% in August, as yields ended the month 26 basis points wider. Interestingly, by credit quality, CCC-rated issuance continued its recent outperformance vis-a-vis BB and B-rated bonds. As expected for the traditionally slow paced August, new issuance and corporate defaults were muted over the month.

The Fund was down over the month with mixed performance from the underlying managers. One specialist in particular benefitted from strong carry and gained from their short allocation, which more than offset losses from the long portfolio. A European-focused manager contributed positively. Their event sub-allocation gained from a German real estate company whose bonds rallied, while the long/short sub-strategies benefitted from several high yield issuers who performed well over the month. Elsewhere in the portfolio, losses were attributable to long corporate bonds, particularly high yield holdings. The underlying directional trading strategy cost performance for one specialist, as their long positions in Mexican government bonds detracted. However, their fundamental positive view on the position remains. Towards month-end, some managers shifted their positions to a more neutral stance, as they approach a number of what are considered to be market risk events in September.

## Strategy Allocation \*



\* Allocations are based on core investment portfolio. All manager holdings and strategy allocations reflect the current weighting to the underlying manager / strategy type. When leverage is employed, the portfolio allocations are rebased to 100%.

## Fund Objective

The Fund seeks to provide a total return from selective investment in a concentrated portfolio of hedge funds, which utilise and trade a range of different credit strategies and credit markets worldwide. The investment funds will be selected and monitored by HSBC Alternative Investments Limited. The Fund is a sub-fund within the HSBC Portfolio Selection Fund; a unit trust umbrella that has been authorised as a Class B Scheme in Guernsey.

**Portfolio Size: USD 26.19m**

Institutional Class (US Dollar)	Month to date:	-0.15%
	Year to date:	-1.06%
	NAV:	98.94
Institutional R Class (US Dollar)	Month to date:	-0.10%
	Year to date:	-0.92%
	NAV:	99.08

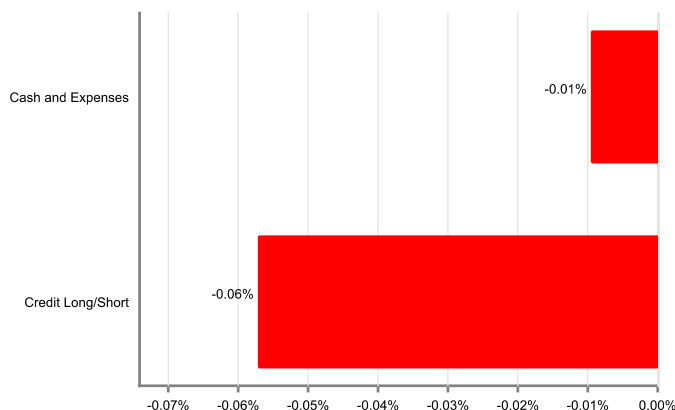
## Fund Details

<b>Investment Adviser</b>	HSBC Alternative Investments Limited
<b>Base Currency</b>	USD
<b>Inception Date</b>	31 May 2013
<b>Subscription</b>	Monthly, with 5 Business Day(s) notice
<b>Redemption</b>	Monthly, subject to 65 days notice and no exit fee or monthly with 1 month plus 5 Business Days notice and a 2% exit fee
<b>Minimum Management Fee</b>	USD 2,500,000
<b>Performance Fee</b>	1 % per annum
	10 % of any return exceeding the benchmark
<b>Hurdle</b>	USD 3M LIBOR + 3.5% Index
<b>Reuters Page</b>	
<b>Bloomberg</b>	HSCRVUI GU
<b>ISIN Number</b>	GG00B7X5HJ85

## Top 10 Holdings \*

Claren Road Credit Fund, Ltd.	19.13%
MidOcean Absolute Return Credit Fund	15.55%
MLIS - Beach Point UCITS	15.28%
Loomis Sayles Credit Long/Short Fund	15.23%
BlackRock European Credit Strategies	15.17%
Tricadia-GraniteRidge	13.18%
Smith Breeden Credit Relative	5.70%
Cash and Expenses	0.75%

## Strategy Contribution



# HSBC Credit Relative Value Fund

Institutional Class (US Dollar)

30 August 2013

## Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013						-1.41%	0.51%	-0.15%					-1.06%

Share Class: Institutional Class (US Dollar)

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