

Monthly Investment Report

November 2012

HSBC Alternative
Investments Limited



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Investor Letter – November 2012

Dear Investor,

In the month of October, investors' anxiety, fuelled by global economic concerns, the uncertainty surrounding US election results and disappointing US corporate earnings, weighed on global equities. However, there was supportive economic data in China, as demonstrated by the improving Chinese Flash PMI (Purchasing Manager Index). The expectation of leadership transition also contributed to the positive momentum for Chinese equities.

Within Equity Long/Short, our China specialists were well positioned to take advantage of the rally in Chinese equities. Despite the broader difficulties in the US, those managers with more trading oriented strategies and defensive net exposures made gains. In Macro and Event Driven, some managers profited from long positions in Greek government bonds as improving sentiment drove up bond prices. On the negative side, trend-followers within Managed Futures suffered losses from reversals in commodities, currencies and equity indices. It is worth noting that the strategy's current level of drawdown¹ is not without historical precedent. Nonetheless we need to remain aware of the impact of elevated cross-asset correlation between asset classes on trend-followers².

HSBC Funds of Hedge Funds Performance for October 2012

The flagship HSBC GH Fund³ ended October in positive territory. It is now up +3.32% year-to-date (YTD), ahead of its peer group as represented by the HFRI Fund of Funds Composite Index which is up +3.06% YTD. The Credit and Event Driven focused Funds, being the HSBC Credit Market Opportunities⁴ Fund and HSBC Special Opportunities Fund⁵, also continued their relatively strong YTD performance, up +7.74% and +14.83% respectively.

Portfolio Activity

There was one addition to the HSBC Next Generation Fund on the back of a healthy research pipeline. The fund, newly launched by BTG Pactual, allocates across equity derivatives, capital structure arbitrage and event driven trades. We believe that it has strong potential and offers good diversification to the traditional Equity Long/Short allocation in the portfolio.

Strategy Outlook

We released our Q4 2012 Strategy Views in October 2012. We upgraded Equity Long/Short to Neutral and Market Neutral to Positive, while Credit Long/Short was revised to Neutral.

Yours sincerely



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

1. Drawdown is defined as the peak-to-trough decline in the value of an investment over a specific period. It is usually quoted as a percentage and is used as a measure to help determine an investment's financial risk. (Source: <https://www.investopedia.com>)
 2. Trend followers create quantitative models to capture market trends using technical analysis and price momentum rather than fundamental analysis. Historically, trend followers have derived a significant diversification benefit from allocation across multiple futures markets, but this benefit has lessened as cross-asset correlations have increased. (Source: <https://www.investopedia.com> and HSBC Alternative Investments Limited)
 3. Performance is based on the HSBC GH Fund (Institutional US Dollar Class)
 4. Performance is based on the HSBC Credit Market Opportunities Fund (Institutional US Dollar Class)
 5. Performance is based on the HSBC Special Opportunities Fund (Institutional US Dollar Class)
- The HSBC Funds of Hedge Funds quoted are net of fees. Past performance is not a reliable indicator of future performance.

Performance Snapshot – October 2012

Hedge Funds & Other Asset Classes

		MTD	QTD	YTD	1 Year
HFRI Indices	HFRI Fund of Funds Composite Index	-0.35%	-0.35%	3.06%	1.49%
	HFRI Equity Hedge Index	0.14%	0.14%	5.67%	2.58%
	HFRI Macro Index	-2.00%	-2.00%	-1.11%	-2.00%
	HFRI Relative Value Arbitrage Index	0.56%	0.56%	8.58%	8.34%
Stock Indices	MSCI World Index in USD (Hedged)	-0.55%	-0.55%	9.82%	8.63%
Bonds	JPM Global Bond Index in USD (Unhedged)	-0.67%	-0.67%	2.50%	2.37%
Commodities	WTI Crude Future (Generic)	-6.45%	-6.45%	-12.74%	-7.46%
	Gold Future (Generic)	-2.94%	-2.94%	9.72%	-0.35%
	Goldmans Sachs Commodity Index	-4.07%	-4.07%	-0.74%	-1.45%
FX	Dollar Index Spot	-0.02%	-0.02%	-0.32%	4.93%

Source: Bloomberg as at 31 October 2012.

HSBC Funds of Hedge Funds

	MTD	QTD	YTD	1 Year
HSBC GH Fund (Institutional Class US Dollar)	0.20%	0.20%	3.32%	2.57%
HSBC UCITS AdvantEdge Fund (Institutional Class EUR)	-0.66%	-0.66%	0.91%	0.13%
HSBC Multi-Adviser Arbitrage Fund (US Dollar Class)	-0.39%	-0.39%	3.65%	2.98%
HSBC Trading AdvantEdge Fund (US Dollar Class)	-4.50%	-4.50%	-5.52%	-4.55%
HSBC Credit Market Opportunities Fund (Institutional Class US Dollar)	1.18%	1.18%	7.74%	6.36%
HSBC Special Opportunities Fund (Institutional Class US Dollar)	1.58%	1.58%	14.83%	13.67%
HSBC Asian AdvantEdge Fund (US Dollar Class)	0.52%	0.52%	-0.78%	-3.90%
HSBC Next Generation Fund (Institutional Class US Dollar) ¹	-0.06%	-0.06%	-4.05%	-
HSBC Alternative Focused Fund (ADM US Dollar Class) ²	-0.54%	-0.54%	-	-

Source: HSBC Alternative Investments Limited as at 31 October.

All returns are net of fees. Past performance is not a reliable indicator of future performance.

1. Launched on 31 January 2012.

2. Launched on 31 September 2012.

Hedge Fund Strategy Outlook – Q4 2012

	Q1 12	Q2 12	Q3 12	Q4 12	Q4 12 Commentary
Equity Long/Short	Neutral/ Negative	Neutral/ Negative	Neutral/ Negative	Neutral (Upgrade)	While there is still evident macro headwinds with deteriorating global growth figures, correlations have started to reduce providing a more favourable environment for stock picking.
Market Neutral	Neutral	Neutral	Neutral	Positive (Upgrade)	"Risk-off" shocks continue to affect fundamental factor models, while managers focusing on short term technical models have performed well, therefore Statistical Arbitrage and shorter term focused managers are more favoured in this environment.
Macro	Neutral/ Positive	Neutral/ Positive	Neutral/ Positive	Neutral/ Positive	Economic and political uncertainty continues to provide opportunities; however, trends have become truncated with markets subject to sudden, sharp reversals.
Credit Long/Short	Neutral/ Positive	Neutral/ Positive	Positive	Neutral (Downgrade)	ABS and directional portfolios have performed well but the environment is increasingly challenging, with credit increasingly susceptible to shocks as technical factors have caused spreads to tighten whilst credit quality is gradually deteriorating.
Distressed	Neutral/ Positive	Neutral/ Positive	Neutral/ Positive	Neutral/ Positive	There are a number of opportunities within CMBS and structured CLOs and CDOs. Managers continue to focus more on esoteric and situation specific deals, such as coal producers and Spanish covered bonds.
Fixed Income Arbitrage	Neutral	Neutral/ Positive	Neutral/ Positive	Neutral/ Positive	Outlook is more constructive with reduced tail risks. The flat yield curve is significantly depressed, but there remain opportunities at the long end of the curve, although this is constrained due to liquidity.
Convertible Arbitrage	Negative	Negative	Negative	Negative	Managers are finding idiosyncratic opportunities. However, the convertible universe is not cheap by historical standards.
Volatility Arbitrage	Neutral/ Positive	Positive	Neutral/ Positive	Neutral/ Positive	We expect more opportunities in Q4 with events that will drive volatility as market participants re-engage in option markets. There is a lot of capital flowing into tail hedges from which managers can extract alpha through providing liquidity, although a reduction in volatility may hurt the strategy.
Merger Arbitrage	Negative	Negative	Negative	Negative	Deal volume remains at low levels with the opportunity set remaining weak, notwithstanding cash rich corporate balance sheets.
Event Driven	Neutral	Neutral	Neutral	Neutral	The outlook is more positive for activist managers than merger arbitrage strategies with lack of flow and diminishing of proprietary desks allowing managers to take on more intermediation activity, while there is also some support from the distressed component.
Multi-Strategy	Neutral	Neutral	Neutral	Neutral	With reduced tail risks, the outlook is more constructive but deal volumes remain low and spreads uninteresting. Capital structure arbitrage is also not especially attractive due to low liquidity, in addition to corporate credit valuations which remain rich as investors chase yield.
Managed Futures	Neutral	Neutral	Neutral	Neutral	Funds with a broader set of models are expected to do better while elevated volatility levels should support strategies. However, significant and frequent policy induced trend reversals across several asset classes are detrimental to momentum in general.

Funds of Hedge Funds Factsheets

October 2012

HSBC Alternative
Investments Limited

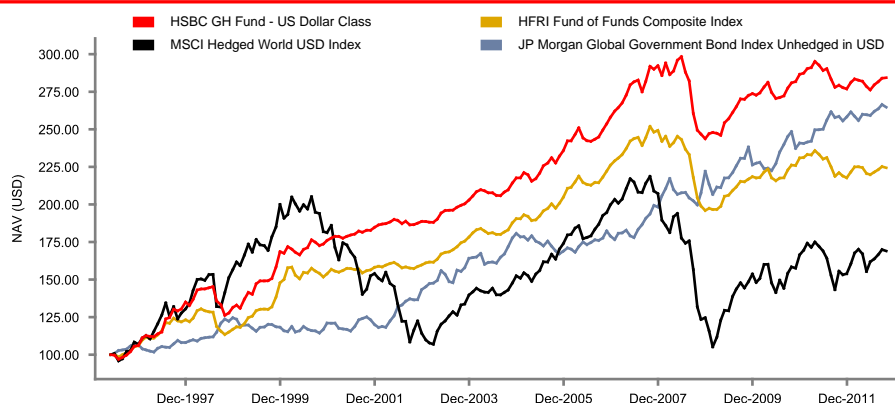
For Existing Investors Only

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	0.14%	-0.55%	-0.35%	-0.67%
YTD Return	2.69%	9.82%	3.06%	2.50%
12 Month Return	1.81%	8.63%	1.49%	2.37%
Actual Return	184.35%	69.00%	124.38%	164.68%
Annualised Return	6.57%	3.25%	5.05%	6.11%
Annualised Volatility	6.52%	15.27%	6.17%	6.74%
Sharpe Ratio (Annualised)*	0.48	-0.01	0.26	0.40
Maximum Drawdown	-18.30%	-51.88%	-22.20%	-8.14%
% Positive Months	67.51%	56.85%	63.96%	59.90%
Correlation	1.00	0.55	0.90	-0.05
VaR(95%)	-3.09%	-7.25%	-2.93%	-3.21%
VaR(99%)	-4.37%	-10.29%	-4.15%	-4.53%

* 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



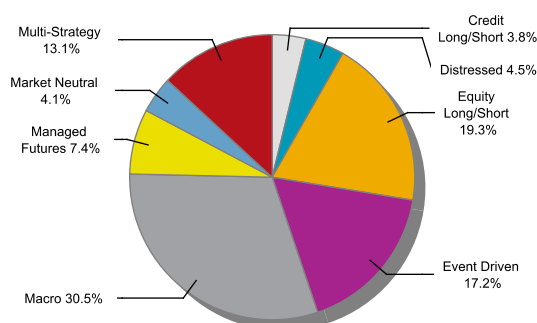
Past performance is not a reliable indicator of future results.

Fund Commentary

Risk assets bounced at the beginning of October, primarily driven by supportive data coming from the US, but quickly consolidated their gains in the second week of the month as concerns surrounding the outlook for global growth and questions about when Spain may request aid weighed on investor sentiment. This 'see-saw' pattern repeated itself in the second half of October with equity markets initially regaining their poise and trading higher as a result of more positive economic data, before trading back down as some notable earnings announcements in the US disappointed. Towards month-end investors adopted a wait-and-see attitude, waiting for the uncertainty of the results of the US election and the Chinese leadership transition to be lifted. The Chinese Flash PMI rose for the second consecutive month, indicating that the economy seemed to be stabilising, while the housing market data in the US continued to point to a developing recovery. The MSCI World Index (hedged in USD) closed the month down -0.55% and the S&P 500 Index declined -1.98%. The 10 year US Treasury yield increased +1.91%, while in commodities Gold made a new year high but finished the month down -2.90%.

Against this backdrop the Fund was up in October, with the majority of strategies contributing positively. The only detractors were Market Neutral and Managed Futures. Trend followers, in particular, struggled as a large number of positions suffered from trend reversals over the month. Encouragingly, the allocations to both Equity Long/Short and Event Driven were positive contributors. Equity Long/Short managers were able to generate returns from both the long and short side, aided by share price responses to earnings announcements. We also saw strong returns from our China specialist. Within Event Driven, a range of equity special situations contributed positively, in addition to several credit and distressed situations. Our Multi-Strategy allocation continued to perform well, again helped by structured credit sub-strategies. US Retail Mortgage Backed Securities (RMBS) positions also boosted the returns of our Distressed allocation. Within Macro, performance was mixed, as some managers suffered losses in commodities and currencies, whilst others generated strong performance from Emerging Market credit and rates positions.

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 1,745.47m

US Dollar Class	Month to date:	0.14%
	Year to date:	2.69%
	NAV:	284.35
Euro Hedged Class	Month to date:	0.10%
	Year to date:	2.25%
	NAV:	125.60
Swiss Franc Hedged Class	Month to date:	0.09%
	Year to date:	1.92%
	NAV:	112.36
Sterling Hedged Class	Month to date:	0.16%
	Year to date:	2.69%
	NAV:	137.74
Renminbi Hedged Class	Month to date:	0.43%
	Year to date:	4.39%
	NAV:	989.46

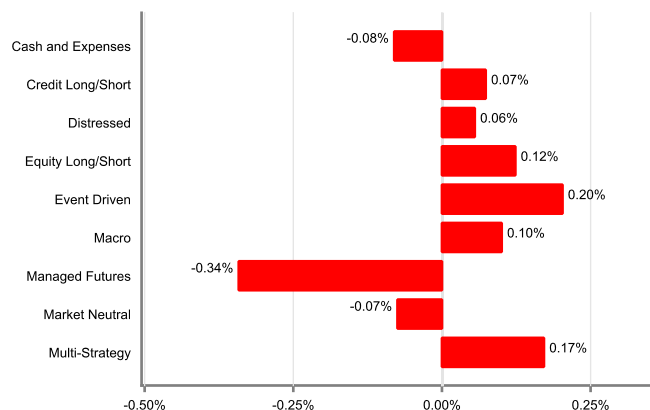
Fund Details

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

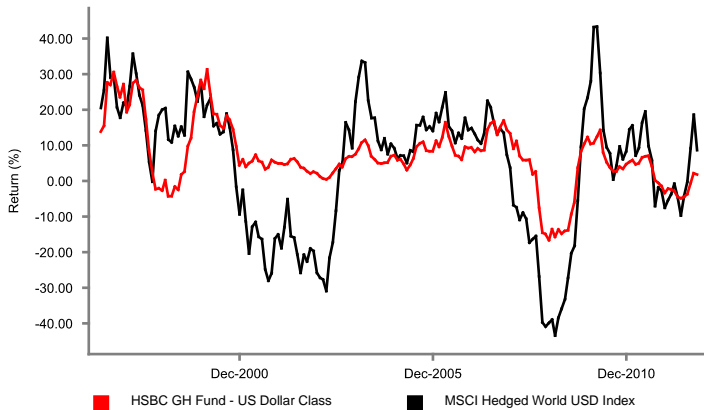
Top 10 Holdings *

S.A.C. Capital International, Ltd.	7.28%
Brevan Howard Fund Limited	6.58%
D.E. Shaw Oculus Intl Fund L.P.	6.32%
Third Point Offshore Fund, Ltd.	5.78%
BTG Pactual Global Emerging Markets and Macro Fund	5.74%
CQS Directional Opportunities Feeder Fund Limited	5.38%
Tudor BVI Global Fund Ltd.	5.15%
Lansdowne Developed Markets Fund Limited	4.77%
Tyrus Capital Event Fund	4.41%
Halcyon Offshore Asset-Backed Value Fund Ltd.	4.08%
Top 10 Holdings	= 55.48% of portfolio
Top 20 Holdings	= 89.35% of portfolio

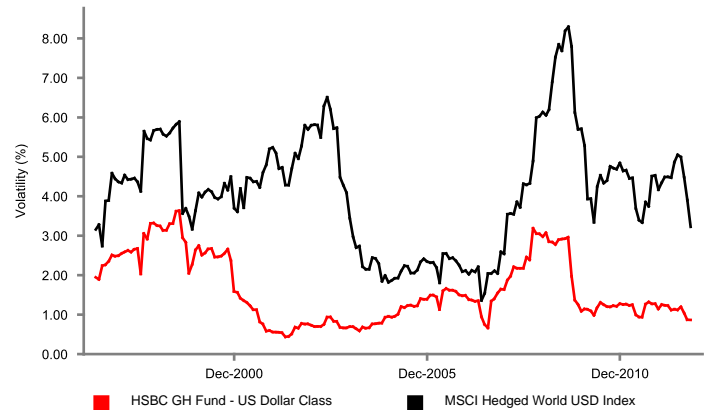
Strategy Contribution



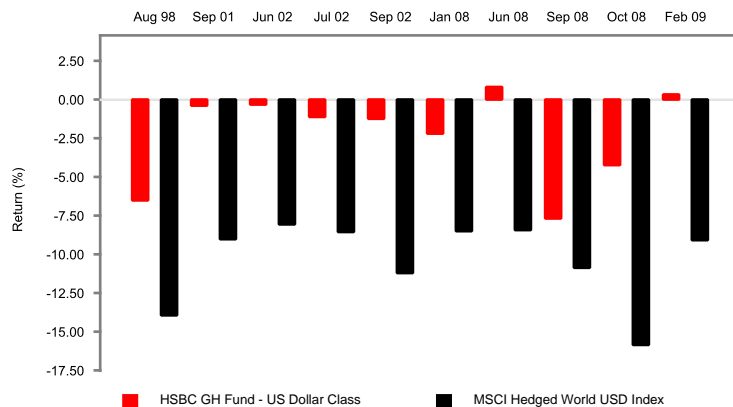
12 Month Rolling Return



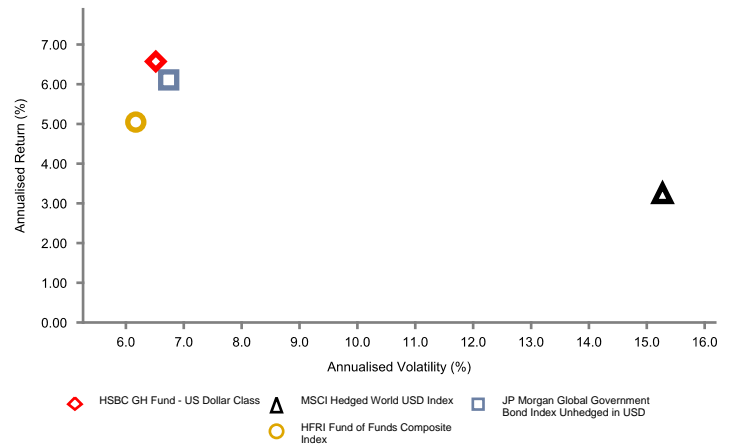
12 Month Rolling Volatility



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
2012	1.56%	0.80%	-0.28%	-0.27%	-1.24%	-0.80%	1.24%	0.75%	0.79%	0.14%			2.69%
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%	2.20%	0.82%	1.55%	-1.50%	1.99%	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%	-1.12%	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

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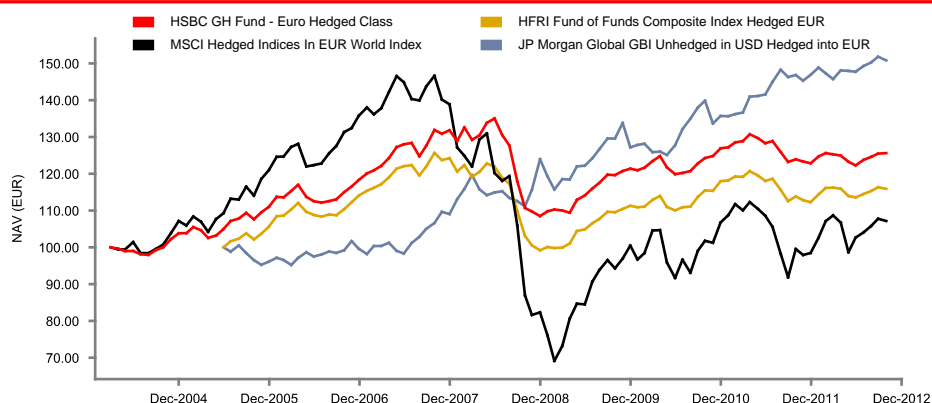
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Fund Performance and Analysis

	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	0.10%	-0.57%	-0.36%	-0.68%
YTD Return	2.25%	8.82%	3.22%	2.66%
12 Month Return	1.35%	7.64%	1.82%	2.71%
Actual Return	25.60%	7.16%	15.91%	50.81%
Annualised Return	2.69%	0.81%	2.03%	5.76%
Annualised Volatility	5.97%	14.95%	6.01%	6.92%
Sharpe Ratio (Annualised)*	0.05	-0.10	-0.06	0.49
Maximum Drawdown	-19.65%	-52.85%	-21.07%	-7.10%
% Positive Months	64.08%	59.22%	62.50%	62.50%
Correlation	1.00	0.65	0.93	0.01
VaR(95%)	-2.83%	-7.06%	NaN	NaN
VaR(99%)	-4.00%	-10.05%	NaN	NaN

* 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



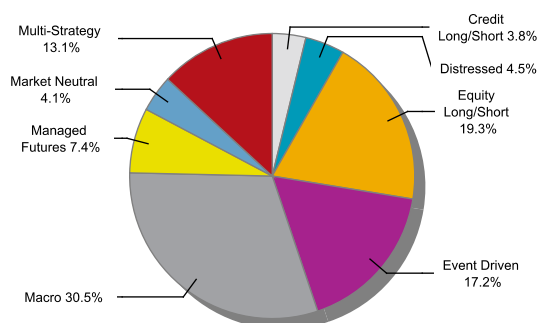
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Fund Commentary

Risk assets bounced at the beginning of October, primarily driven by supportive data coming from the US, but quickly consolidated their gains in the second week of the month as concerns surrounding the outlook for global growth and questions about when Spain may request aid weighed on investor sentiment. This 'see-saw' pattern repeated itself in the second half of October with equity markets initially regaining their poise and trading higher as a result of more positive economic data, before trading back down as some notable earnings announcements in the US disappointed. Towards month-end investors adopted a wait-and-see attitude, waiting for the uncertainty of the results of the US election and the Chinese leadership transition to be lifted. The Chinese Flash PMI rose for the second consecutive month, indicating that the economy seemed to be stabilising, while the housing market data in the US continued to point to a developing recovery. The MSCI World Index (hedged in USD) closed the month down -0.55% and the S&P 500 Index declined -1.98%. The 10 year US Treasury yield increased +1.91%, while in commodities Gold made a new year high but finished the month down -2.90%.

Against this backdrop the Fund was up in October, with the majority of strategies contributing positively. The only detractors were Market Neutral and Managed Futures. Trend followers, in particular, struggled as a large number of positions suffered from trend reversals over the month. Encouragingly, the allocations to both Equity Long/Short and Event Driven were positive contributors. Equity Long/Short managers were able to generate returns from both the long and short side, aided by share price responses to earnings announcements. We also saw strong returns from our China specialist. Within Event Driven, a range of equity special situations contributed positively, in addition to several credit and distressed situations. Our Multi-Strategy allocation continued to perform well, again helped by structured credit sub-strategies. US Retail Mortgage Backed Securities (RMBS) positions also boosted the returns of our Distressed allocation. Within Macro, performance was mixed, as some managers suffered losses in commodities and currencies, whilst others generated strong performance from Emerging Market credit and rates positions.

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 1,745.47m

Euro Hedged Class	Month to date:	0.10%
	Year to date:	2.25%
	NAV:	125.60

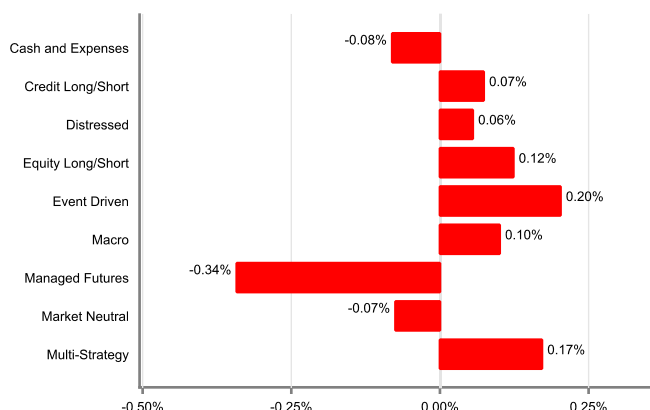
Fund Details

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	EUR 25,000
Management Fee	1.75 % per annum
Performance Fee	10 % of any return exceeding the benchmark
Hurdle	200% EUR 3 month LIBOR Index
Reuters Page	HSBC/HMGC
Bloomberg	REPGHFE GU
ISIN Number	GB00B01FR132
Valoren Number	1867746

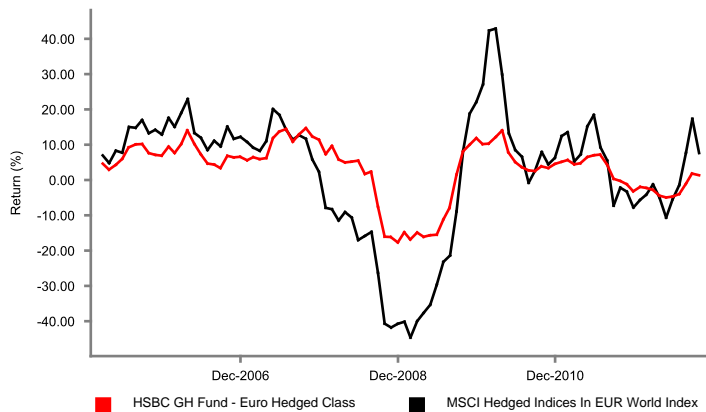
Top 10 Holdings *

S.A.C. Capital International, Ltd.	7.28%
Brevan Howard Fund Limited	6.58%
D.E. Shaw Oculus Intl Fund L.P.	6.32%
Third Point Offshore Fund, Ltd.	5.78%
BTG Pactual Global Emerging Markets and Macro Fund	5.74%
CQS Directional Opportunities Feeder Fund Limited	5.38%
Tudor BVI Global Fund Ltd.	5.15%
Lansdowne Developed Markets Fund Limited	4.77%
Tyrus Capital Event Fund	4.41%
Halcyon Offshore Asset-Backed Value Fund Ltd.	4.08%
Top 10 Holdings	= 55.48% of portfolio
Top 20 Holdings	= 89.35% of portfolio

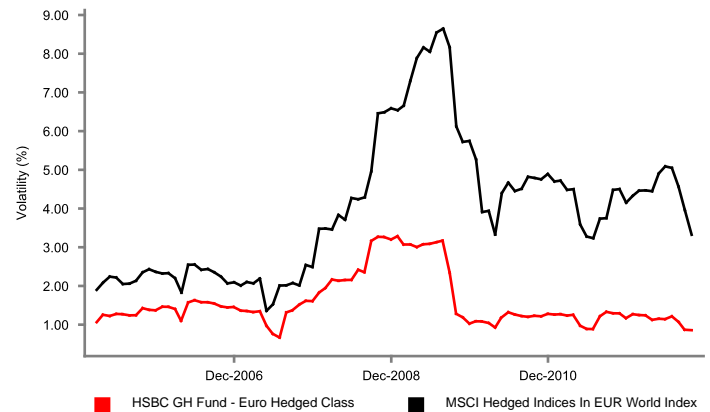
Strategy Contribution



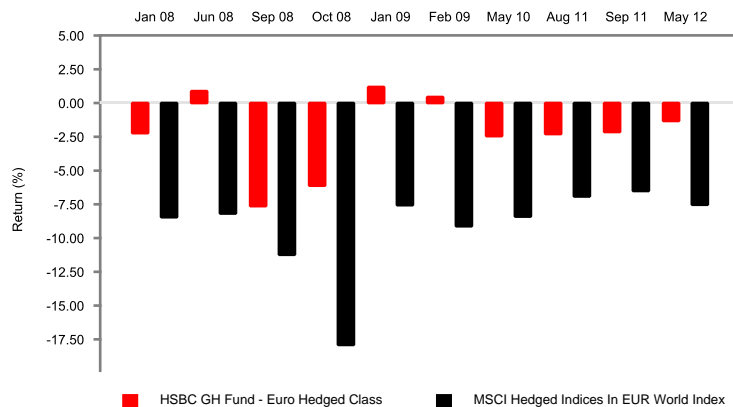
12 Month Rolling Return



12 Month Rolling Volatility

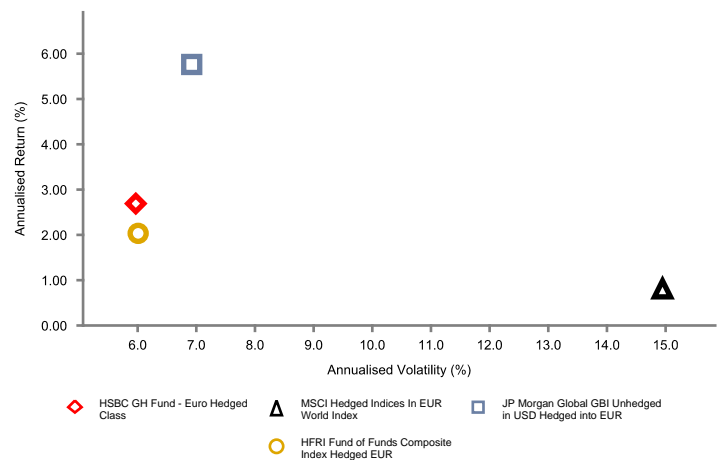


Worst Performing Months *



* 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
2012	1.51%	0.75%	-0.27%	-0.29%	-1.33%	-0.81%	1.23%	0.67%	0.70%	0.10%			2.25%
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

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Disclaimer

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

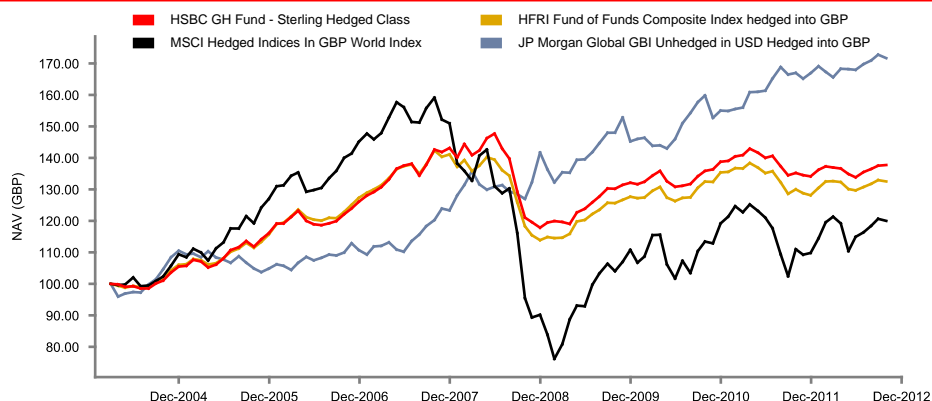
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 Report Instance: 893728

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	0.16%	-0.54%	-0.32%	-0.64%
YTD Return	2.69%	9.27%	3.42%	2.86%
12 Month Return	1.87%	8.11%	1.92%	2.81%
Actual Return	37.74%	19.99%	32.52%	71.68%
Annualised Return	3.80%	2.15%	3.33%	6.50%
Annualised Volatility	6.11%	14.90%	5.76%	6.90%
Sharpe Ratio (Annualised)*	0.06	-0.09	-0.02	0.44
Maximum Drawdown	-20.22%	-52.13%	-20.00%	-6.70%
% Positive Months	65.05%	61.17%	63.11%	62.14%
Correlation	1.00	0.65	0.96	0.03
VaR(95%)	-2.90%	-7.08%	-2.72%	-3.26%
VaR(99%)	-4.09%	-9.90%	-3.85%	-4.60%

* 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



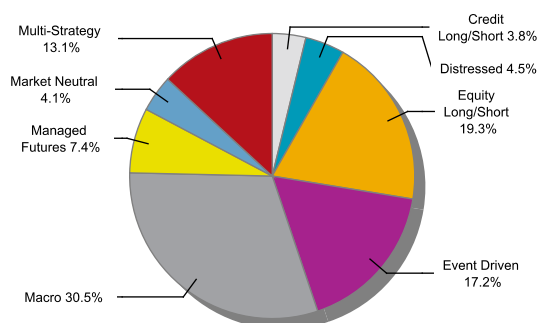
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Portfolio Size: USD 1,745.47m

Sterling Hedged Class	Month to date:	0.16%
	Year to date:	2.69%
	NAV:	137.74

Fund Details

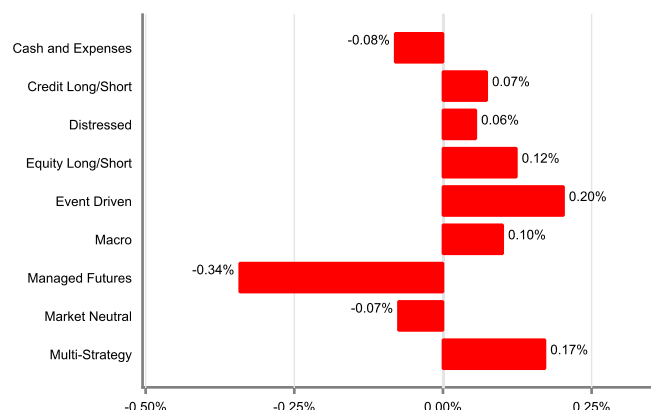
Investment Adviser	HSBC Alternative Investments Limited
Base Currency	USD
Inception Date	31 March 2004
Subscription	Monthly, with 5 Business Day(s) notice
Redemption	Monthly, subject to 1 month plus 5 Business Days notice.
Minimum	GBP 15,000
Management Fee	1.75 % per annum
Performance Fee	10 % of any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

Top 10 Holdings *

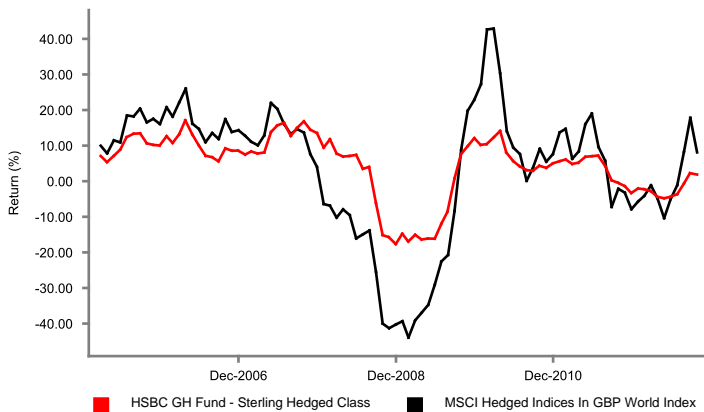
S.A.C. Capital International, Ltd.	7.28%
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Tudor BVI Global Fund Ltd.	5.15%
Lansdowne Developed Markets Fund Limited	4.77%
Tyrus Capital Event Fund	4.41%
Halcyon Offshore Asset-Backed Value Fund Ltd.	4.08%

Top 10 Holdings	=	55.48% of portfolio
Top 20 Holdings	=	89.35% of portfolio

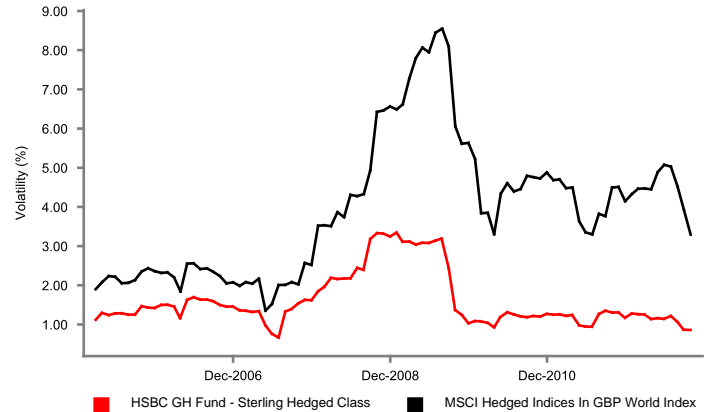
Strategy Contribution



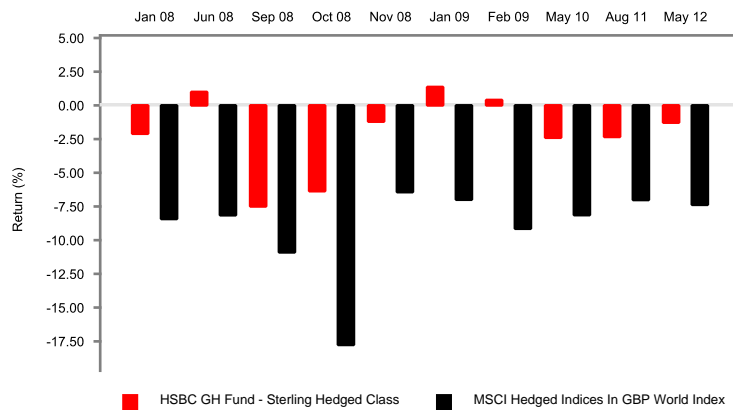
12 Month Rolling Return



12 Month Rolling Volatility

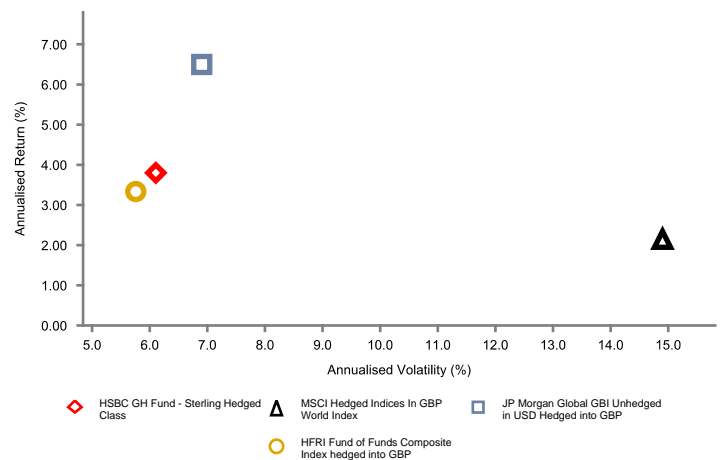


Worst Performing Months *



* 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
2012	1.55%	0.80%	-0.25%	-0.24%	-1.27%	-0.78%	1.24%	0.73%	0.76%	0.16%			2.69%
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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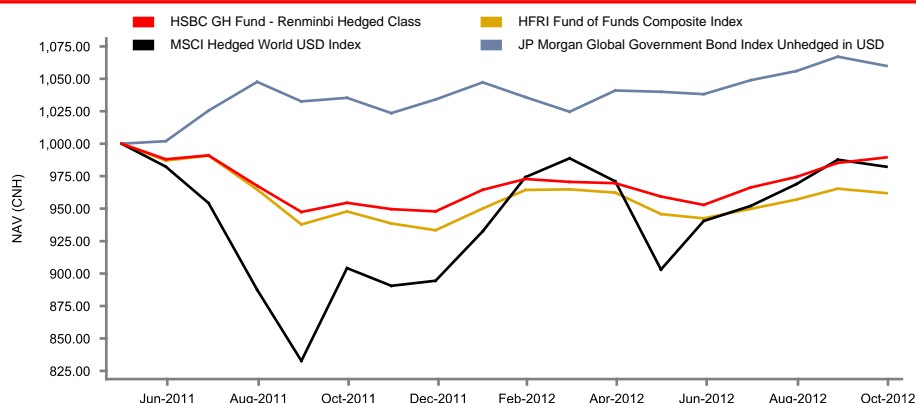
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 Report Instance: 893729

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	0.43%	-0.55%	-0.35%	-0.67%
YTD Return	4.39%	9.82%	3.06%	2.50%
12 Month Return	3.67%	8.63%	1.49%	2.37%
Actual Return	-1.05%	-1.78%	-3.80%	5.99%
Annualised Return	-0.75%	-1.26%	-2.70%	4.19%
Annualised Volatility	4.05%	14.82%	4.65%	4.08%
Sharpe Ratio (Annualised)*	n/a	n/a	n/a	n/a
Maximum Drawdown	-5.26%	-16.73%	-6.66%	-2.29%
% Positive Months	47.06%	52.94%	47.06%	58.82%
Correlation	1.00	0.73	0.96	0.17
VaR(95%)	-1.92%	-7.03%	-2.22%	-1.92%
VaR(99%)	-2.76%	-9.81%	-3.14%	-2.73%

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

Historical Performance



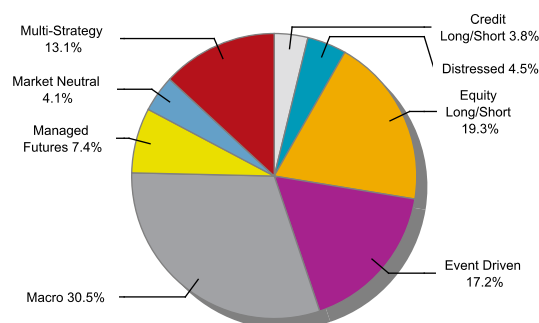
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Portfolio Size: USD 1,745.47m

Renminbi Hedged Class	Month to date:	0.43%
	Year to date:	4.39%
	NAV:	989.46

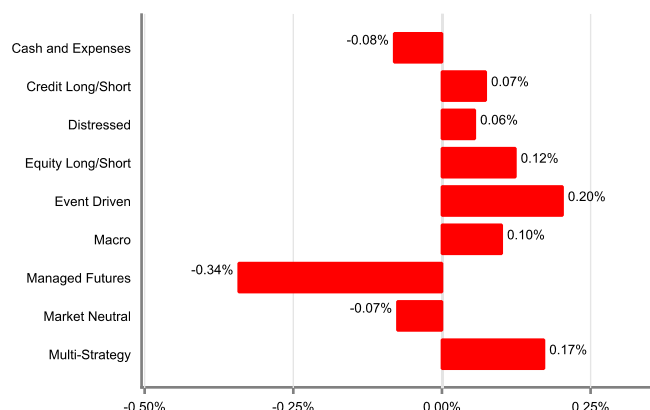
Fund Details

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Redemption	Monthly, subject to 1 month plus 5 Business Days notice
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Performance Fee	10 % of any return exceeding the benchmark
Hurdle	200% Bank of China (Hong Kong) Limited CNY Overnight Deposit Rate
Reuters Page	HSBC/HMGC
Bloomberg	HSGCNHR GU
ISIN Number	GG00B3WF1X30

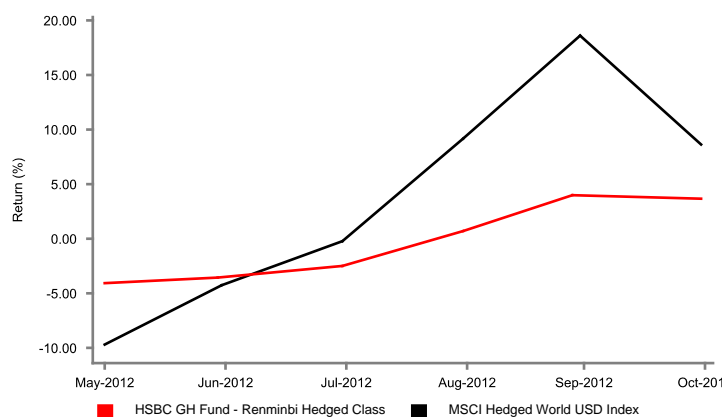
Top 10 Holdings *

S.A.C. Capital International, Ltd.	7.28%
Brevan Howard Fund Limited	6.58%
D.E. Shaw Oculus Intl Fund L.P.	6.32%
Third Point Offshore Fund, Ltd.	5.78%
BTG Pactual Global Emerging Markets and Macro Fund	5.74%
CQS Directional Opportunities Feeder Fund Limited	5.38%
Tudor BVI Global Fund Ltd.	5.15%
Lansdowne Developed Markets Fund Limited	4.77%
Tyrus Capital Event Fund	4.41%
Halcyon Offshore Asset-Backed Value Fund Ltd.	4.08%
Top 10 Holdings	= 55.48% of portfolio
Top 20 Holdings	= 89.35% of portfolio

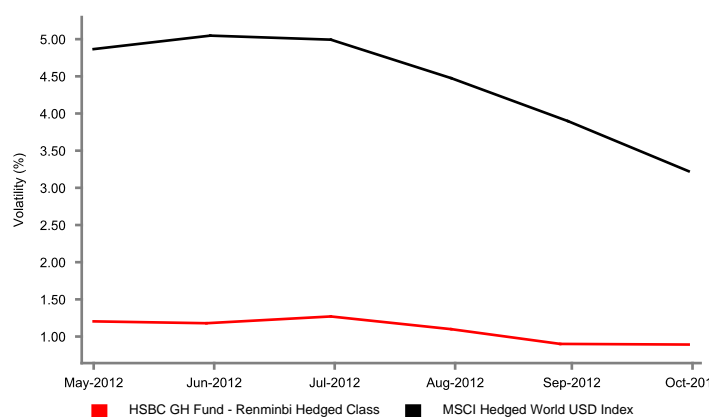
Strategy Contribution



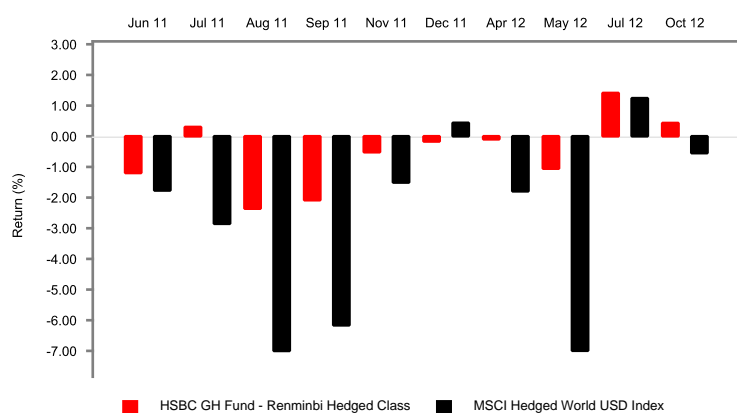
12 Month Rolling Return



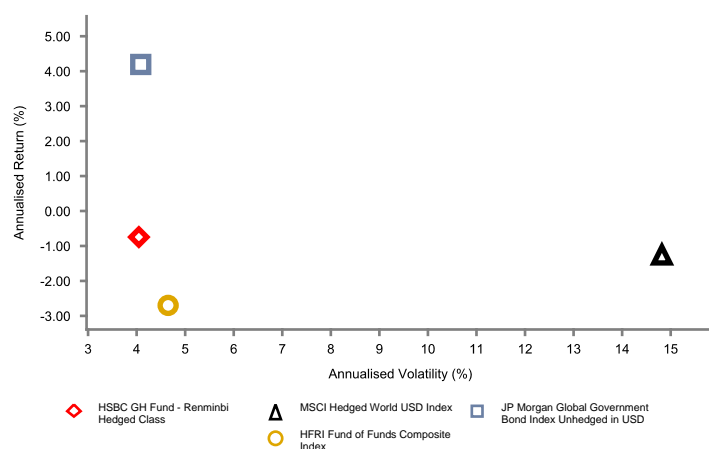
12 Month Rolling Volatility



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
2012	1.75%	0.86%	-0.23%	-0.10%	-1.06%	-0.67%	1.41%	0.84%	1.11%	0.43%	-0.52%	-0.17%	4.39%
2011						-1.20%	0.30%	-2.36%	-2.09%	0.74%			-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>

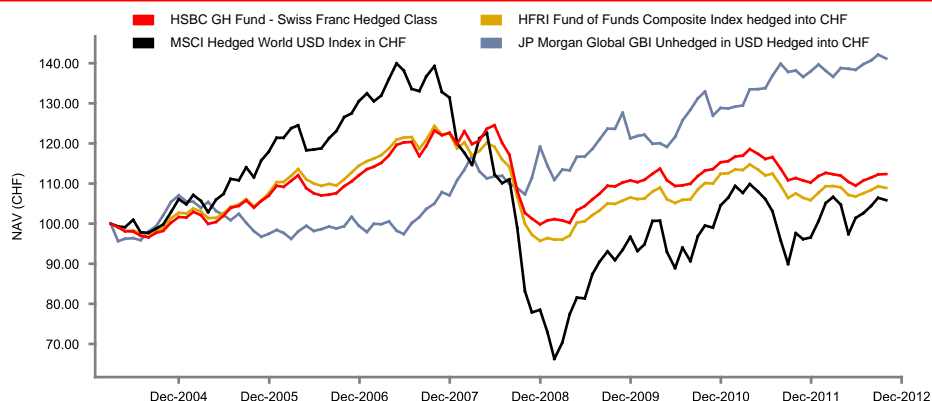
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 Report Instance: 893723

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	0.09%	-0.57%	-0.37%	-0.69%
YTD Return	1.92%	9.63%	2.89%	2.32%
12 Month Return	0.90%	8.40%	1.28%	2.16%
Actual Return	12.36%	5.84%	8.90%	41.16%
Annualised Return	1.37%	0.66%	1.00%	4.10%
Annualised Volatility	5.86%	14.64%	5.77%	6.91%
Sharpe Ratio (Annualised)*	0.06	-0.03	-0.01	0.44
Maximum Drawdown	-19.84%	-52.63%	-23.02%	-10.13%
% Positive Months	62.14%	57.28%	61.17%	59.22%
Correlation	1.00	0.63	0.96	0.04
VaR(95%)	-2.80%	-6.97%	-2.74%	-3.27%
VaR(99%)	-4.00%	-9.80%	-3.85%	-4.66%

* 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



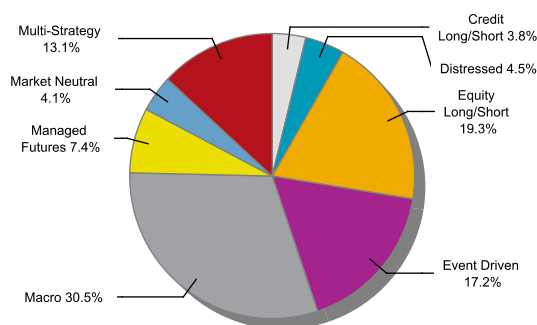
Past performance is not a reliable indicator of future results.

Fund Commentary

Risk assets bounced at the beginning of October, primarily driven by supportive data coming from the US, but quickly consolidated their gains in the second week of the month as concerns surrounding the outlook for global growth and questions about when Spain may request aid weighed on investor sentiment. This 'see-saw' pattern repeated itself in the second half of October with equity markets initially regaining their poise and trading higher as a result of more positive economic data, before trading back down as some notable earnings announcements in the US disappointed. Towards month-end investors adopted a wait-and-see attitude, waiting for the uncertainty of the results of the US election and the Chinese leadership transition to be lifted. The Chinese Flash PMI rose for the second consecutive month, indicating that the economy seemed to be stabilising, while the housing market data in the US continued to point to a developing recovery. The MSCI World Index (hedged in USD) closed the month down -0.55% and the S&P 500 Index declined -1.98%. The 10 year US Treasury yield increased +1.91%, while in commodities Gold made a new year high but finished the month down -2.90%.

Against this backdrop the Fund was up in October, with the majority of strategies contributing positively. The only detractors were Market Neutral and Managed Futures. Trend followers, in particular, struggled as a large number of positions suffered from trend reversals over the month. Encouragingly, the allocations to both Equity Long/Short and Event Driven were positive contributors. Equity Long/Short managers were able to generate returns from both the long and short side, aided by share price responses to earnings announcements. We also saw strong returns from our China specialist. Within Event Driven, a range of equity special situations contributed positively, in addition to several credit and distressed situations. Our Multi-Strategy allocation continued to perform well, again helped by structured credit sub-strategies. US Retail Mortgage Backed Securities (RMBS) positions also boosted the returns of our Distressed allocation. Within Macro, performance was mixed, as some managers suffered losses in commodities and currencies, whilst others generated strong performance from Emerging Market credit and rates positions.

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 1,745.47m

Swiss Franc Hedged Class	Month to date:	0.09%
	Year to date:	1.92%
	NAV:	112.36

Fund Details

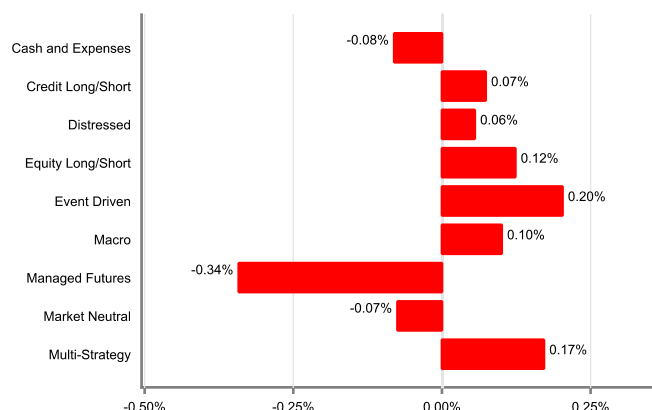
Investment Adviser	HSBC Alternative Investments Limited
Base Currency	USD
Inception Date	31 March 2004
Subscription	Monthly, with 5 Business Day(s) notice
Redemption	Monthly, subject to 1 month plus 5 Business Days notice
Minimum	CHF 30,000
Management Fee	1.75 % per annum
Performance Fee	10 % of any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

Top 10 Holdings *

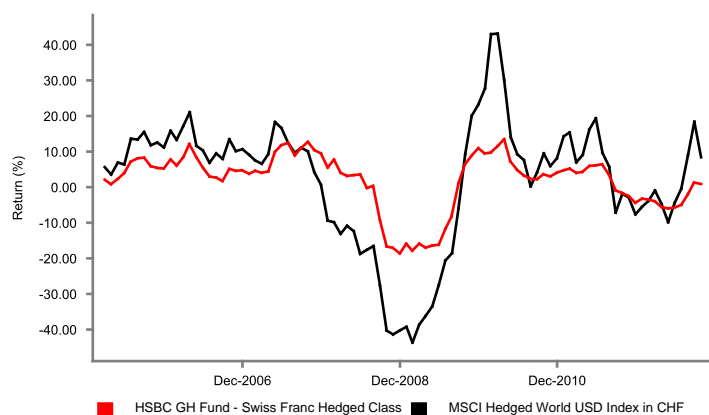
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Top 10 Holdings	=	55.48% of portfolio
Top 20 Holdings	=	89.35% of portfolio

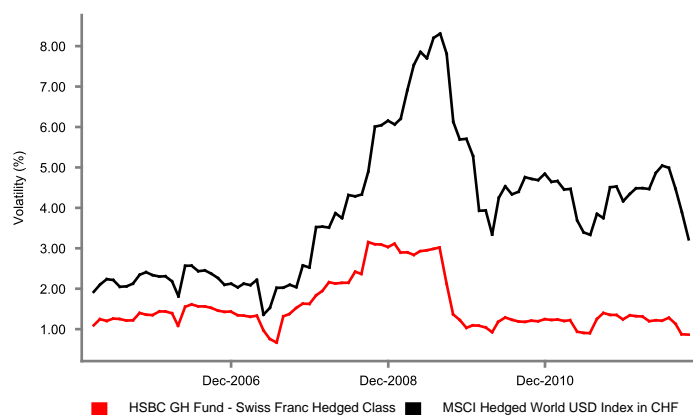
Strategy Contribution



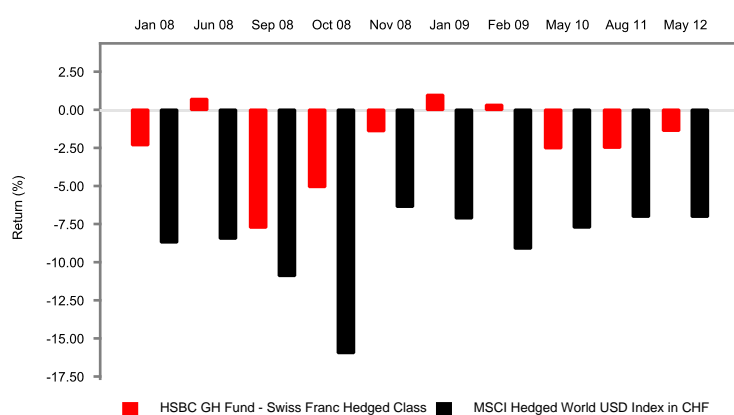
12 Month Rolling Return



12 Month Rolling Volatility

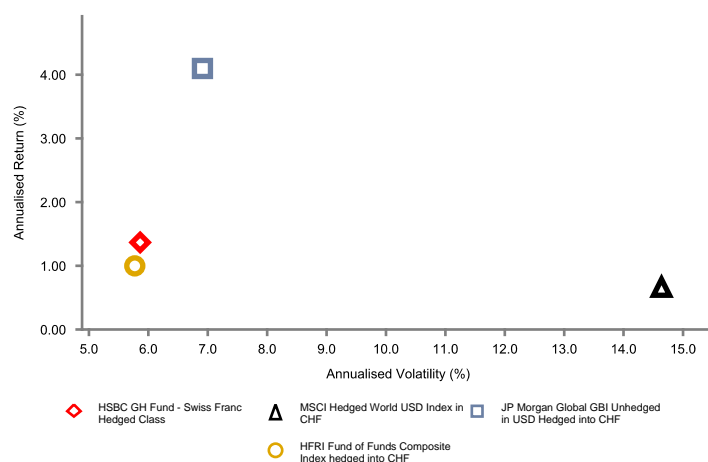


Worst Performing Months *



* 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
2012	1.47%	0.71%	-0.29%	-0.31%	-1.38%	-0.86%	1.19%	0.63%	0.70%	0.09%			1.92%
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%	0.51%	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

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Contacts

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

Creation Time: 11:34:37
 Creation Date: 20 Nov 2012
 Report Instance: 893727

HSBC GH Fund

Institutional Class (US Dollar)

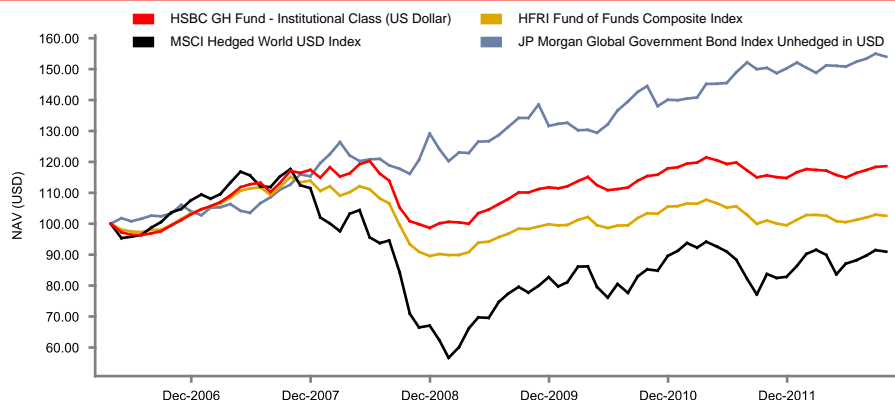
31 October 2012

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	0.20%	-0.55%	-0.35%	-0.67%
YTD Return	3.32%	9.82%	3.06%	2.50%
12 Month Return	2.57%	8.63%	1.49%	2.37%
Actual Return	18.60%	-9.04%	2.55%	53.97%
Annualised Return	2.66%	-1.45%	0.39%	6.87%
Annualised Volatility	6.21%	16.30%	6.20%	7.07%
Sharpe Ratio (Annualised)*	0.06	-0.23	-0.30	0.65
Maximum Drawdown	-17.97%	-51.88%	-22.20%	-8.08%
% Positive Months	62.82%	56.41%	58.97%	65.38%
Correlation	1.00	0.60	0.95	0.02
VaR(95%)	-2.96%	-7.67%	-2.94%	-3.36%
VaR(99%)	-4.20%	-10.96%	-4.15%	-4.75%

* 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



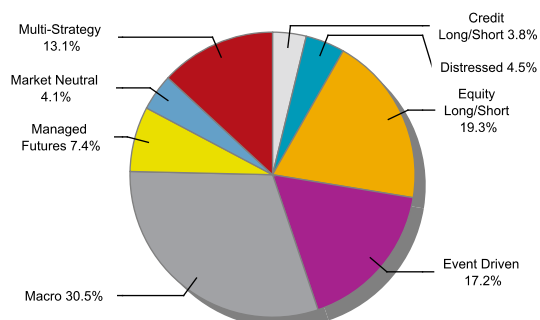
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Fund Commentary

Risk assets bounced at the beginning of October, primarily driven by supportive data coming from the US, but quickly consolidated their gains in the second week of the month as concerns surrounding the outlook for global growth and questions about when Spain may request aid weighed on investor sentiment. This 'see-saw' pattern repeated itself in the second half of October with equity markets initially regaining their poise and trading higher as a result of more positive economic data, before trading back down as some notable earnings announcements in the US disappointed. Towards month-end investors adopted a wait-and-see attitude, waiting for the uncertainty of the results of the US election and the Chinese leadership transition to be lifted. The Chinese Flash PMI rose for the second consecutive month, indicating that the economy seemed to be stabilising, while the housing market data in the US continued to point to a developing recovery. The MSCI World Index (hedged in USD) closed the month down -0.55% and the S&P 500 Index declined -1.98%. The 10 year US Treasury yield increased +1.91%, while in commodities Gold made a new year high but finished the month down -2.90%.

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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 1,745.47m

Institutional Class (US Dollar)	Month to date:	0.20%
	Year to date:	3.32%
	NAV:	118.60
Institutional Class (Swiss Franc) - Hedged	Month to date:	0.16%
	Year to date:	2.58%
	NAV:	106.17
Institutional Class (Euro) - Hedged	Month to date:	0.18%
	Year to date:	2.90%
	NAV:	102.42
Institutional Class (Singapore Dollar) - Hedged	Month to date:	0.21%
	Year to date:	3.22%
	NAV:	99.74
Institutional Class (Sterling) - Hedged	Month to date:	0.23%
	Year to date:	3.32%
	NAV:	99.30
Institutional Class (Hong Kong Dollar) - Hedged	Month to date:	0.21%
	Year to date:	1.19%
	NAV:	1011.86

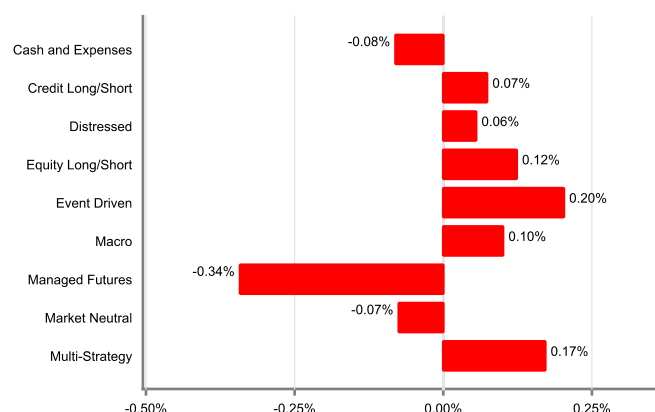
Fund Details

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

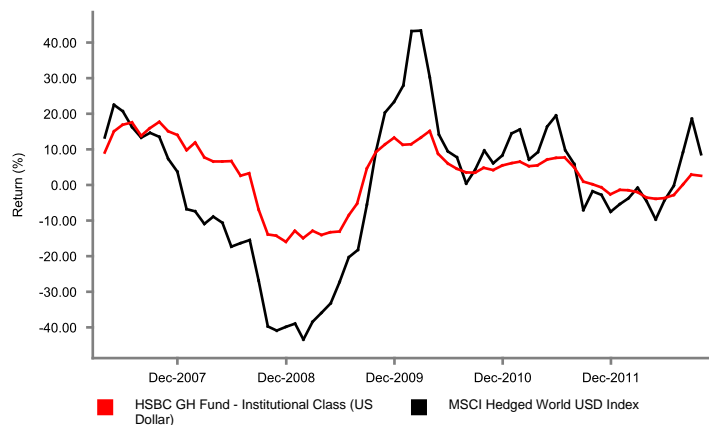
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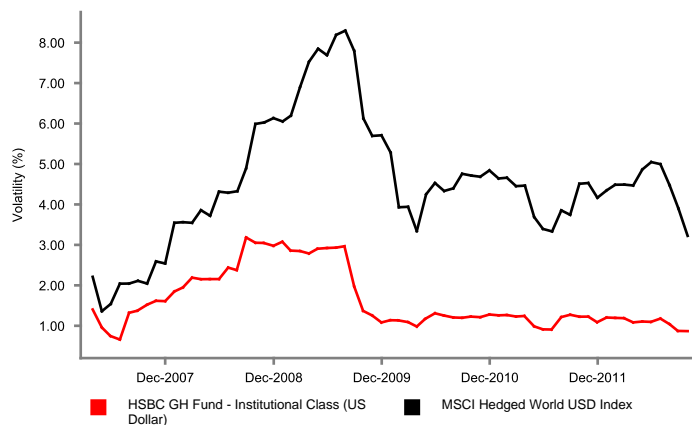
Strategy Contribution



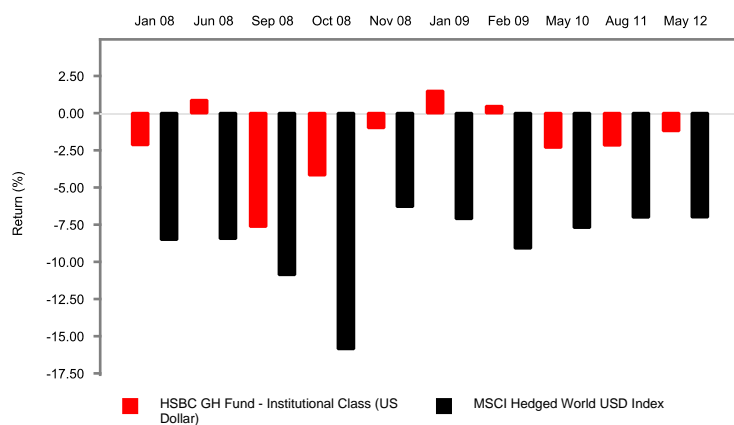
12 Month Rolling Return



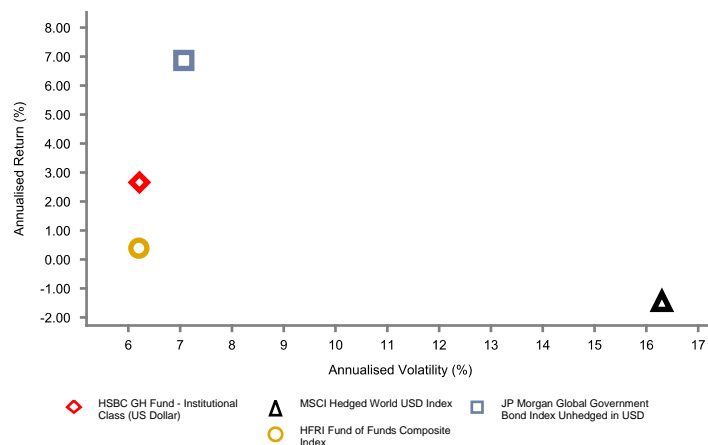
12 Month Rolling Volatility



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
2012	1.62%	0.87%	-0.22%	-0.20%	-1.19%	-0.73%	1.31%	0.82%	0.84%	0.20%			3.32%
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.

Disclaimer

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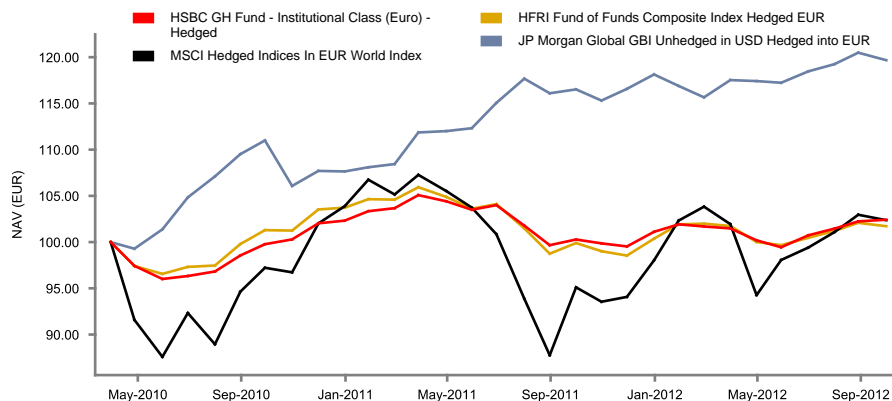
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Report Instance: 893731

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	0.18%	-0.57%	-0.36%	-0.68%
YTD Return	2.90%	8.82%	3.22%	2.66%
12 Month Return	2.13%	7.64%	1.82%	2.71%
Actual Return	2.42%	2.37%	1.72%	19.67%
Annualised Return	0.96%	0.94%	0.68%	7.45%
Annualised Volatility	4.02%	14.78%	4.68%	5.54%
Sharpe Ratio (Annualised)*	-0.00	-0.00	-0.06	1.17
Maximum Drawdown	-5.37%	-18.19%	-6.98%	-4.43%
% Positive Months	60.00%	53.33%	53.33%	66.67%
Correlation	1.00	0.79	0.96	0.25
VaR(95%)	-1.91%	-7.05%	-2.24%	-2.66%
VaR(99%)	-2.72%	-9.92%	-3.16%	-3.73%

* 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



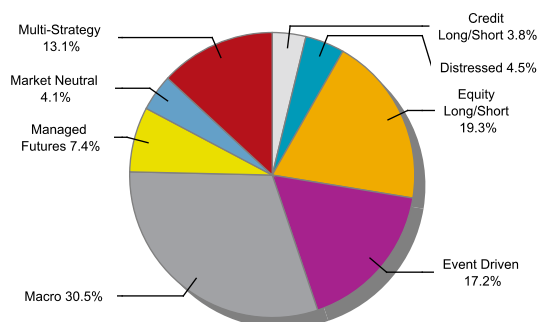
Past performance is not a reliable indicator of future results.

Fund Commentary

Risk assets bounced at the beginning of October, primarily driven by supportive data coming from the US, but quickly consolidated their gains in the second week of the month as concerns surrounding the outlook for global growth and questions about when Spain may request aid weighed on investor sentiment. This 'see-saw' pattern repeated itself in the second half of October with equity markets initially regaining their poise and trading higher as a result of more positive economic data, before trading back down as some notable earnings announcements in the US disappointed. Towards month-end investors adopted a wait-and-see attitude, waiting for the uncertainty of the results of the US election and the Chinese leadership transition to be lifted. The Chinese Flash PMI rose for the second consecutive month, indicating that the economy seemed to be stabilising, while the housing market data in the US continued to point to a developing recovery. The MSCI World Index (hedged in USD) closed the month down -0.55% and the S&P 500 Index declined -1.98%. The 10 year US Treasury yield increased +1.91%, while in commodities Gold made a new year high but finished the month down -2.90%.

Against this backdrop the Fund was up in October, with the majority of strategies contributing positively. The only detractors were Market Neutral and Managed Futures. Trend followers, in particular, struggled as a large number of positions suffered from trend reversals over the month. Encouragingly, the allocations to both Equity Long/Short and Event Driven were positive contributors. Equity Long/Short managers were able to generate returns from both the long and short side, aided by share price responses to earnings announcements. We also saw strong returns from our China specialist. Within Event Driven, a range of equity special situations contributed positively, in addition to several credit and distressed situations. Our Multi-Strategy allocation continued to perform well, again helped by structured credit sub-strategies. US Retail Mortgage Backed Securities (RMBS) positions also boosted the returns of our Distressed allocation. Within Macro, performance was mixed, as some managers suffered losses in commodities and currencies, whilst others generated strong performance from Emerging Market credit and rates positions.

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 1,745.47m

Institutional Class (Euro) - Hedged	Month to date:	0.18%
	Year to date:	2.90%
	NAV:	102.42

Fund Details

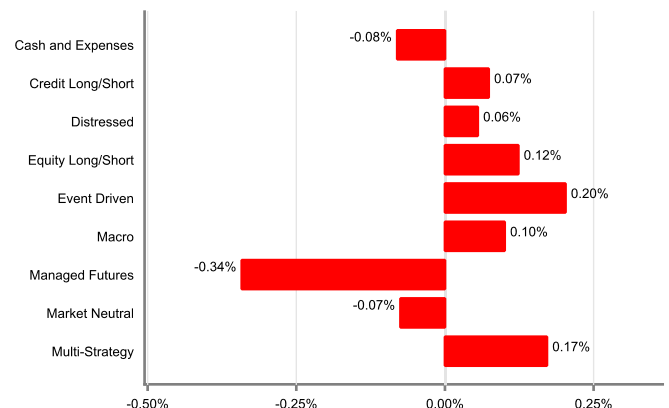
Investment Adviser	HSBC Alternative Investments Limited
Base Currency	USD
Inception Date	30 April 2010
Subscription	Monthly, with 5 Business Day(s) notice
Redemption	Monthly, subject to 65 days notice and no exit fee or monthly with 1 month plus 5 Business Days notice and a 2% exit fee
Minimum Management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

Top 10 Holdings *

S.A.C. Capital International, Ltd.	7.28%
Brevan Howard Fund Limited	6.58%
D.E. Shaw Oculus Intl Fund L.P.	6.32%
Third Point Offshore Fund, Ltd.	5.78%
BTG Pactual Global Emerging Markets and Macro Fund	5.74%
CQS Directional Opportunities Feeder Fund Limited	5.38%
Tudor BVI Global Fund Ltd.	5.15%
Lansdowne Developed Markets Fund Limited	4.77%
Tyrus Capital Event Fund	4.41%
Halcyon Offshore Asset-Backed Value Fund Ltd.	4.08%

Top 10 Holdings	=	55.48% of portfolio
Top 20 Holdings	=	89.35% of portfolio

Strategy Contribution

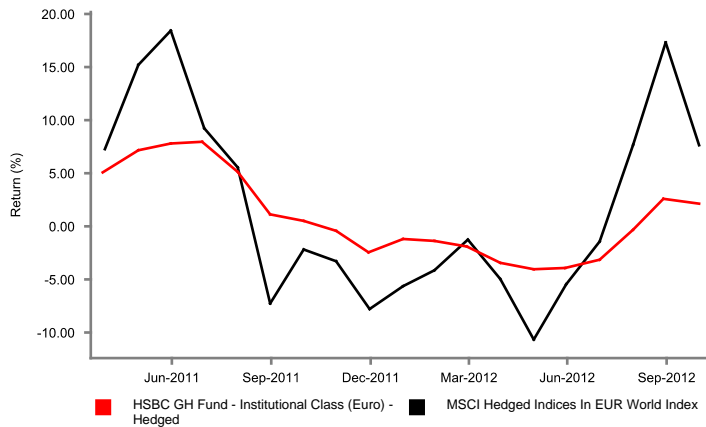


HSBC GH Fund

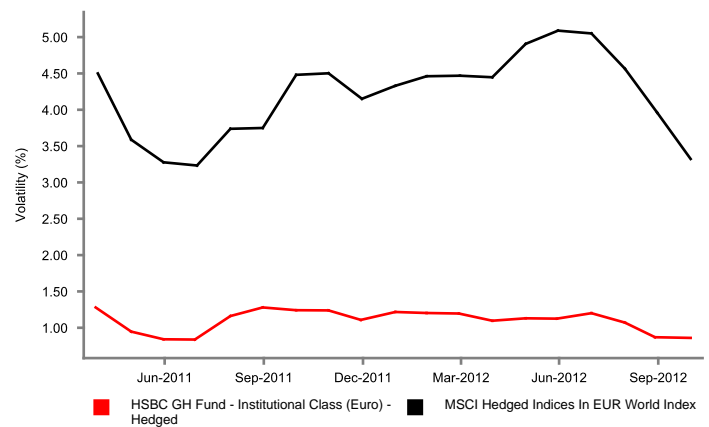
Institutional Class (Euro) - Hedged

31 October 2012

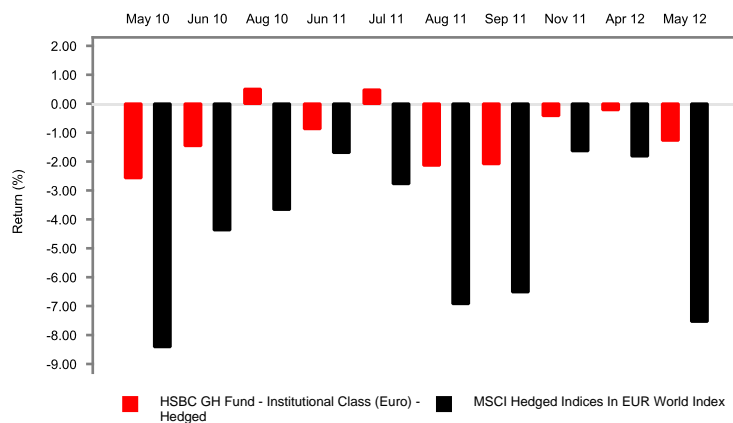
12 Month Rolling Return



12 Month Rolling Volatility

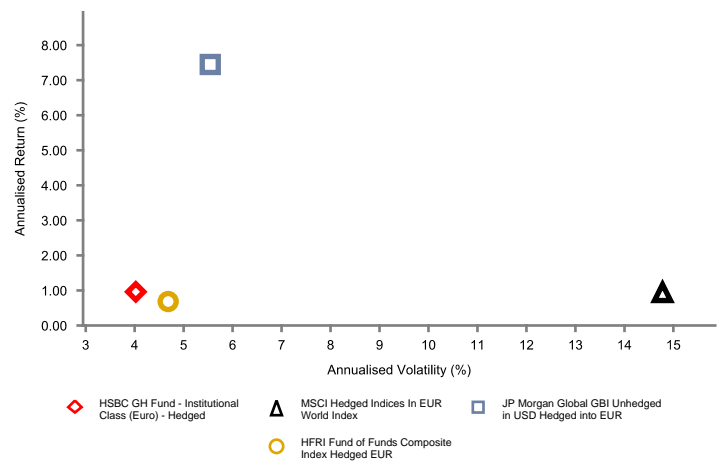


Worst Performing Months *



* 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
2012	1.58%	0.81%	-0.22%	-0.22%	-1.27%	-0.75%	1.30%	0.72%	0.77%	0.18%			2.90%
2011	0.28%	1.00%	0.32%	1.36%	-0.64%	-0.87%	0.48%	-2.13%	-2.08%	0.62%	-0.42%	-0.33%	-2.45%
2010					-2.57%	-1.46%	0.33%	0.51%	1.79%	1.24%	0.52%	1.73%	2.03%

Share Class: Institutional Class (Euro) - Hedged

Past performance is not a reliable indicator of future results.

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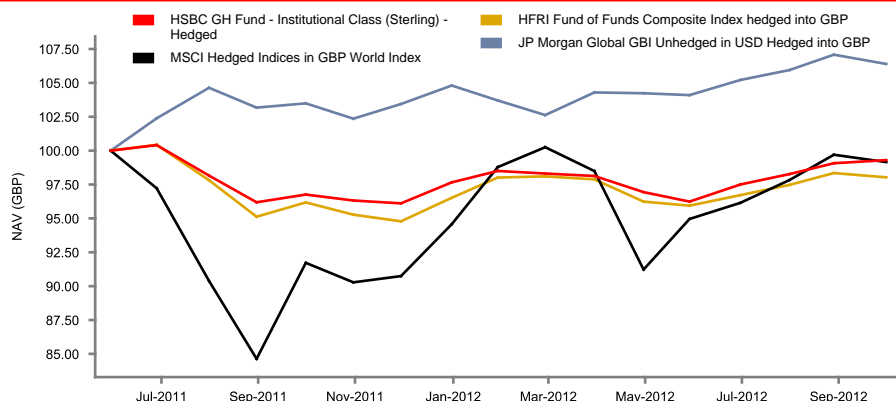
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 Report Instance: 893736

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	0.23%	-0.54%	-0.32%	-0.64%
YTD Return	3.32%	9.27%	3.42%	2.86%
12 Month Return	2.63%	8.11%	1.92%	2.81%
Actual Return	-0.70%	-0.84%	-1.97%	6.40%
Annualised Return	-0.53%	-0.63%	-1.48%	4.76%
Annualised Volatility	3.82%	15.31%	4.69%	4.21%
Sharpe Ratio (Annualised)*	-0.39	-0.10	-0.52	0.90
Maximum Drawdown	-4.28%	-15.36%	-5.61%	-2.18%
% Positive Months	50.00%	56.25%	50.00%	56.25%
Correlation	1.00	0.74	0.96	0.17
VaR(95%)	-1.80%	-7.22%	-2.23%	-2.00%
VaR(99%)	-2.56%	-10.22%	-3.15%	-2.84%

* 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



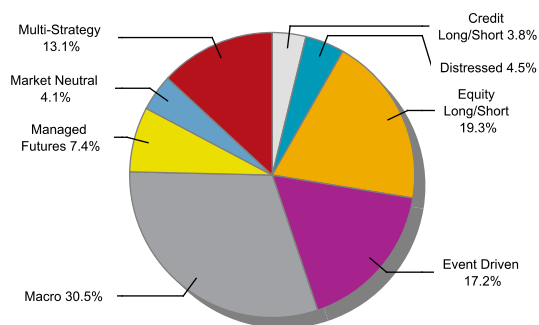
Past performance is not a reliable indicator of future results.

Fund Commentary

Risk assets bounced at the beginning of October, primarily driven by supportive data coming from the US, but quickly consolidated their gains in the second week of the month as concerns surrounding the outlook for global growth and questions about when Spain may request aid weighed on investor sentiment. This 'see-saw' pattern repeated itself in the second half of October with equity markets initially regaining their poise and trading higher as a result of more positive economic data, before trading back down as some notable earnings announcements in the US disappointed. Towards month-end investors adopted a wait-and-see attitude, waiting for the uncertainty of the results of the US election and the Chinese leadership transition to be lifted. The Chinese Flash PMI rose for the second consecutive month, indicating that the economy seemed to be stabilising, while the housing market data in the US continued to point to a developing recovery. The MSCI World Index (hedged in USD) closed the month down -0.55% and the S&P 500 Index declined -1.98%. The 10 year US Treasury yield increased +1.91%, while in commodities Gold made a new year high but finished the month down -2.90%.

Against this backdrop the Fund was up in October, with the majority of strategies contributing positively. The only detractors were Market Neutral and Managed Futures. Trend followers, in particular, struggled as a large number of positions suffered from trend reversals over the month. Encouragingly, the allocations to both Equity Long/Short and Event Driven were positive contributors. Equity Long/Short managers were able to generate returns from both the long and short side, aided by share price responses to earnings announcements. We also saw strong returns from our China specialist. Within Event Driven, a range of equity special situations contributed positively, in addition to several credit and distressed situations. Our Multi-Strategy allocation continued to perform well, again helped by structured credit sub-strategies. US Retail Mortgage Backed Securities (RMBS) positions also boosted the returns of our Distressed allocation. Within Macro, performance was mixed, as some managers suffered losses in commodities and currencies, whilst others generated strong performance from Emerging Market credit and rates positions.

Strategy Allocation *



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Fund Objective

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Portfolio Size: USD 1,745.47m

Institutional Class (Sterling) - Hedged	Month to date:	0.23%
	Year to date:	3.32%
	NAV:	99.30

Fund Details

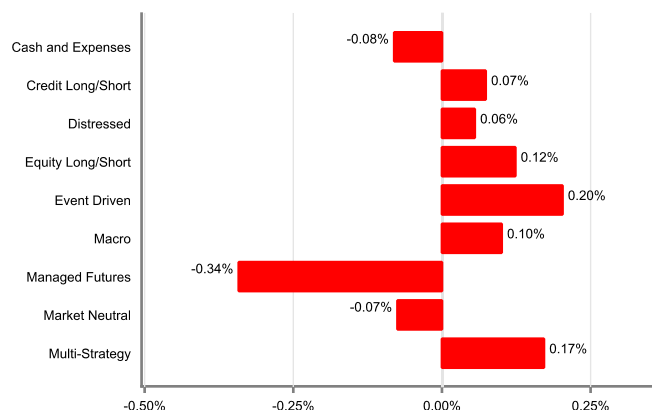
Investment Adviser	HSBC Alternative Investments Limited
Base Currency	USD
Inception Date	30 June 2011
Subscription	Monthly, with 5 Business Day(s) notice
Redemption	Monthly, subject to 65 days notice and no exit fee or monthly with 1 month plus 5 Business Days notice and a 2% exit fee
Minimum	GBP 1,500,000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

Top 10 Holdings *

S.A.C. Capital International, Ltd.	7.28%
Brevan Howard Fund Limited	6.58%
D.E. Shaw Oculus Intl Fund L.P.	6.32%
Third Point Offshore Fund, Ltd.	5.78%
BTG Pactual Global Emerging Markets and Macro Fund	5.74%
CQS Directional Opportunities Feeder Fund Limited	5.38%
Tudor BVI Global Fund Ltd.	5.15%
Lansdowne Developed Markets Fund Limited	4.77%
Tyrus Capital Event Fund	4.41%
Halcyon Offshore Asset-Backed Value Fund Ltd.	4.08%

Top 10 Holdings	=	55.48% of portfolio
Top 20 Holdings	=	89.35% of portfolio

Strategy Contribution

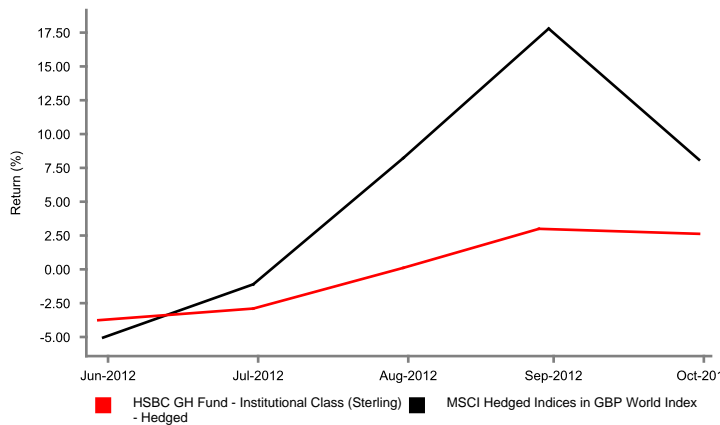


HSBC GH Fund

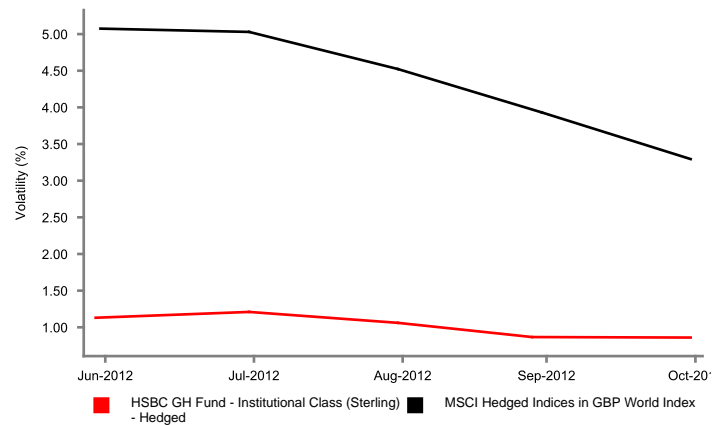
Institutional Class (Sterling) - Hedged

31 October 2012

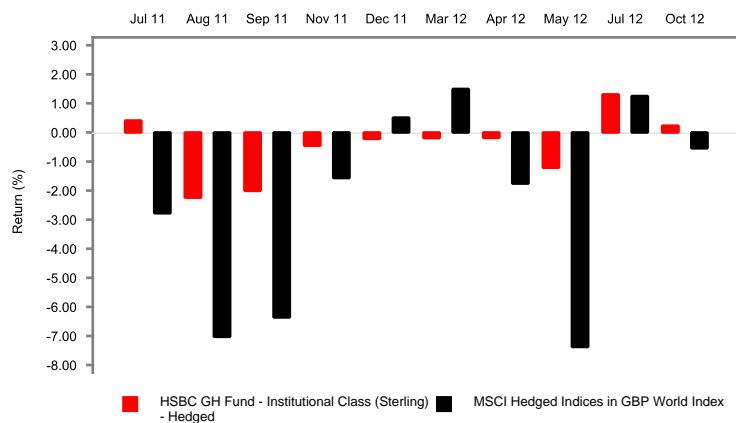
12 Month Rolling Return



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.

Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012	1.61%	0.86%	-0.19%	-0.18%	-1.21%	-0.72%	1.31%	0.79%	0.81%	0.23%			3.32%
2011							0.41%	-2.24%	-2.01%	0.59%	-0.45%	-0.22%	-3.89%

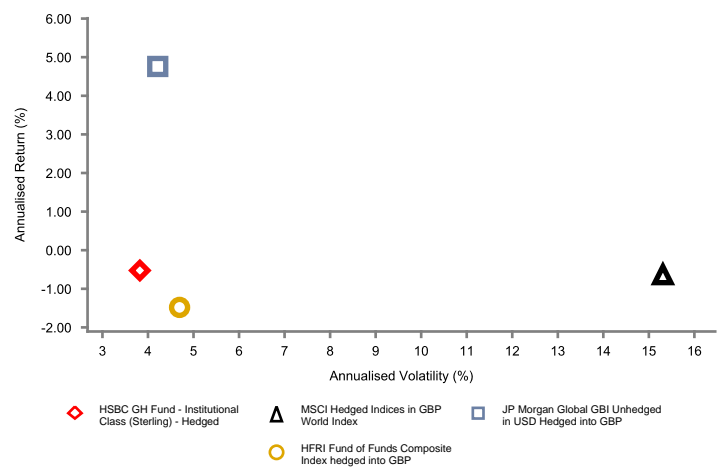
Share Class: Institutional Class (Sterling) - Hedged

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Risk / Return



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Creation Time: 11:51:14
Creation Date: 20 Nov 2012
Report Instance: 893737

HSBC GH Fund

Institutional Class (Hong Kong Dollar) -
Hedged

31 October 2012

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	0.21%	-0.55%	-0.35%	-0.67%
YTD Return	1.19%	1.16%	-0.03%	1.82%
12 Month Return	n/a	n/a	n/a	n/a
Actual Return	1.19%	1.16%	-0.03%	1.82%
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	-1.93%	-7.00%	-2.06%	-0.67%
% Positive Months	66.67%	66.67%	50.00%	50.00%
Correlation	1.00	0.50	0.92	0.72
VaR(95%)	NaN	-6.33%	-1.60%	-1.20%
VaR(99%)	NaN	-8.98%	-2.25%	-1.66%

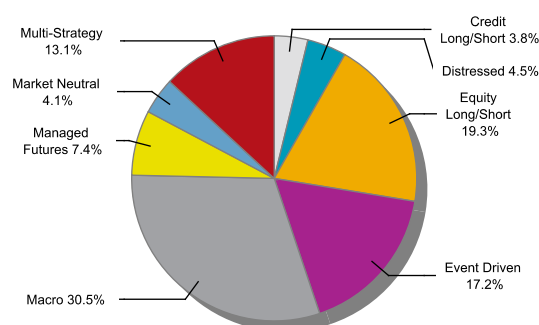
* The risk free rate used to calculate the sharpe ratio is the annualised return of 3M HIBOR Index over the period.
All fund performance quoted above is since inception unless otherwise stated.

Fund Commentary

Risk assets bounced at the beginning of October, primarily driven by supportive data coming from the US, but quickly consolidated their gains in the second week of the month as concerns surrounding the outlook for global growth and questions about when Spain may request aid weighed on investor sentiment. This 'see-saw' pattern repeated itself in the second half of October with equity markets initially regaining their poise and trading higher as a result of more positive economic data, before trading back down as some notable earnings announcements in the US disappointed. Towards month-end investors adopted a wait-and-see attitude, waiting for the uncertainty of the results of the US election and the Chinese leadership transition to be lifted. The Chinese Flash PMI rose for the second consecutive month, indicating that the economy seemed to be stabilising, while the housing market data in the US continued to point to a developing recovery. The MSCI World Index (hedged in USD) closed the month down -0.55% and the S&P 500 Index declined -1.98%. The 10 year US Treasury yield increased +1.91%, while in commodities Gold made a new year high but finished the month down -2.90%.

Against this backdrop the Fund was up in October, with the majority of strategies contributing positively. The only detractors were Market Neutral and Managed Futures. Trend followers, in particular, struggled as a large number of positions suffered from trend reversals over the month. Encouragingly, the allocations to both Equity Long/Short and Event Driven were positive contributors. Equity Long/Short managers were able to generate returns from both the long and short side, aided by share price responses to earnings announcements. We also saw strong returns from our China specialist. Within Event Driven, a range of equity special situations contributed positively, in addition to several credit and distressed situations. Our Multi-Strategy allocation continued to perform well, again helped by structured credit sub-strategies. US Retail Mortgage Backed Securities (RMBS) positions also boosted the returns of our Distressed allocation. Within Macro, performance was mixed, as some managers suffered losses in commodities and currencies, whilst others generated strong performance from Emerging Market credit and rates positions.

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 1,745.47m

Institutional Class (Hong Kong Dollar) - Hedged	Month to date:	0.21%
	Year to date:	1.19%
	NAV:	1011.86

Fund Details

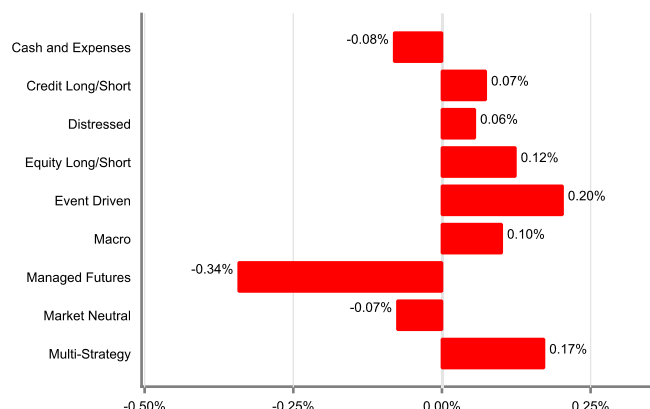
Investment Adviser	HSBC Alternative Investments Limited
Base Currency	USD
Inception Date	30 April 2012
Subscription	Monthly, with 5 Business Day(s) notice
Redemption	Monthly, subject to 65 days notice and no exit fee or monthly with 1 month plus 5 Business Days notice and a 2% exit fee
Minimum	HKD 20,000,000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

Top 10 Holdings *

S.A.C. Capital International, Ltd.	7.28%
Brevan Howard Fund Limited	6.58%
D.E. Shaw Oculus Intl Fund L.P.	6.32%
Third Point Offshore Fund, Ltd.	5.78%
BTG Pactual Global Emerging Markets and Macro Fund	5.74%
CQS Directional Opportunities Feeder Fund Limited	5.38%
Tudor BVI Global Fund Ltd.	5.15%
Lansdowne Developed Markets Fund Limited	4.77%
Tyrus Capital Event Fund	4.41%
Halcyon Offshore Asset-Backed Value Fund Ltd.	4.08%

Top 10 Holdings	=	55.48% of portfolio
Top 20 Holdings	=	89.35% of portfolio

Strategy Contribution



HSBC GH Fund

Institutional Class (Hong Kong Dollar) - Hedged

31 October 2012

Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012					-1.19%	-0.75%	1.29%	0.80%	0.84%	0.21%			1.19%

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

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 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 FSA COBS 4.12. This document is distributed in and/or from Switzerland by HSBC Private Bank (Suisse) SA. The Fund is a foreign umbrella fund under Swiss law. Prospectuses, funds contracts as well as annual and semi-annual reports of the funds can be obtained on request and free at the head office of the representative of these funds in Switzerland, Private Bank (Suisse) SA, Quai General-Guisan 2, CP 3580, Geneva 1. The Fund is a foreign umbrella fund with special risks under Swiss law. 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. © Copyright. HSBC Management (Guernsey) Limited 2012. 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: 13:05:15
Creation Date: 19 Nov 2012
Report Instance: 893448

HSBC Leveraged GH Fund

USD Class

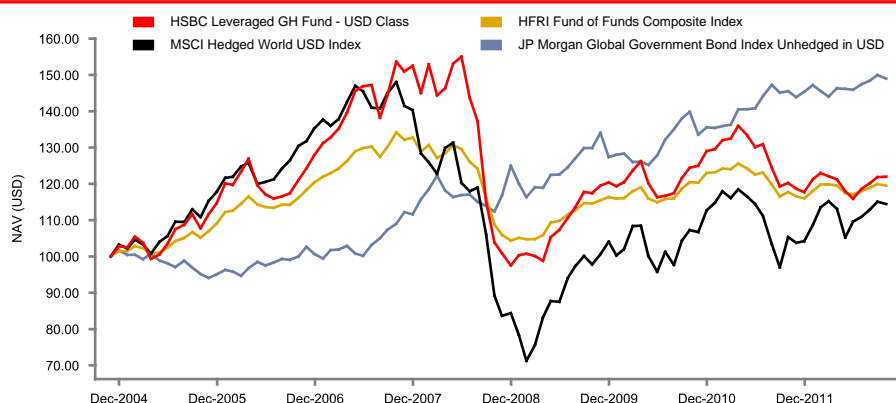
31 October 2012

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	0.09%	-0.55%	-0.35%	-0.67%
YTD Return	3.61%	9.82%	3.06%	2.50%
12 Month Return	1.46%	8.63%	1.49%	2.37%
Actual Return	21.98%	14.44%	19.51%	48.98%
Annualised Return	2.54%	1.72%	2.28%	5.16%
Annualised Volatility	12.21%	15.17%	5.99%	6.81%
Sharpe Ratio (Annualised)*	0.00	-0.05	-0.04	0.39
Maximum Drawdown	-37.09%	-51.88%	-22.20%	-8.08%
% Positive Months	64.21%	58.95%	62.11%	61.05%
Correlation	1.00	0.63	0.95	-0.00
VaR(95%)	-5.84%	-7.17%	-2.86%	-3.25%
VaR(99%)	-8.24%	-10.17%	-4.04%	-4.58%

* 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



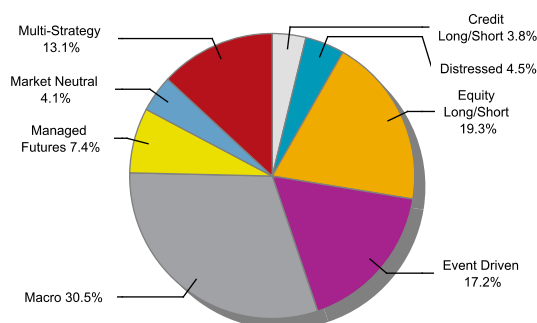
Past performance is not a reliable indicator of future results.

Fund Commentary

Risk assets bounced at the beginning of October, primarily driven by supportive data coming from the US, but quickly consolidated their gains in the second week of the month as concerns surrounding the outlook for global growth and questions about when Spain may request aid weighed on investor sentiment. This 'see-saw' pattern repeated itself in the second half of October with equity markets initially regaining their poise and trading higher as a result of more positive economic data, before trading back down as some notable earnings announcements in the US disappointed. Towards month-end investors adopted a wait-and-see attitude, waiting for the uncertainty of the results of the US election and the Chinese leadership transition to be lifted. The Chinese Flash PMI rose for the second consecutive month, indicating that the economy seemed to be stabilising, while the housing market data in the US continued to point to a developing recovery. The MSCI World Index (hedged in USD) closed the month down -0.55% and the S&P 500 Index declined -1.98%. The 10 year US Treasury yield increased +1.91%, while in commodities Gold made a new year high but finished the month down -2.90%.

Against this backdrop the Fund was up in October, with the majority of strategies contributing positively. The only detractors were Market Neutral and Managed Futures. Trend followers, in particular, struggled as a large number of positions suffered from trend reversals over the month. Encouragingly, the allocations to both Equity Long/Short and Event Driven were positive contributors. Equity Long/Short managers were able to generate returns from both the long and short side, aided by share price responses to earnings announcements. We also saw strong returns from our China specialist. Within Event Driven, a range of equity special situations contributed positively, in addition to several credit and distressed situations. Our Multi-Strategy allocation continued to perform well, again helped by structured credit sub-strategies. US Retail Mortgage Backed Securities (RMBS) positions also boosted the returns of our Distressed allocation. Within Macro, performance was mixed, as some managers suffered losses in commodities and currencies, whilst others generated strong performance from Emerging Market credit and rates positions.

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 1,745.47m

USD Class	Month to date:	0.09%
	Year to date:	3.61%
	NAV:	121.98

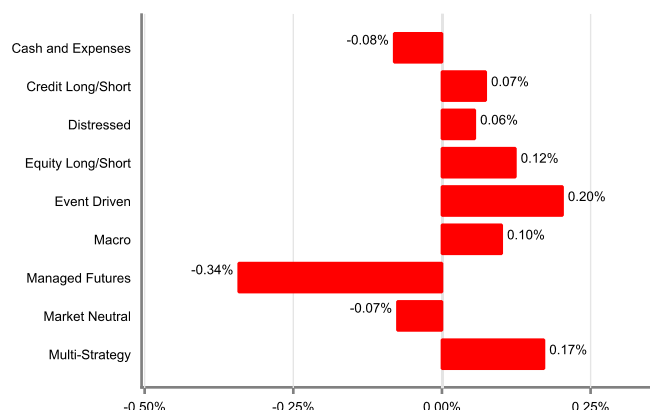
Fund Details

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

Top 10 Holdings *

S.A.C. Capital International, Ltd.	7.28%
Brevan Howard Fund Limited	6.58%
D.E. Shaw Oculus Intl Fund L.P.	6.32%
Third Point Offshore Fund, Ltd.	5.78%
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Tyrus Capital Event Fund	4.41%
Halcyon Offshore Asset-Backed Value Fund Ltd.	4.08%
Top 10 Holdings	= 55.48% of portfolio
Top 20 Holdings	= 89.35% of portfolio

Strategy Contribution

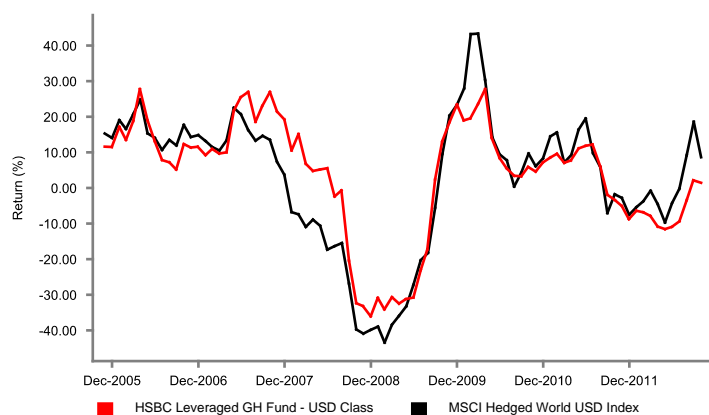


HSBC Leveraged GH Fund

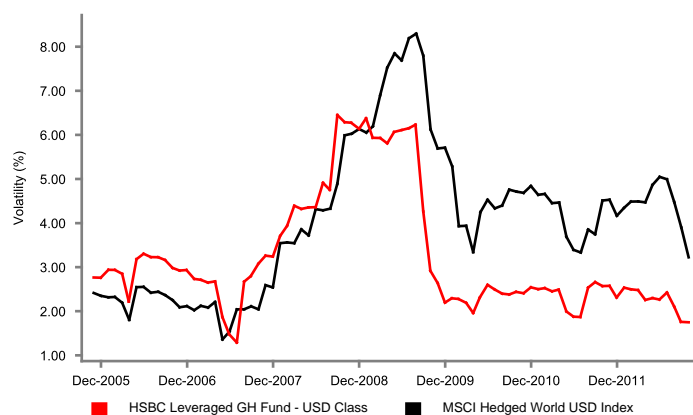
USD Class

31 October 2012

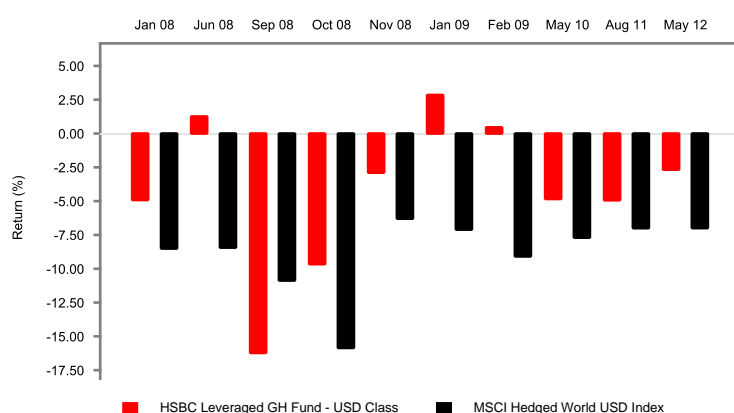
12 Month Rolling Return



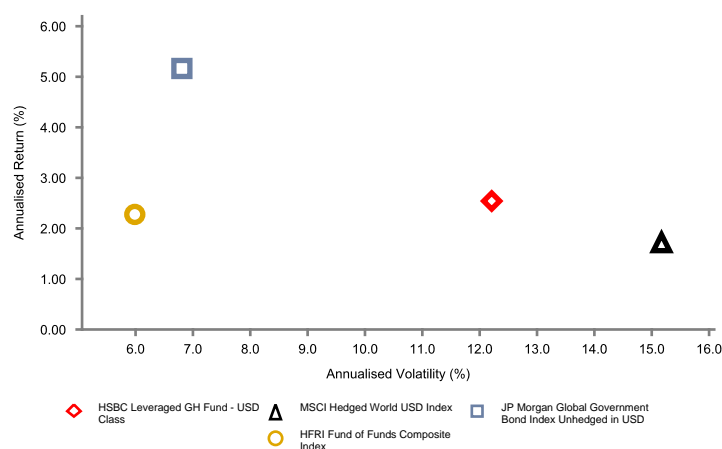
12 Month Rolling Volatility



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
2012	2.98%	1.43%	-0.72%	-0.70%	-2.67%	-1.79%	2.36%	1.31%	1.41%	0.09%			3.61%
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.

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Creation Time: 11:56:47
Creation Date: 20 Nov 2012
Report Instance: 893742

HSBC UCITS AdvantEdge Fund

Euro Class

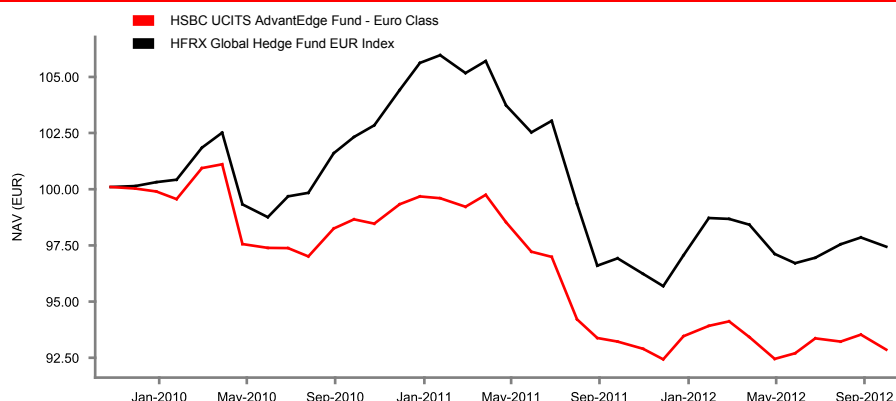
31 October 2012

Fund Performance and Analysis

	HSBC UCITS AdvantEdge Fund - Euro Class	HFRX Global Hedge Fund EUR Index
MTD Return	-0.72%	-0.42%
YTD Return	0.47%	1.83%
12 Month Return	-0.39%	0.54%
Actual Return	-7.07%	-1.13%
Annualised Return	-2.48%	-0.39%
Annualised Volatility	3.39%	4.48%
Sharpe Ratio (Annualised)*	-1.01	-0.29
Maximum Drawdown	-8.58%	-9.70%
% Positive Months	38.89%	61.11%
Correlation	1.00	0.88
VaR(95%)	-1.60%	-2.19%
VaR(99%)	-2.25%	-3.10%

* 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

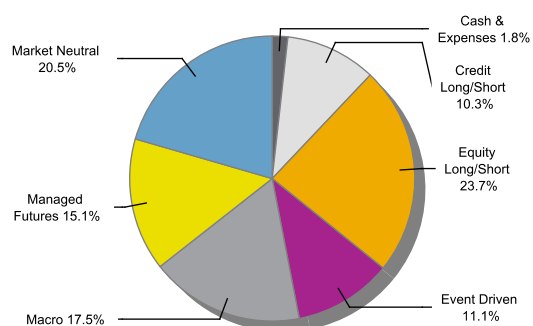


Fund Commentary

Risk assets bounced at the beginning of October, primarily driven by supportive data coming from the US, but quickly consolidated their gains in the second week of the month as concerns surrounding the outlook for global growth and questions about when Spain may request aid weighed on investor sentiment. This 'see-saw' pattern repeated itself in the second half of October with equity markets initially regaining their poise and trading higher as a result of more positive economic data, before trading back down as some notable earnings announcements in the US disappointed. Towards month-end investors adopted a wait-and-see attitude, waiting for the uncertainty surrounding the results of the US election and the Chinese leadership transition to be lifted. The Chinese Flash PMI rose for the second consecutive month, indicating that the economy seemed to be stabilising while the housing market data in the US continued to point to a developing recovery. The MSCI World Index (hedged in USD) closed the month down -0.55% and the S&P 500 Index declined -1.98%. The 10 year US Treasury yield increased +1.91%, while in commodities Gold made a new year high but finished the month down -2.90%.

Against this backdrop the Fund was down over the month with mixed contributions by the underlying strategies. The largest negative contributors to performance were Managed Futures funds. Managers faced a difficult month with the bulk of losses coming from trend following models as holdings across a wide range of assets experienced trend reversals during October. From a trading frequency perspective all timescales struggled, with the faster trend models suffering the most; value related positions helped to offset some of the losses. Within Equity Long/Short, performance was mixed with long consumer and retail related positions performing well but biotechnology and pharmaceutical positions losing money. Macro contributed positively to performance as gains in Hungarian rates and Russian government bonds offset losses in Mexican and Brazilian foreign exchange trades and volatility related strategies. In Credit Long/Short, long European high yield positions delivered strong returns as did relative value strategies between covered bonds and unsecured Credit Default Swaps (CDS) in European banks. In Market Neutral, overall performance was slightly negative as gains in energy and financial related positions were offset by detractors in utilities and pharmaceuticals. Finally in Event Driven, long holdings in equity related special situations, specifically in European financials and a commercial vehicle manufacturer, contributed positively as did long European credit positions.

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 75.63m

Euro Class	Month to date:	-0.72%
	Year to date:	0.47%
	NAV:	92.86

Fund Details

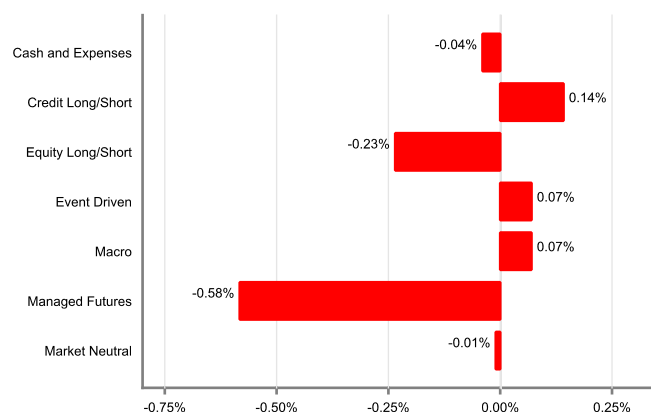
Investment Adviser	HSBC Alternative Investments Limited
Base Currency	EUR
Inception Date	04 November 2009
Subscription	Weekly, with 3 Business Day(s) notice
Redemption	Weekly, subject to 3 Business Day(s) notice.
Minimum	EUR 25,000
Management Fee	1.75 % per annum
Performance Fee	10 % of any return exceeding the benchmark
Hurdle	EUR 3M LIBOR + 3.5% Index
Reuters Page	
Bloomberg	HSADVEU ID Equity
ISIN Number	IE00B4T7Y304

Top 10 Holdings *

GLG European Equity Alternative	11.18%
MLIS - OZ Europe UCITS	11.15%
BlackRock European Credit Strategies	10.30%
Brevar Howard Investment Fund II - Macro FX Fund	10.10%
BlackRock EDEAR Fund	9.33%
MLIS - CCI Healthcare Long-Short UCITS Fund	9.04%
CCP Quantitative UCITS Fund	7.96%
Exane Archimedes fund	7.89%
Brevar Howard Emerging Markets Fixed Income	7.36%
DB Platinum IV DBX Systematic Alpha Index	7.11%

Top 10 Holdings	=	91.42% of portfolio
Top 20 Holdings	=	100% of portfolio

Strategy Contribution

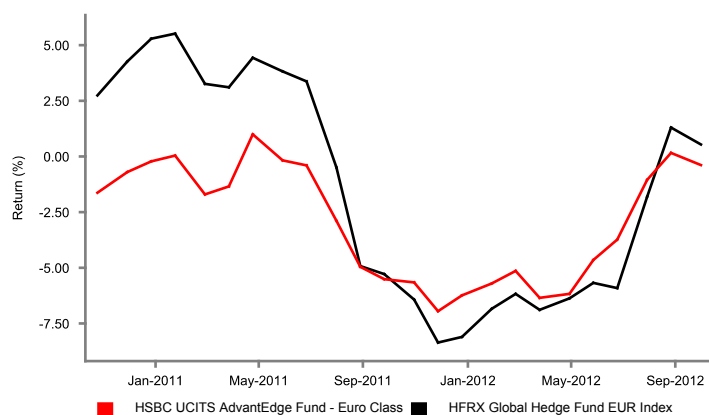


HSBC UCITS AdvantEdge Fund

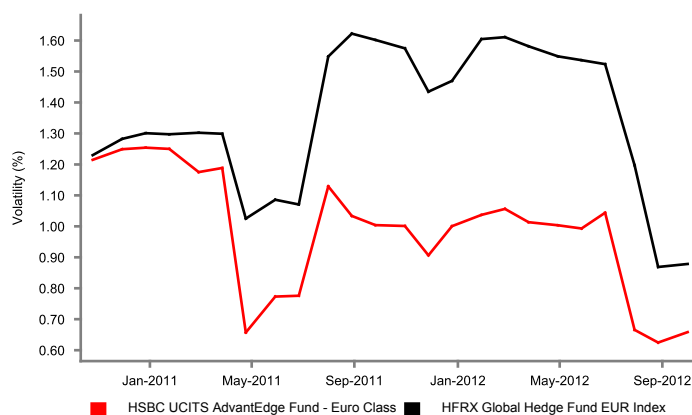
Euro Class

31 October 2012

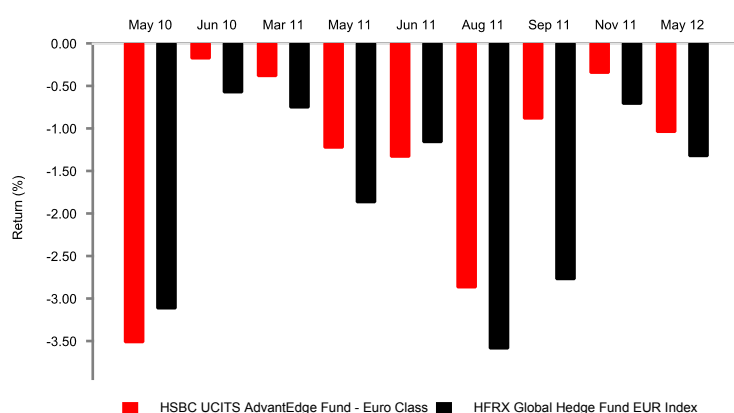
12 Month Rolling Return



12 Month Rolling Volatility

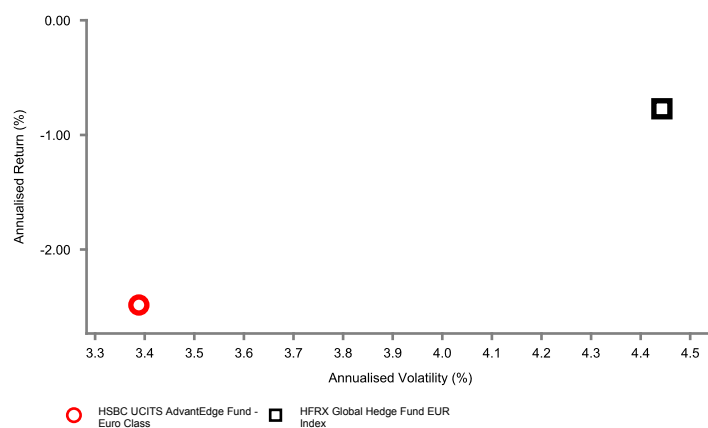


Worst Performing Months *



* 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
2012	1.11%	0.49%	0.21%	-0.74%	-1.04%	0.27%	0.72%	-0.16%	0.33%	-0.72%			0.47%
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%	-6.95%
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%	-0.70%
2009											0.17%	-0.07%	0.10%

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

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Report Instance: 893667

HSBC UCITS AdvantEdge Fund

US Dollar Class - Hedged

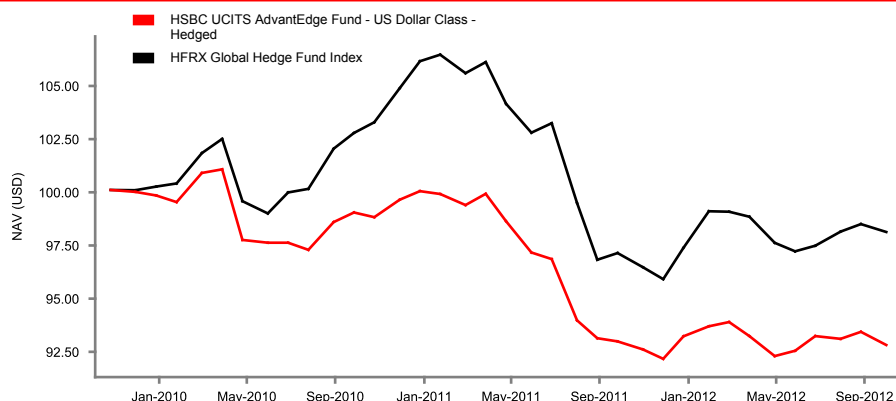
31 October 2012

Fund Performance and Analysis

	HSBC UCITS AdvantEdge Fund - US Dollar Class - Hedged	HFRX Global Hedge Fund Index
MTD Return	-0.66%	-0.38%
YTD Return	0.71%	2.31%
12 Month Return	-0.18%	1.02%
Actual Return	-7.11%	-0.38%
Annualised Return	-2.50%	-0.13%
Annualised Volatility	3.39%	4.48%
Sharpe Ratio (Annualised)*	-0.85	-0.11
Maximum Drawdown	-8.81%	-9.91%
% Positive Months	38.89%	58.33%
Correlation	1.00	0.89
VaR(95%)	-1.59%	-2.20%
VaR(99%)	-2.26%	-3.16%

* 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



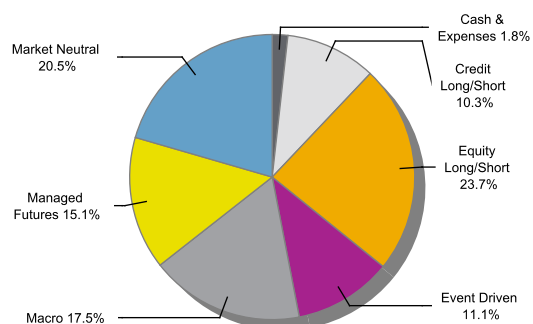
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Fund Commentary

Risk assets bounced at the beginning of October, primarily driven by supportive data coming from the US, but quickly consolidated their gains in the second week of the month as concerns surrounding the outlook for global growth and questions about when Spain may request aid weighed on investor sentiment. This 'see-saw' pattern repeated itself in the second half of October with equity markets initially regaining their poise and trading higher as a result of more positive economic data, before trading back down as some notable earnings announcements in the US disappointed. Towards month-end investors adopted a wait-and-see attitude, waiting for the uncertainty surrounding the results of the US election and the Chinese leadership transition to be lifted. The Chinese Flash PMI rose for the second consecutive month, indicating that the economy seemed to be stabilising while the housing market data in the US continued to point to a developing recovery. The MSCI World Index (hedged in USD) closed the month down -0.55% and the S&P 500 Index declined -1.98%. The 10 year US Treasury yield increased +1.91%, while in commodities Gold made a new year high but finished the month down -2.90%.

Against this backdrop the Fund was down over the month with mixed contributions by the underlying strategies. The largest negative contributors to performance were Managed Futures funds. Managers faced a difficult month with the bulk of losses coming from trend following models as holdings across a wide range of assets experienced trend reversals during October. From a trading frequency perspective all timescales struggled, with the faster trend models suffering the most; value related positions helped to offset some of the losses. Within Equity Long/Short, performance was mixed with long consumer and retail related positions performing well but biotechnology and pharmaceutical positions losing money. Macro contributed positively to performance as gains in Hungarian rates and Russian government bonds offset losses in Mexican and Brazilian foreign exchange trades and volatility related strategies. In Credit Long/Short, long European high yield positions delivered strong returns as did relative value strategies between covered bonds and unsecured Credit Default Swaps (CDS) in European banks. In Market Neutral, overall performance was slightly negative as gains in energy and financial related positions were offset by detractors in utilities and pharmaceuticals. Finally in Event Driven, long holdings in equity related special situations, specifically in European financials and a commercial vehicle manufacturer, contributed positively as did long European credit positions.

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 75.63m

US Dollar Class - Hedged	Month to date:	-0.66%
	Year to date:	0.71%
	NAV:	92.82

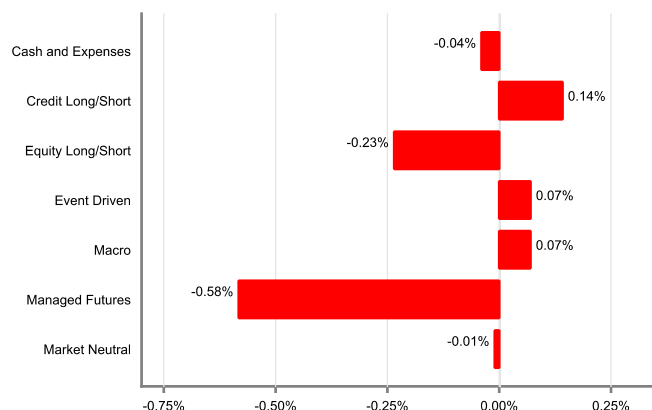
Fund Details

Investment Adviser	HSBC Alternative Investments Limited
Base Currency	EUR
Inception Date	04 November 2009
Subscription	Weekly, with 3 Business Day(s) notice
Redemption	Weekly, subject to 3 Business Day(s) notice.
Minimum	USD 25,000
Management Fee	1.75 % per annum
Performance Fee	10 % of any return exceeding the benchmark
Hurdle	USD 3M LIBOR + 3.5% Index
Reuters Page	
Bloomberg	HSADVUS ID Equity
ISIN Number	IE00B4WJWP18

Top 10 Holdings *

GLG European Equity Alternative	11.18%
MLIS - OZ Europe UCITS	11.15%
BlackRock European Credit Strategies	10.30%
Brevar Howard Investment Fund II - Macro FX Fund	10.10%
BlackRock EDEAR Fund	9.33%
MLIS - CCI Healthcare Long-Short UCITS Fund	9.04%
CCP Quantitative UCITS Fund	7.96%
Exane Archimedes fund	7.89%
Brevar Howard Emerging Markets Fixed Income	7.36%
DB Platinum IV DBX Systematic Alpha Index	7.11%
Top 10 Holdings	= 91.42% of portfolio
Top 20 Holdings	= 100% of portfolio

Strategy Contribution

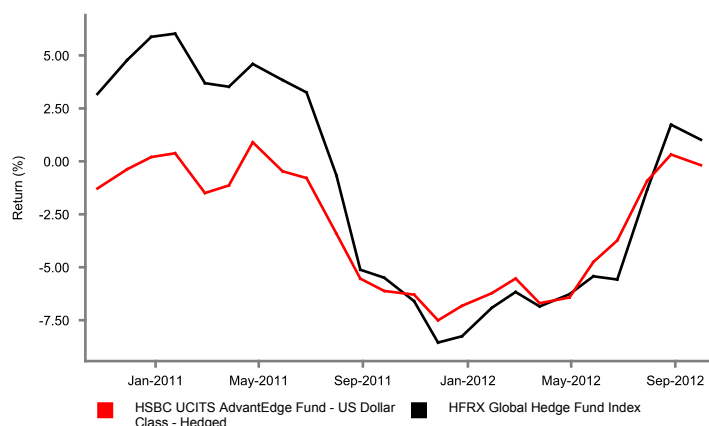


HSBC UCITS AdvantEdge Fund

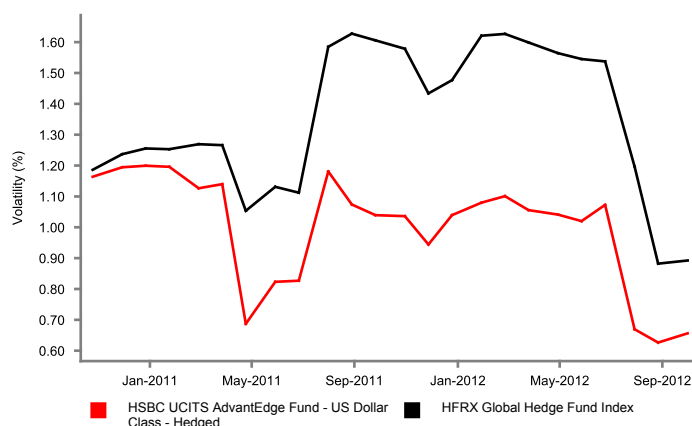
US Dollar Class - Hedged

31 October 2012

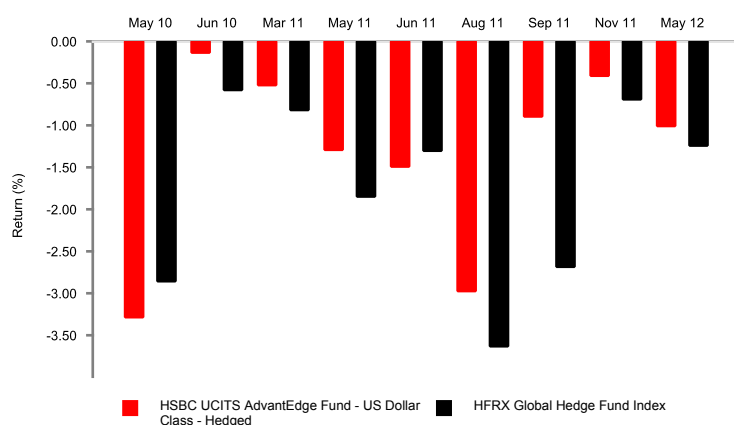
12 Month Rolling Return



12 Month Rolling Volatility

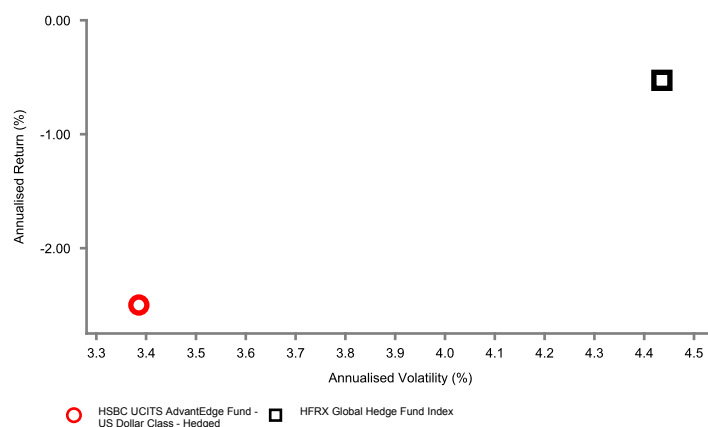


Worst Performing Months *



* 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
2012	1.15%	0.50%	0.21%	-0.70%	-1.01%	0.27%	0.75%	-0.14%	0.35%	-0.66%			0.71%
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

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HSBC UCITS AdvantEdge Fund

Sterling Class - Hedged

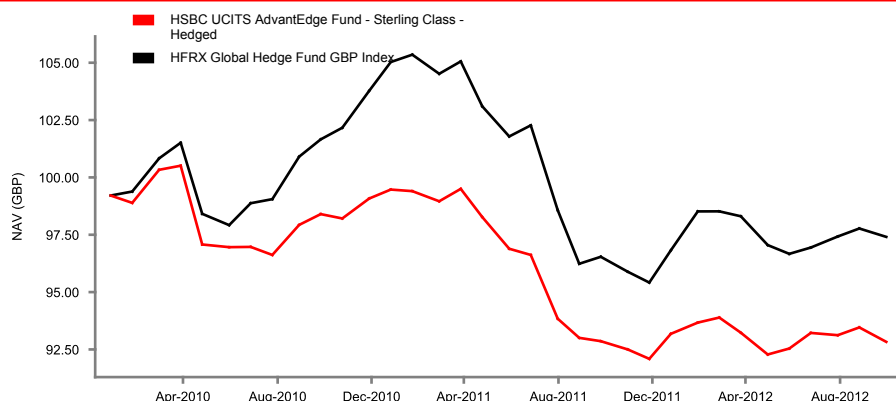
31 October 2012

Fund Performance and Analysis

	HSBC UCITS AdvantEdge Fund - Sterling Class - Hedged	HFRX Global Hedge Fund GBP Index
MTD Return	-0.67%	-0.37%
YTD Return	0.80%	2.09%
12 Month Return	-0.03%	0.90%
Actual Return	-7.17%	-2.97%
Annualised Return	-2.67%	-1.09%
Annualised Volatility	3.53%	4.51%
Sharpe Ratio (Annualised)*	-0.99	-0.43
Maximum Drawdown	-8.38%	-9.43%
% Positive Months	41.18%	58.82%
Correlation	1.00	0.91
VaR(95%)	-1.66%	-2.19%
VaR(99%)	-2.36%	-3.11%

* 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



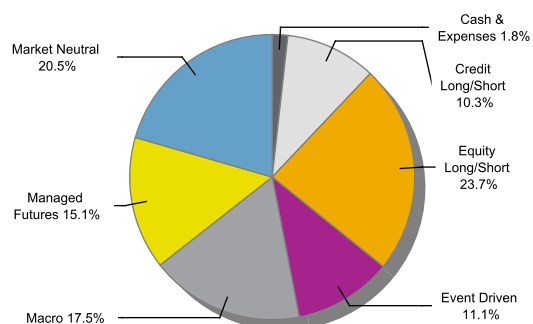
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Fund Commentary

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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 75.63m

Sterling Class - Hedged	Month to date:	-0.67%
	Year to date:	0.80%
	NAV:	92.83

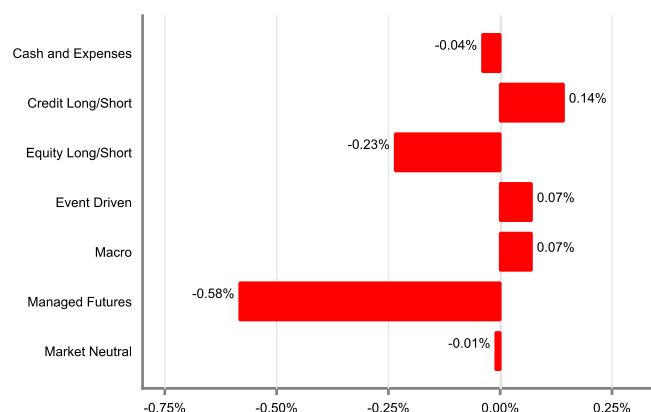
Fund Details

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 Equity
ISIN Number	IE00B55H4F31

Top 10 Holdings *

GLG European Equity Alternative	11.18%
MLIS - OZ Europe UCITS	11.15%
BlackRock European Credit Strategies	10.30%
Brevar Howard Investment Fund II - Macro FX Fund	10.10%
BlackRock EDEAR Fund	9.33%
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Exane Archimedes fund	7.89%
Brevar Howard Emerging Markets Fixed Income	7.36%
DB Platinum IV DBX Systematic Alpha Index	7.11%
Top 10 Holdings	= 91.42% of portfolio
Top 20 Holdings	= 100% of portfolio

Strategy Contribution

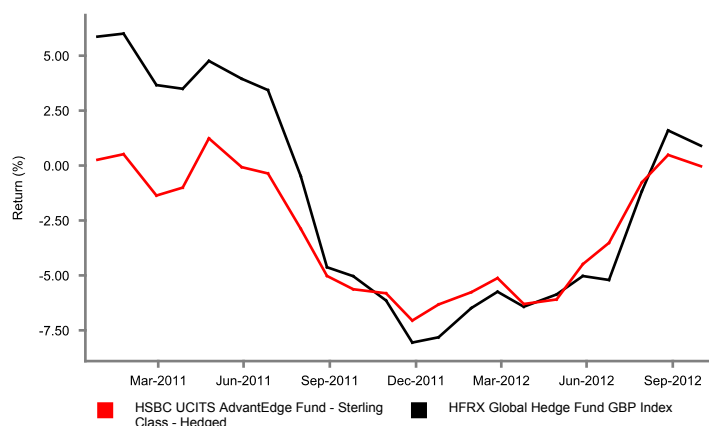


HSBC UCITS AdvantEdge Fund

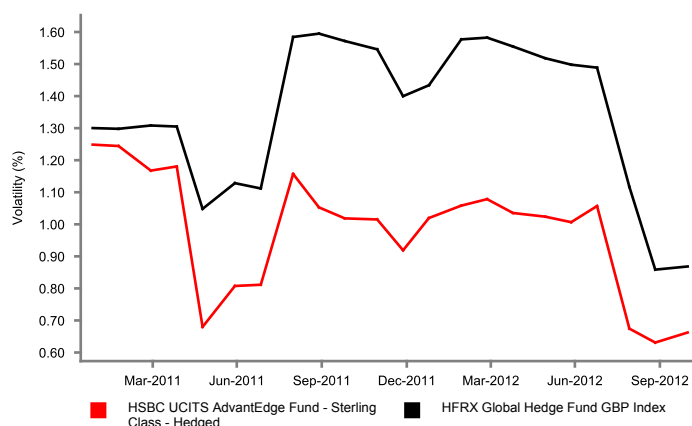
Sterling Class - Hedged

31 October 2012

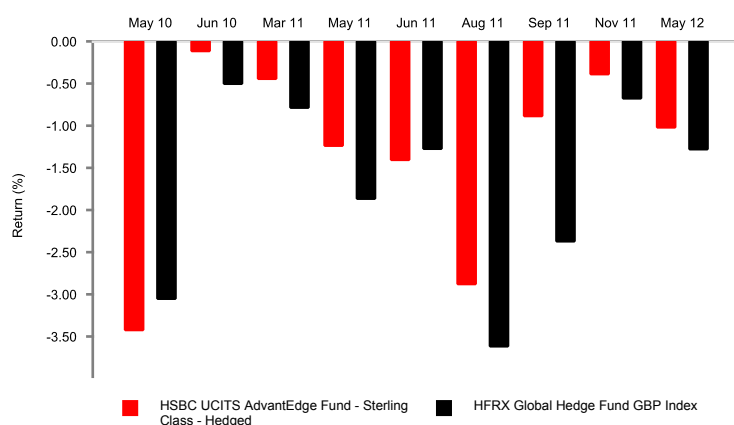
12 Month Rolling Return



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.

Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012	1.18%	0.53%	0.23%	-0.70%	-1.02%	0.28%	0.73%	-0.11%	0.37%	-0.67%			0.80%
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

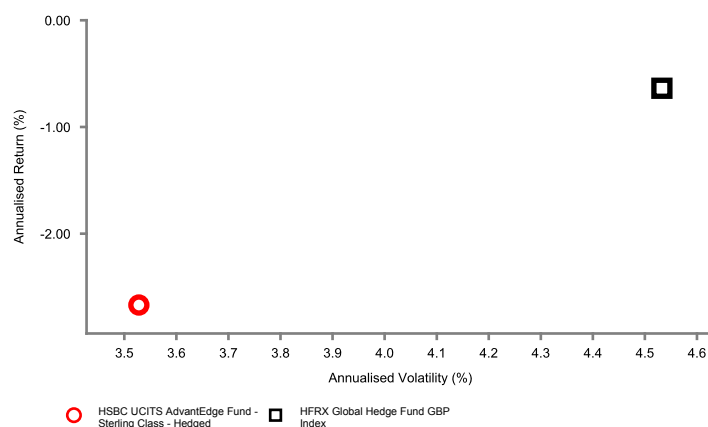
Monthly returns based on NAVs as of the last Wednesday of the month

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Risk / Return



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HSBC UCITS AdvantEdge Fund

Euro Institutional Class

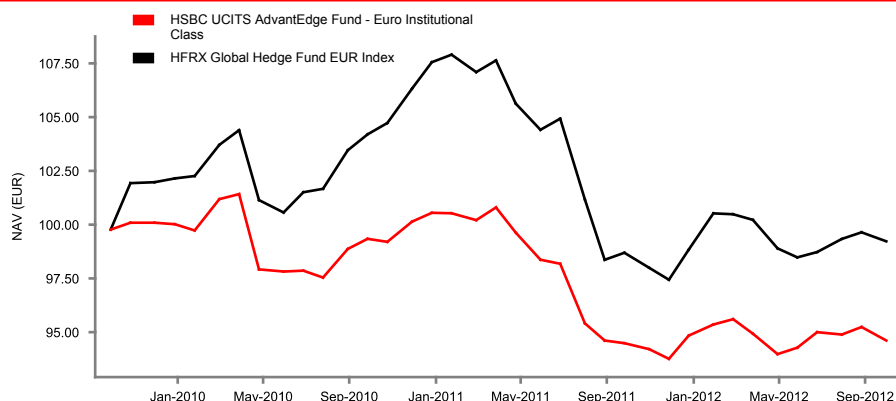
31 October 2012

Fund Performance and Analysis

	HSBC UCITS AdvantEdge Fund - Euro Institutional Class	HFRX Global Hedge Fund EUR Index
MTD Return	-0.66%	-0.42%
YTD Return	0.91%	1.83%
12 Month Return	0.13%	0.54%
Actual Return	-5.84%	-1.85%
Annualised Return	-1.99%	-0.62%
Annualised Volatility	3.37%	4.56%
Sharpe Ratio (Annualised)*	-0.87	-0.34
Maximum Drawdown	-7.55%	-9.70%
% Positive Months	40.54%	59.46%
Correlation	1.00	0.87
VaR(95%)	-1.59%	-2.19%
VaR(99%)	-2.24%	-3.06%

* 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



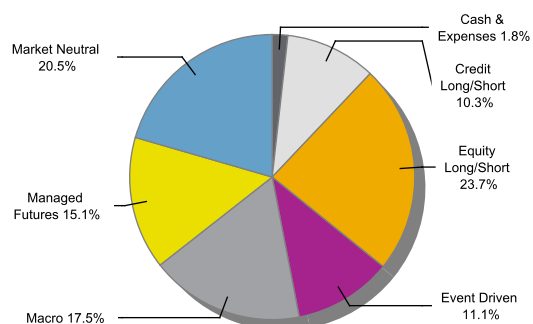
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Against this backdrop the Fund was down over the month with mixed contributions by the underlying strategies. The largest negative contributors to performance were Managed Futures funds. Managers faced a difficult month with the bulk of losses coming from trend following models as holdings across a wide range of assets experienced trend reversals during October. From a trading frequency perspective all timescales struggled, with the faster trend models suffering the most; value related positions helped to offset some of the losses. Within Equity Long/Short, performance was mixed with long consumer and retail related positions performing well but biotechnology and pharmaceutical positions losing money. Macro contributed positively to performance as gains in Hungarian rates and Russian government bonds offset losses in Mexican and Brazilian foreign exchange trades and volatility related strategies. In Credit Long/Short, long European high yield positions delivered strong returns as did relative value strategies between covered bonds and unsecured Credit Default Swaps (CDS) in European banks. In Market Neutral, overall performance was slightly negative as gains in energy and financial related positions were offset by detractors in utilities and pharmaceuticals. Finally in Event Driven, long holdings in equity related special situations, specifically in European financials and a commercial vehicle manufacturer, contributed positively as did long European credit positions.

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 75.63m

Euro Institutional Class	Month to date:	-0.66%
	Year to date:	0.91%
	NAV:	94.61

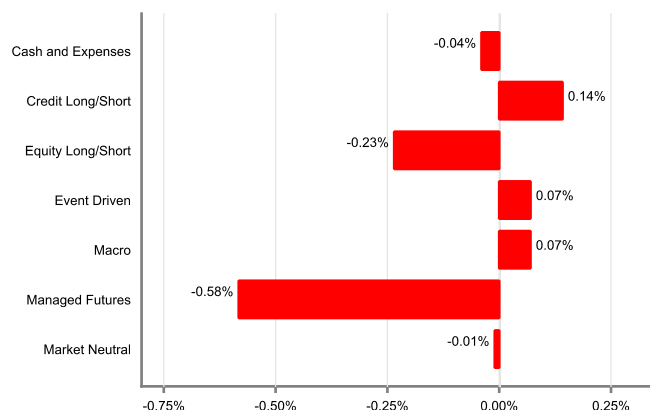
Fund Details

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

Top 10 Holdings *

GLG European Equity Alternative	11.18%
MLIS - OZ Europe UCITS	11.15%
BlackRock European Credit Strategies	10.30%
Brevar Howard Investment Fund II - Macro FX Fund	10.10%
BlackRock EDEAR Fund	9.33%
MLIS - CCI Healthcare Long-Short UCITS Fund	9.04%
CCP Quantitative UCITS Fund	7.96%
Exane Archimedes fund	7.89%
Brevar Howard Emerging Markets Fixed Income	7.36%
DB Platinum IV DBX Systematic Alpha Index	7.11%
Top 10 Holdings	= 91.42% of portfolio
Top 20 Holdings	= 100% of portfolio

Strategy Contribution

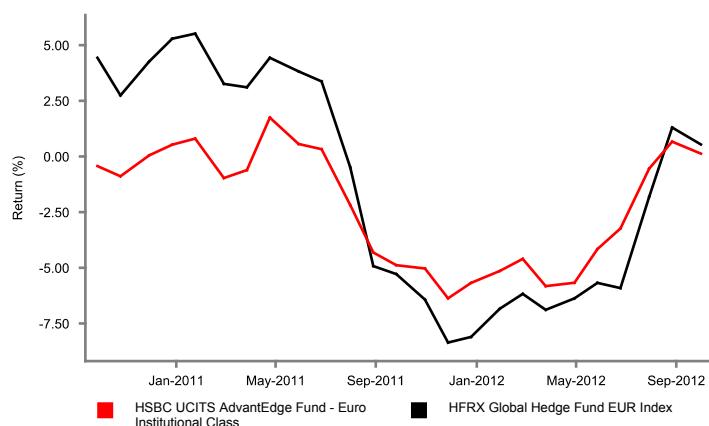


HSBC UCITS AdvantEdge Fund

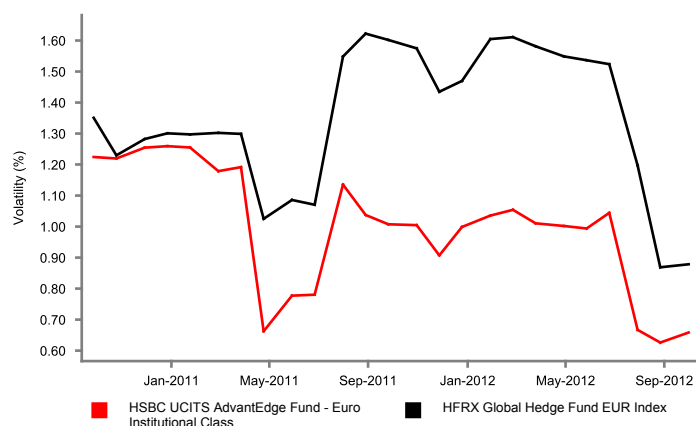
Euro Institutional Class

31 October 2012

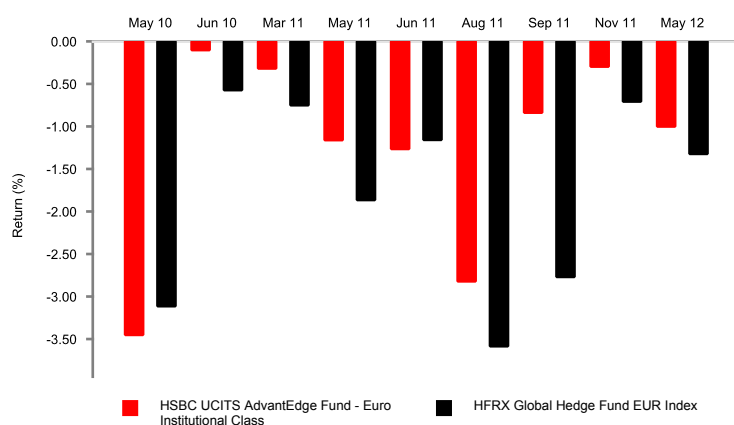
12 Month Rolling Return



12 Month Rolling Volatility

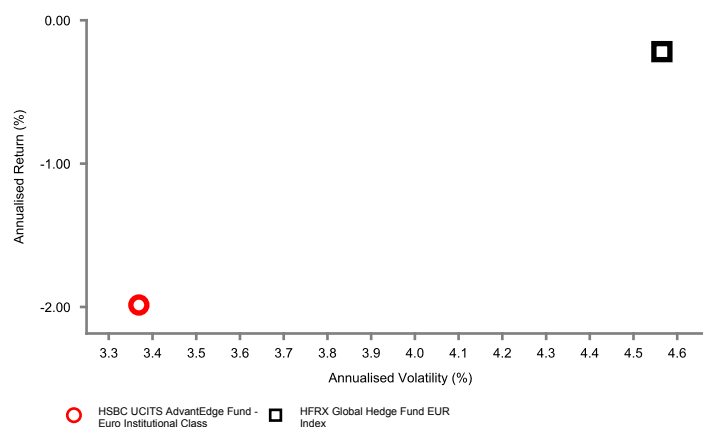


Worst Performing Months *



* 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
2012	1.15%	0.55%	0.25%	-0.70%	-1.00%	0.32%	0.76%	-0.12%	0.37%	-0.66%			0.91%
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

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Creation Time: 10:20:37
Creation Date: 20 Nov 2012
Report Instance: 893670

HSBC UCITS AdvantEdge Fund

US Dollar Institutional Class - Hedged

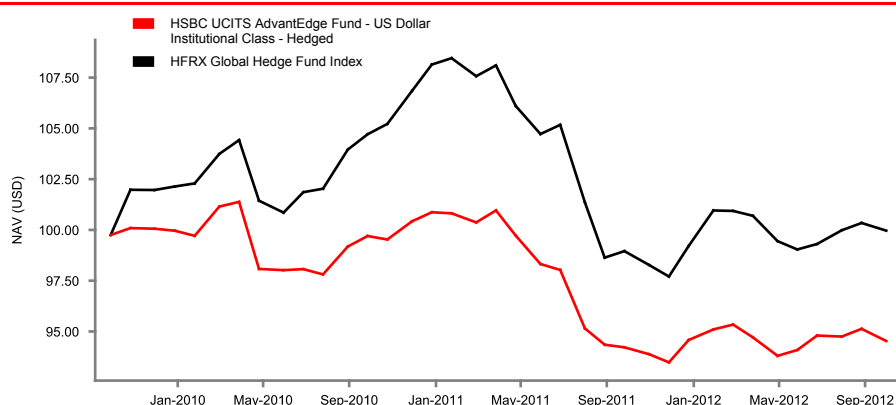
31 October 2012

Fund Performance and Analysis

	HSBC UCITS AdvantEdge Fund - US Dollar Institutional Class - Hedged	HFRX Global Hedge Fund Index
MTD Return	-0.63%	-0.38%
YTD Return	1.12%	2.31%
12 Month Return	0.33%	1.02%
Actual Return	-5.90%	-1.14%
Annualised Return	-2.01%	-0.38%
Annualised Volatility	3.36%	4.57%
Sharpe Ratio (Annualised)*	-0.71	-0.16
Maximum Drawdown	-7.79%	-9.91%
% Positive Months	40.54%	56.76%
Correlation	1.00	0.88
VaR(95%)	-1.60%	-2.17%
VaR(99%)	-2.27%	-3.06%

* 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



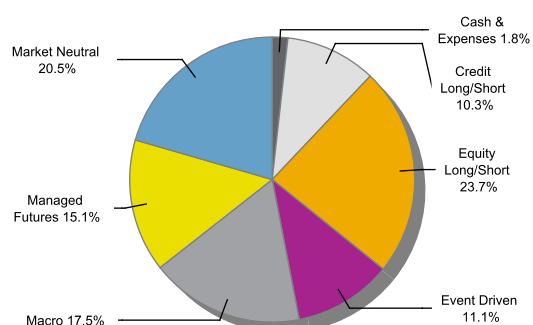
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Fund Commentary

Risk assets bounced at the beginning of October, primarily driven by supportive data coming from the US, but quickly consolidated their gains in the second week of the month as concerns surrounding the outlook for global growth and questions about when Spain may request aid weighed on investor sentiment. This 'see-saw' pattern repeated itself in the second half of October with equity markets initially regaining their poise and trading higher as a result of more positive economic data, before trading back down as some notable earnings announcements in the US disappointed. Towards month-end investors adopted a wait-and-see attitude, waiting for the uncertainty surrounding the results of the US election and the Chinese leadership transition to be lifted. The Chinese Flash PMI rose for the second consecutive month, indicating that the economy seemed to be stabilising while the housing market data in the US continued to point to a developing recovery. The MSCI World Index (hedged in USD) closed the month down -0.55% and the S&P 500 Index declined -1.98%. The 10 year US Treasury yield increased +1.91%, while in commodities Gold made a new year high but finished the month down -2.90%.

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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 75.63m

US Dollar Institutional Class - Hedged	Month to date:	-0.63%
	Year to date:	1.12%
	NAV:	94.53

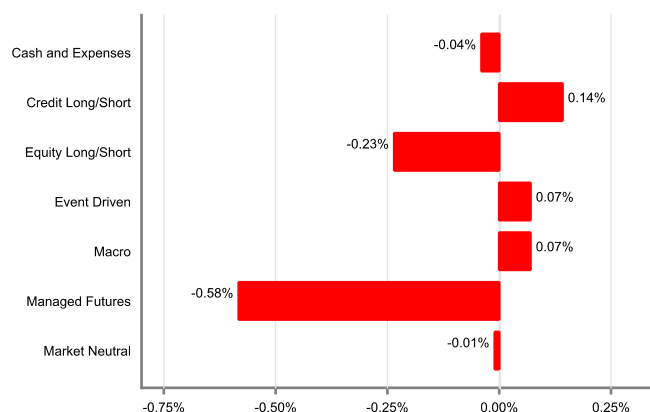
Fund Details

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

Top 10 Holdings *

GLG European Equity Alternative	11.18%
MLIS - OZ Europe UCITS	11.15%
BlackRock European Credit Strategies	10.30%
Brevan Howard Investment Fund II - Macro FX Fund	10.10%
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Strategy Contribution

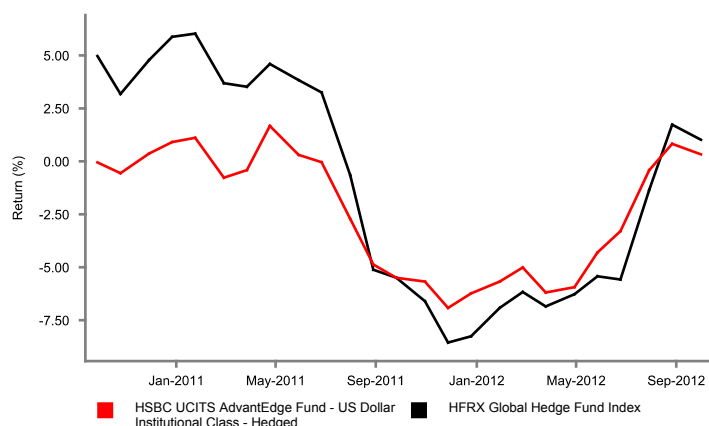


HSBC UCITS AdvantEdge Fund

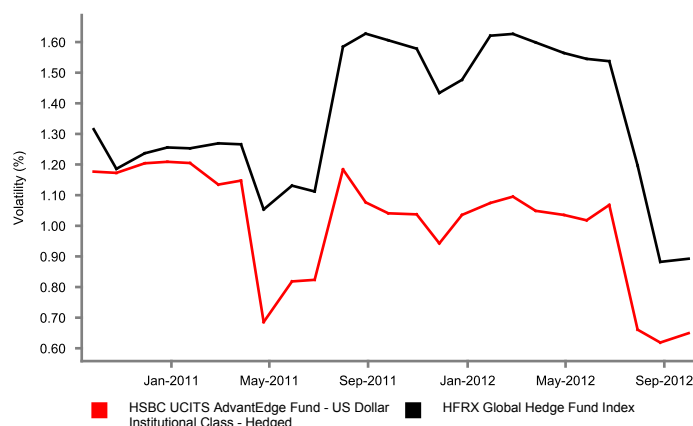
US Dollar Institutional Class - Hedged

31 October 2012

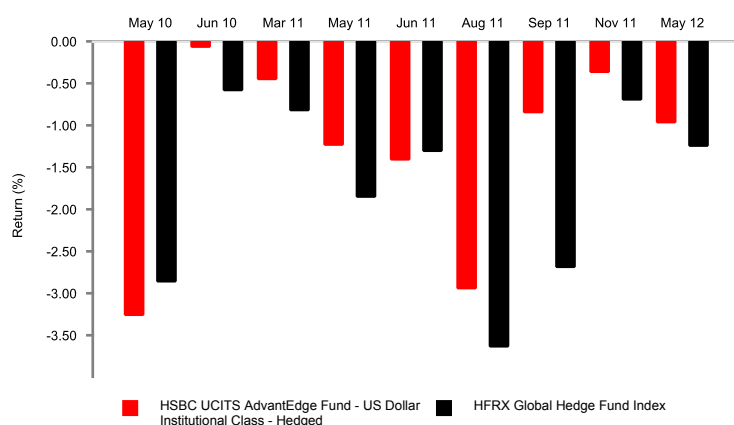
12 Month Rolling Return



12 Month Rolling Volatility

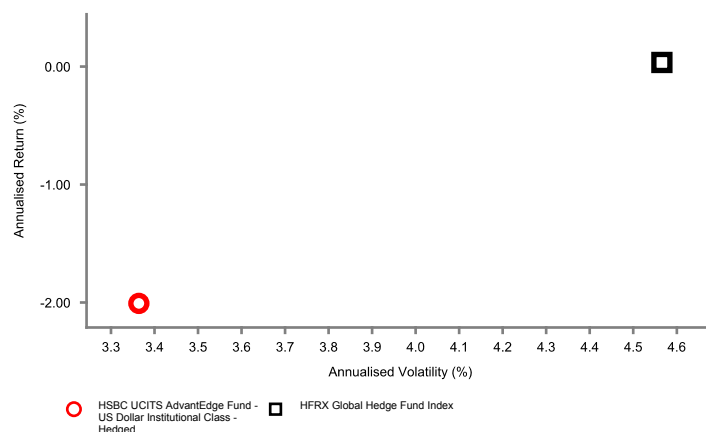


Worst Performing Months *



* 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
2012	1.18%	0.55%	0.25%	-0.66%	-0.96%	0.31%	0.75%	-0.05%	0.40%	-0.63%			1.12%
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

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Creation Time: 10:22:25
Creation Date: 20 Nov 2012
Report Instance: 893673

HSBC UCITS AdvantEdge Fund

Sterling Institutional Class - Hedged

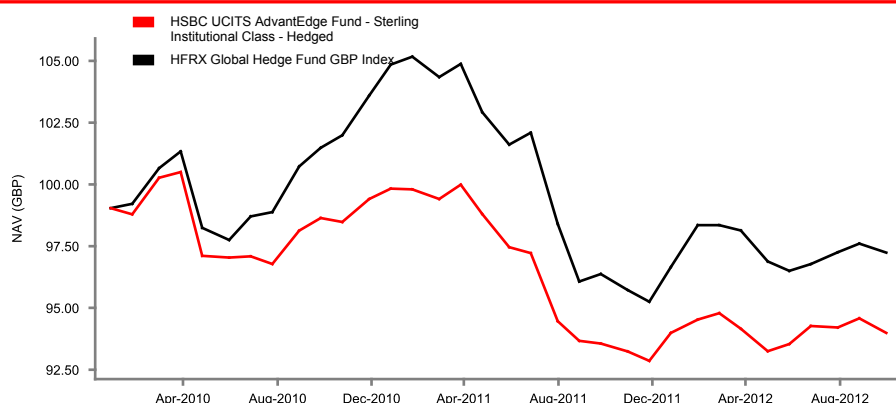
31 October 2012

Fund Performance and Analysis

	HSBC UCITS AdvantEdge Fund - Sterling Institutional Class - Hedged	HFRX Global Hedge Fund GBP Index
MTD Return	-0.62%	-0.37%
YTD Return	1.22%	2.09%
12 Month Return	0.46%	0.90%
Actual Return	-6.01%	-2.78%
Annualised Return	-2.23%	-1.02%
Annualised Volatility	3.53%	4.50%
Sharpe Ratio (Annualised)*	-0.87	-0.41
Maximum Drawdown	-7.60%	-9.43%
% Positive Months	41.18%	58.82%
Correlation	1.00	0.91
VaR(95%)	-1.67%	-2.19%
VaR(99%)	-2.33%	-3.06%

* 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



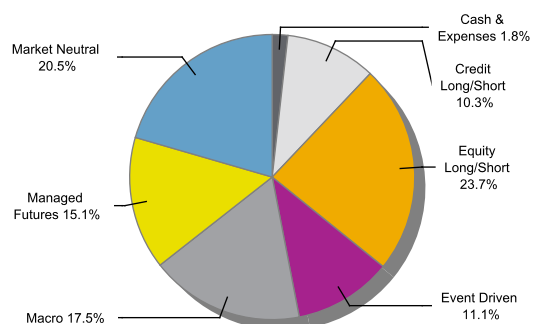
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Fund Commentary

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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 75.63m

Sterling Institutional Class - Hedged	Month to date:	-0.62%
	Year to date:	1.22%
	NAV:	93.99

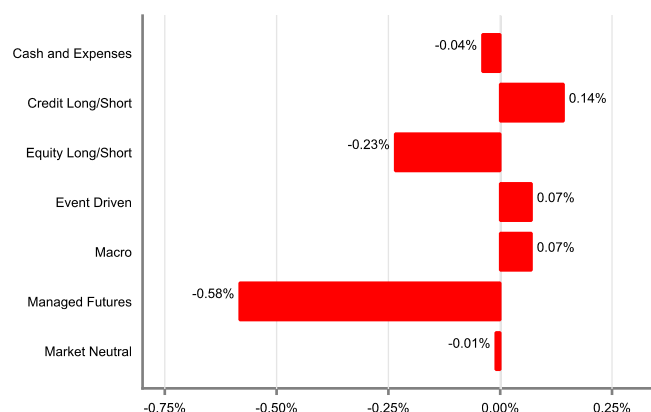
Fund Details

Investment Adviser	HSBC Alternative Investments Limited
Base Currency	EUR
Inception Date	20 January 2010
Subscription	Weekly, with 3 Business Day(s) notice
Redemption	Weekly, subject to 3 Business Day(s) notice.
Minimum	GBP 1,000,000
Management Fee	1 % per annum
Performance Fee	10 % of any return exceeding the benchmark
Hurdle	GBP 3M LIBOR + 3.5% Index
Reuters Page	
Bloomberg	HSADGBI ID Equity
ISIN Number	IE00B546HJ68

Top 10 Holdings *

GLG European Equity Alternative	11.18%
MLIS - OZ Europe UCITS	11.15%
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Brevar Howard Investment Fund II - Macro FX Fund	10.10%
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Brevar Howard Emerging Markets Fixed Income	7.36%
DB Platinum IV DBX Systematic Alpha Index	7.11%
Top 10 Holdings	= 91.42% of portfolio
Top 20 Holdings	= 100% of portfolio

Strategy Contribution

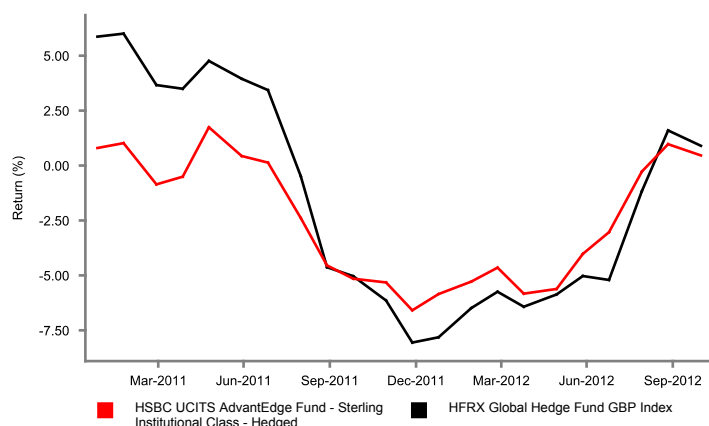


HSBC UCITS AdvantEdge Fund

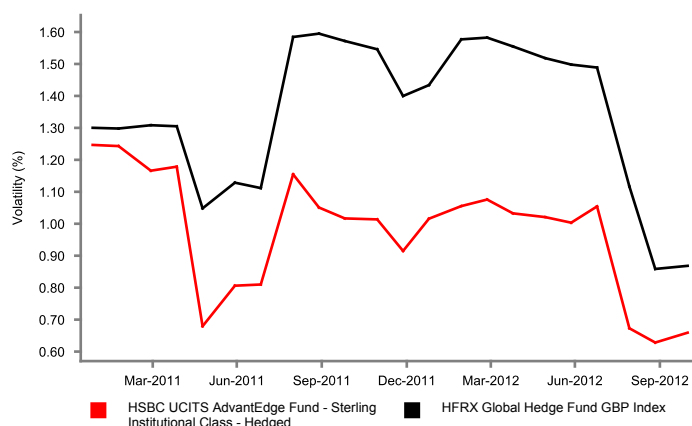
Sterling Institutional Class - Hedged

31 October 2012

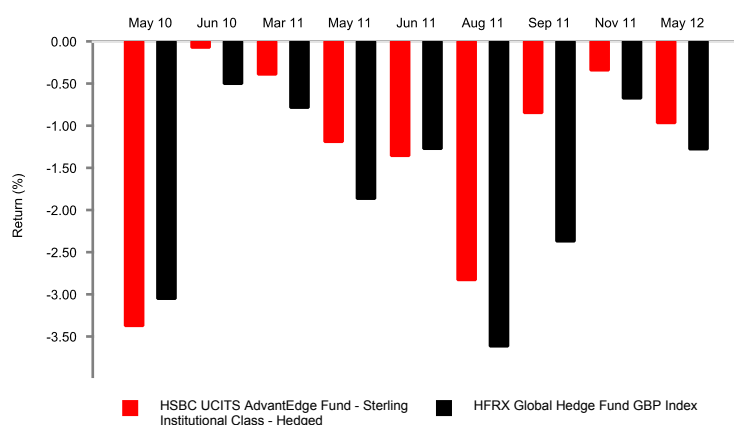
12 Month Rolling Return



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.

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	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012	1.22%	0.57%	0.28%	-0.66%	-0.97%	0.31%	0.78%	-0.06%	0.39%	-0.62%			1.22%
2011	0.42%	-0.03%	-0.39%	0.58%	-1.19%	-1.36%	-0.25%	-2.83%	-0.85%	-0.12%	-0.34%	-0.41%	-6.59%
2010	-0.97%	-0.25%	1.50%	0.23%	-3.37%	-0.07%	0.05%	-0.32%	1.39%	0.52%	-0.16%	0.94%	-0.60%

Share Class: Sterling Institutional Class - Hedged

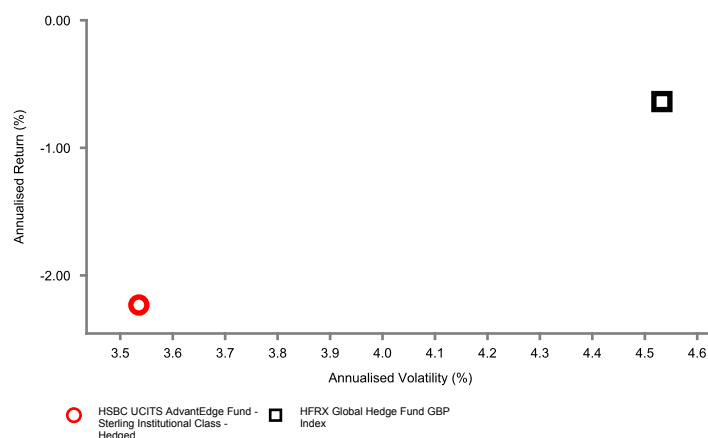
Monthly returns based on NAVs as of the last Wednesday of the month

Past performance is not a reliable indicator of future results.

Disclaimer

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Risk / Return



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Creation Time: 10:21:32
Creation Date: 20 Nov 2012
Report Instance: 893671

HSBC Multi-Adviser Arbitrage Fund

US Dollar Class

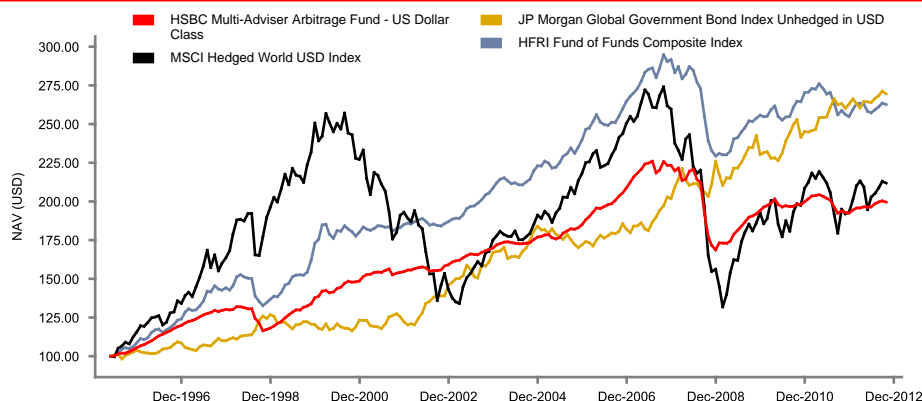
31 October 2012

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	-0.39%	-0.55%	-0.67%	-0.35%
YTD Return	3.65%	9.82%	2.50%	3.06%
12 Month Return	2.98%	8.63%	2.37%	1.49%
Actual Return	99.55%	111.80%	169.43%	162.61%
Annualised Return	4.05%	4.40%	5.86%	5.70%
Annualised Volatility	4.89%	14.96%	6.63%	6.11%
Sharpe Ratio (Annualised)*	0.10	0.06	0.35	0.35
Maximum Drawdown	-25.30%	-51.88%	-8.14%	-22.20%
% Positive Months	75.12%	57.89%	59.81%	65.07%
Correlation	1.00	0.50	-0.11	0.80
VaR(95%)	-2.33%	-7.11%	-3.15%	-2.89%
VaR(99%)	-3.28%	-10.10%	-4.44%	-4.09%

* 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



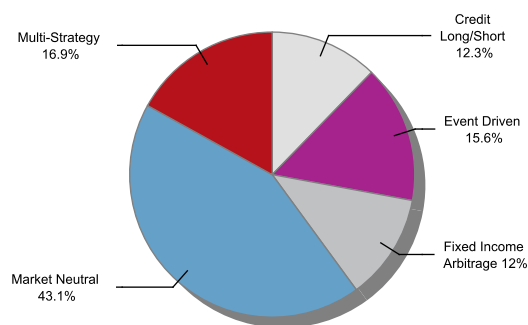
Past performance is not a reliable indicator of future results.

Fund Commentary

Risk assets bounced at the beginning of October, primarily driven by supportive data coming from the US, but quickly consolidated their gains in the second week of the month as concerns surrounding the outlook for global growth and questions about when Spain may request aid weighed on investor sentiment. This 'see-saw' pattern repeated itself in the second half of October with equity markets initially regaining their poise and trading higher as a result of more positive economic data, before trading back down as some notable earnings announcements in the US disappointed. Towards month-end investors adopted a wait-and-see attitude, waiting for the uncertainty of the results of the US election and the Chinese leadership transition to be lifted. The Chinese Flash PMI rose for the second consecutive month, indicating that the economy seemed to be stabilising, while the housing market data in the US continued to point to a developing recovery. The MSCI World Index (hedged in USD) closed the month down -0.55% and the S&P 500 Index declined -1.98%. The 10 year US Treasury yield increased +1.91%, while in commodities Gold made a new year high but finished the month down -2.90%.

Against this backdrop, the Fund was down over the period. The largest contributor to positive performance was Credit Long/Short with strong gains generated primarily through long exposures to mortgages and other structured credit securities. Within Event Driven, a distressed position in a financial corporation performed well while exposure to European Commercial Mortgage Backed Securities (CMBS) also contributed positively. Contributions from Market Neutral were mixed with gains in momentum related exposures offset by losses in US statistical arbitrage strategies. Multi-Strategy suffered over the period as directional trading in equity indices and commodities detracted. Fundamental models performed well, but returns were not large enough to offset losses. Finally in Fixed Income Arbitrage, basis trades in US mortgage backed securities and front end Spanish rates exposures contributed positively. However, gains were offset by trades in long duration, long gold and US asset swap trades.

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 124.24m

US Dollar Class	Month to date:	-0.39%
	Year to date:	3.65%
	NAV:	199.55
Euro Hedged Class	Month to date:	-0.42%
	Year to date:	3.39%
	NAV:	105.91
Sterling Hedged Class	Month to date:	-0.37%
	Year to date:	3.71%
	NAV:	114.64
Swiss Franc Hedged Class	Month to date:	-0.44%
	Year to date:	3.05%
	NAV:	95.21

Fund Details

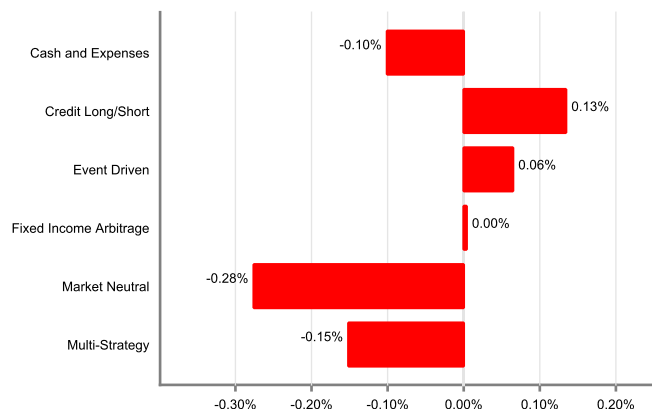
Investment Adviser	HSBC Alternative Investments Limited
Base Currency	USD
Inception Date	15 June 1995
Subscription	Monthly, with 5 Business Day(s) notice
Redemption	Monthly, subject to 2% redemption fee and 1 month plus 5 Business Days notice or Quarterly, free of charge. Notice to be received by first business day of Feb, May, Aug and Nov.
Minimum Management Fee	USD 25,000
Performance Fee	1.75 % per annum 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 *

BlueCrest Capital International Limited	8.35%
Two Sigma Spectrum Cayman Fund, Ltd.	8.25%
Stratus Feeder Ltd.	7.83%
S.A.C. MultiQuant (International), Ltd.	7.25%
Davidson Kempner International, Ltd.	7.20%
Macquarie Asian Alpha Fund	6.94%
Prologue Fund	6.63%
Claren Road Credit Fund, Ltd.	6.36%
A.R.T. International Investors	6.03%
Brevan Howard Credit Catalysts	5.90%

Top 10 Holdings	=	70.74% of portfolio
Top 20 Holdings	=	98.52% of portfolio

Strategy Contribution

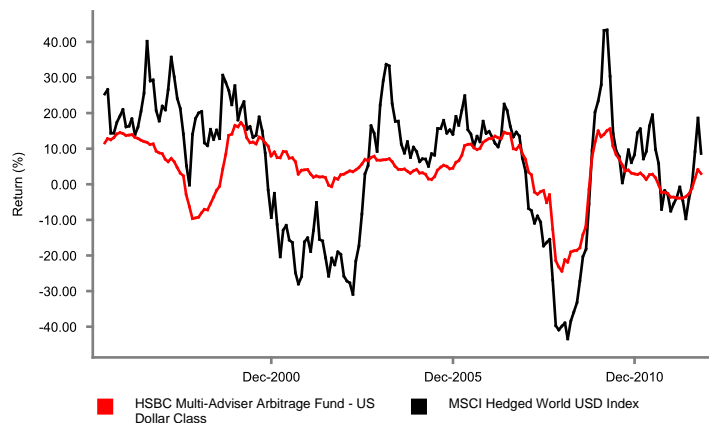


HSBC Multi-Adviser Arbitrage Fund

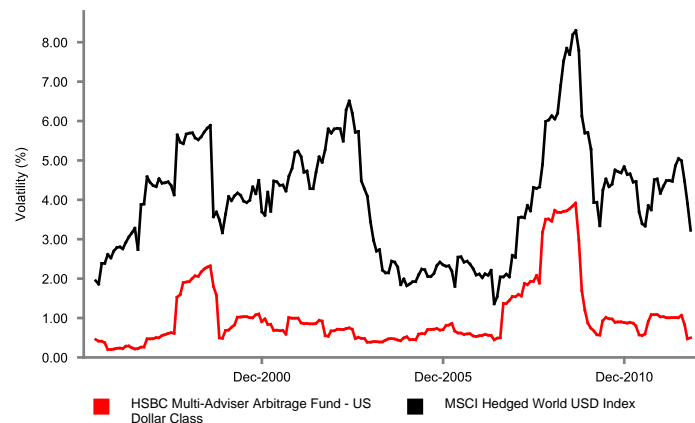
US Dollar Class

31 October 2012

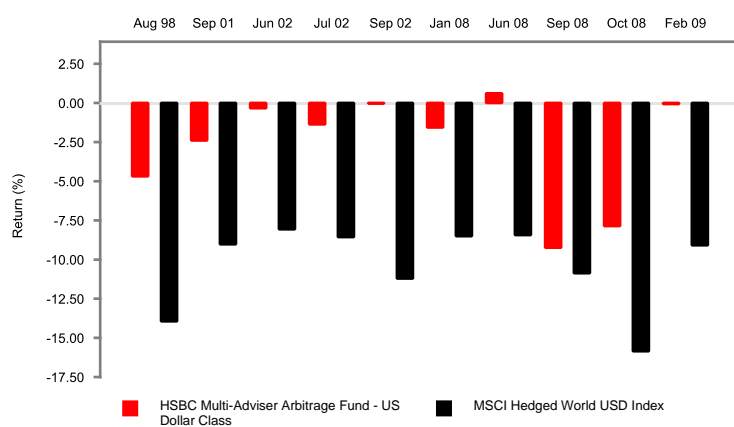
12 Month Rolling Return



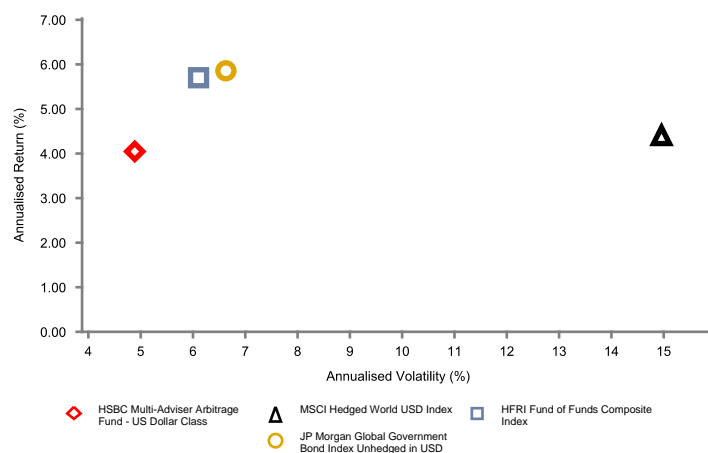
12 Month Rolling Volatility



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
2012	1.00%	0.62%	0.08%	0.33%	-0.10%	0.11%	1.06%	0.55%	0.34%	-0.39%			3.65%
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%	0.16%	-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%	-1.37%	0.24%	-0.03%	0.37%	1.53%	0.56%	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

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Disclaimer

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Creation Time: 11:58:40
Creation Date: 20 Nov 2012
Report Instance: 893743

HSBC Trading AdvantEdge Fund

US Dollar Class

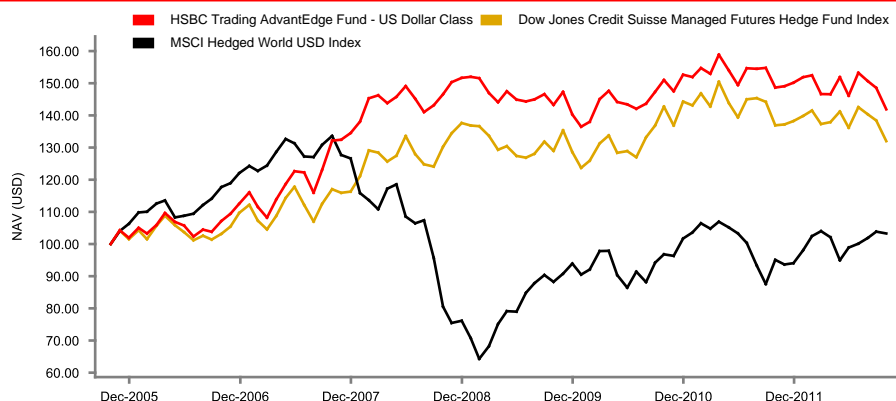
31 October 2012

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	-4.50%	-0.55%	-4.64%
YTD Return	-5.52%	9.82%	-4.52%
12 Month Return	-4.55%	8.63%	-3.60%
Actual Return	41.88%	3.28%	31.99%
Annualised Return	5.12%	0.46%	4.04%
Annualised Volatility	9.79%	15.87%	11.13%
Sharpe Ratio (Annualised)*	0.28	-0.12	0.15
Maximum Drawdown	-10.70%	-51.88%	-12.29%
% Positive Months	55.95%	59.52%	53.57%
Correlation	1.00	0.01	0.92
VaR(95%)	-4.68%	-7.51%	-5.27%
VaR(99%)	-6.57%	-10.57%	-7.43%

* 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

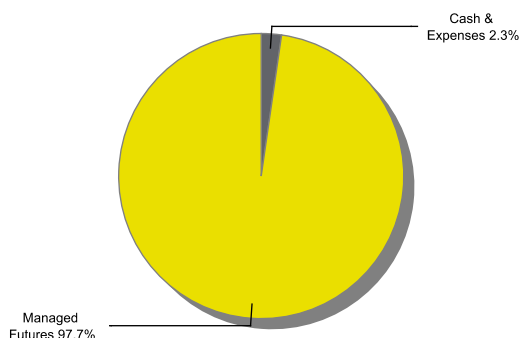


Fund Commentary

Risk assets bounced at the beginning of October, primarily driven by supportive data coming from the US, but quickly consolidated their gains in the second week of the month as concerns surrounding the outlook for global growth and questions about when Spain may request aid weighed on investor sentiment. This 'see-saw' pattern repeated itself in the second half of October with equity markets initially regaining their poise and trading higher as a result of more positive economic data, before trading back down as some notable earnings announcements in the US disappointed. Towards month-end investors adopted a wait-and-see attitude, waiting for the uncertainty of the results of the US election and the Chinese leadership transition to be lifted. The Chinese Flash PMI rose for the second consecutive month, indicating that the economy seemed to be stabilising, while the housing market data in the US continued to point to a developing recovery. The MSCI World Index (hedged in USD) closed the month down -0.55% and the S&P 500 Index declined -1.98%. The 10 year US Treasury yield increased +1.91%, while in commodities Gold made a new year high but finished the month down -2.90%.

Against this backdrop, the Fund was down over the month. All underlying managers contributed negatively to performance. From a sub-strategy perspective, the bulk of losses came from trend followers as holdings across a wide range of assets experienced trend reversals during the period. Some losses were offset by positive returns recorded in short-term models in currencies, equities and bonds. Fundamental systems were mixed with gains in the commodity sector offset by losses in the equity index and currency sectors. From an asset class perspective, long positions in Japanese Yen and Canadian Dollar were large detractors of performance however this was partially offset by gains in Australian Dollar and Swiss Franc exposure. In commodities, precious metals performed negatively while base metal exposure was nominally positive. Finally, in fixed income, long US, UK and Australian government bond positions detracted; this was partially mitigated by positions in the Swiss, French and Italian equivalents.

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

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 282.7m

US Dollar Class	Month to date:	-4.50%
	Year to date:	-5.52%
	NAV:	141.88
Euro Class - Hedged	Month to date:	-4.48%
	Year to date:	-5.55%
	NAV:	128.34
Sterling Class - Hedged	Month to date:	-4.51%
	Year to date:	-5.25%
	NAV:	136.96

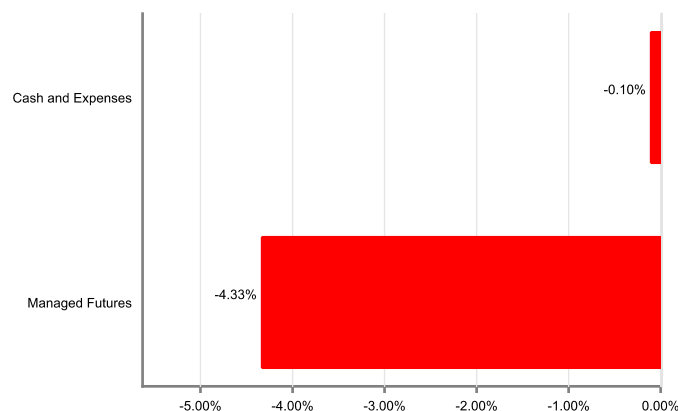
Fund Details

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

Top 10 Holdings *

BlueTrend Fund Limited	19.06%
Winton Futures Fund Ltd	18.70%
Discus Feeder Limited	18.45%
Cantab Quantitative Fund (The)	14.25%
Tewksbury Investment Fund Ltd.	10.94%
Transtrend Fund Alliance Omnitrend Plus (USD)	10.31%
Ortus Aggressive Fund	6.00%
Cash and Expenses	2.29%

Strategy Contribution

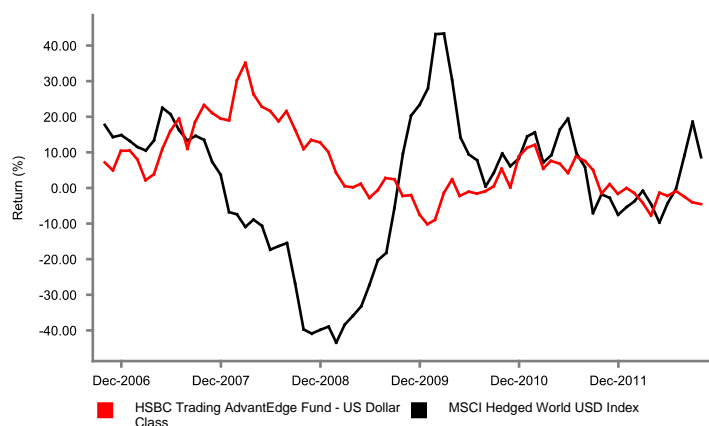


HSBC Trading AdvantEdge Fund

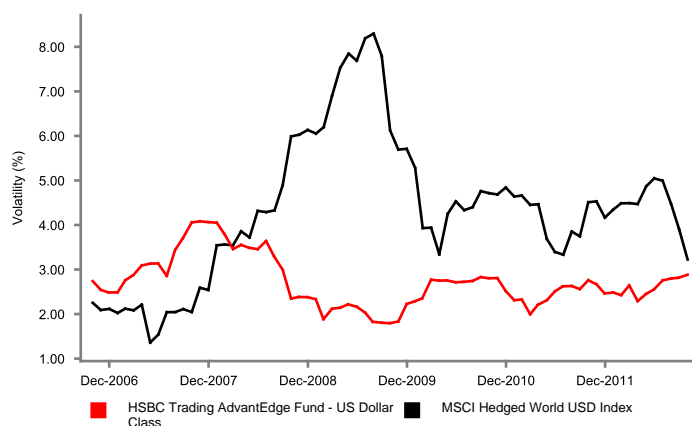
US Dollar Class

31 October 2012

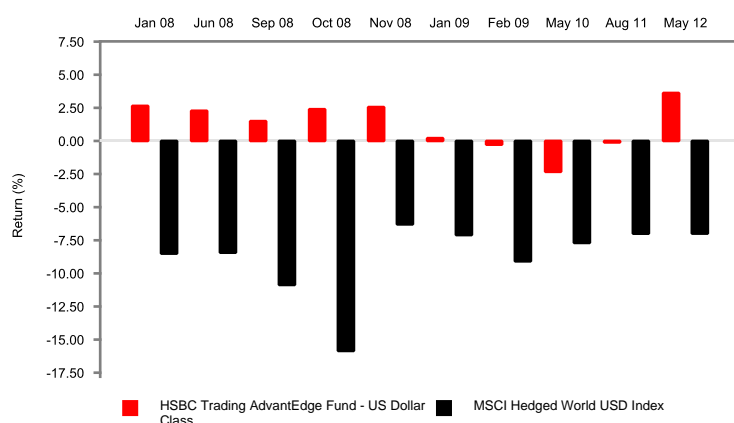
12 Month Rolling Return



12 Month Rolling Volatility

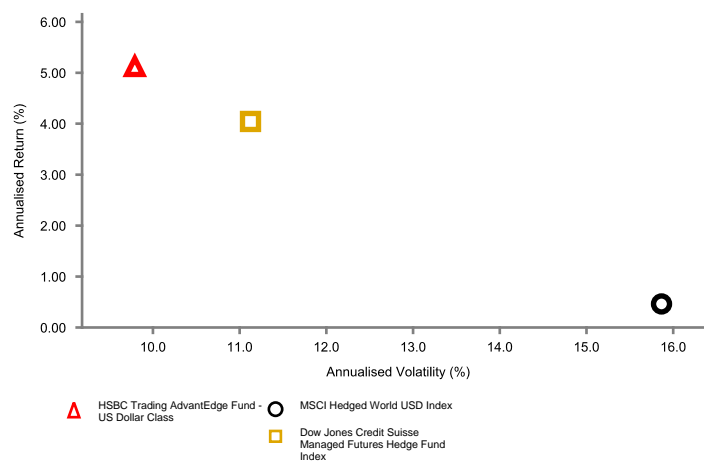


Worst Performing Months *



* 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
2012	1.14%	0.38%	-3.82%	-0.04%	3.62%	-3.79%	4.87%	-1.69%	-1.39%	-4.50%			-5.52%
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%	-2.87%	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

Past performance is not a reliable indicator of future results.

Disclaimer

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Creation Time: 12:08:57
Creation Date: 20 Nov 2012
Report Instance: 893747

HSBC Trading AdvantEdge Fund

Institutional Class (CHF) - Hedged

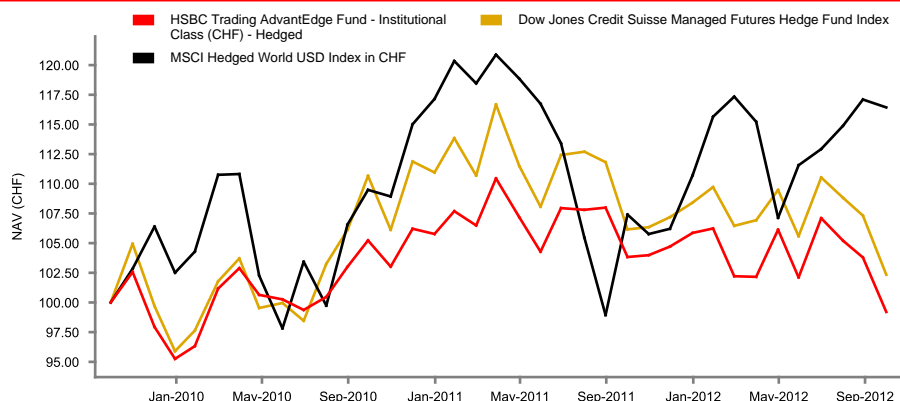
31 October 2012

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	-4.42%	-0.57%	-4.64%
YTD Return	-5.26%	9.63%	-4.52%
12 Month Return	-4.46%	8.40%	-3.60%
Actual Return	-0.80%	16.43%	2.34%
Annualised Return	-0.27%	5.20%	0.77%
Annualised Volatility	9.29%	14.20%	11.67%
Sharpe Ratio (Annualised)*	-0.05	0.36	0.05
Maximum Drawdown	-10.19%	-18.15%	-12.29%
% Positive Months	50.00%	58.33%	55.56%
Correlation	1.00	0.07	0.94
VaR(95%)	-4.45%	-6.83%	-5.51%
VaR(99%)	-6.23%	-9.65%	-7.74%

* 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



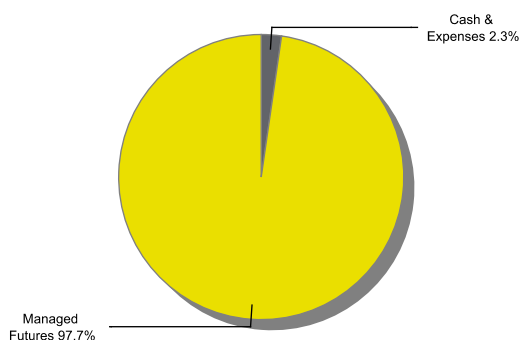
Past performance is not a reliable indicator of future results.

Fund Commentary

Risk assets bounced at the beginning of October, primarily driven by supportive data coming from the US, but quickly consolidated their gains in the second week of the month as concerns surrounding the outlook for global growth and questions about when Spain may request aid weighed on investor sentiment. This 'see-saw' pattern repeated itself in the second half of October with equity markets initially regaining their poise and trading higher as a result of more positive economic data, before trading back down as some notable earnings announcements in the US disappointed. Towards month-end investors adopted a wait-and-see attitude, waiting for the uncertainty of the results of the US election and the Chinese leadership transition to be lifted. The Chinese Flash PMI rose for the second consecutive month, indicating that the economy seemed to be stabilising, while the housing market data in the US continued to point to a developing recovery. The MSCI World Index (hedged in USD) closed the month down -0.55% and the S&P 500 Index declined -1.98%. The 10 year US Treasury yield increased +1.91%, while in commodities Gold made a new year high but finished the month down -2.90%.

Against this backdrop, the Fund was down over the month. All underlying managers contributed negatively to performance. From a sub-strategy perspective, the bulk of losses came from trend followers as holdings across a wide range of assets experienced trend reversals during the period. Some losses were offset by positive returns recorded in short-term models in currencies, equities and bonds. Fundamental systems were mixed with gains in the commodity sector offset by losses in the equity index and currency sectors. From an asset class perspective, long positions in Japanese Yen and Canadian Dollar were large detractors of performance however this was partially offset by gains in Australian Dollar and Swiss Franc exposure. In commodities, precious metals performed negatively while base metal exposure was nominally positive. Finally, in fixed income, long US, UK and Australian government bond positions detracted; this was partially mitigated by positions in the Swiss, French and Italian equivalents.

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

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 282.7m

Institutional Class (CHF) - Hedged	Month to date:	-4.42%
	Year to date:	-5.26%
	NAV:	99.20

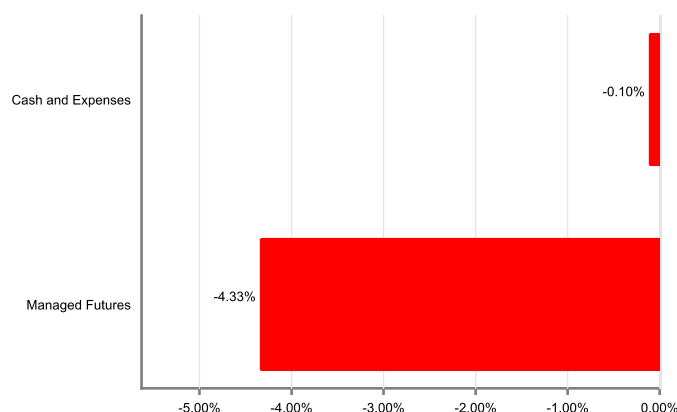
Fund Details

Investment Adviser	HSBC Alternative Investments Limited
Base Currency	USD
Inception Date	30 October 2009
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 Management Fee	CHF 2,500,000
Performance Fee	1 % per annum
Hurdle	10 % of any return exceeding the benchmark
Reuters Page	CHF 3M LIBOR + 3.5% Index
Bloomberg	HSBTRSW GU
ISIN Number	GG00B58ZMP06

Top 10 Holdings *

BlueTrend Fund Limited	19.06%
Winton Futures Fund Ltd	18.70%
Discus Feeder Limited	18.45%
Cantab Quantitative Fund (The)	14.25%
Tewksbury Investment Fund Ltd.	10.94%
Transtrend Fund Alliance Omnitrend Plus (USD)	10.31%
Ortus Aggressive Fund	6.00%
Cash and Expenses	2.29%

Strategy Contribution

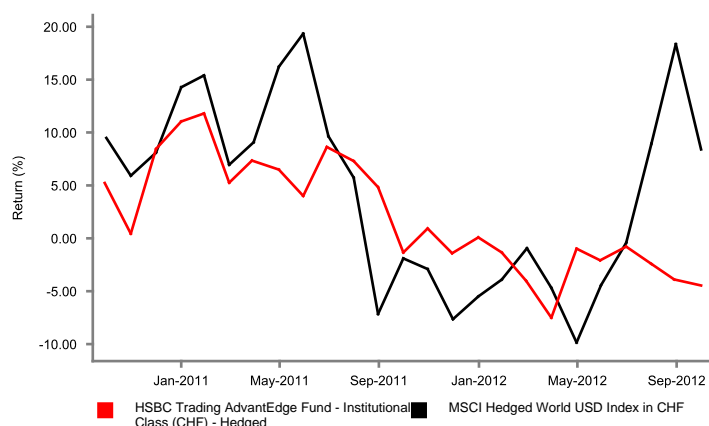


HSBC Trading AdvantEdge Fund

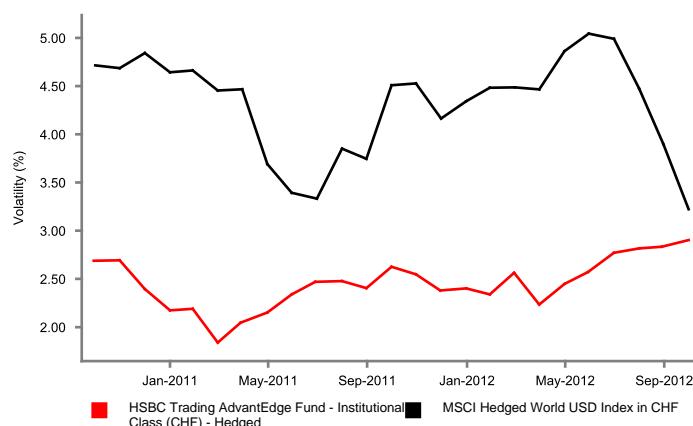
Institutional Class (CHF) - Hedged

31 October 2012

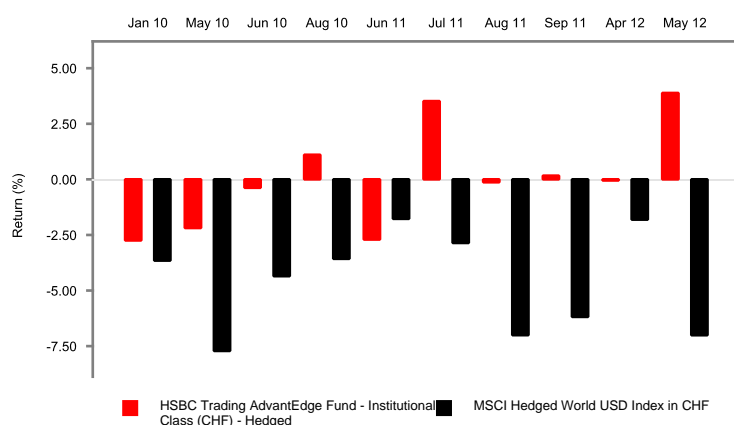
12 Month Rolling Return



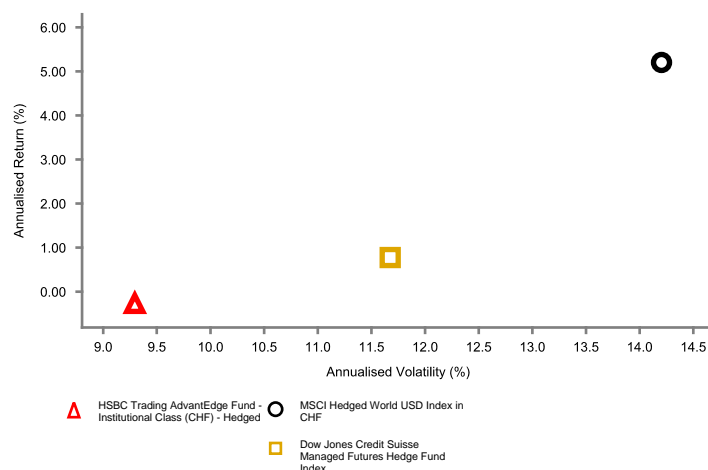
12 Month Rolling Volatility



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
2012	1.10%	0.36%	-3.79%	-0.05%	3.89%	-3.79%	4.89%	-1.77%	-1.34%	-4.42%			-5.26%
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

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HSBC Special Opportunities Fund

US Dollar Class

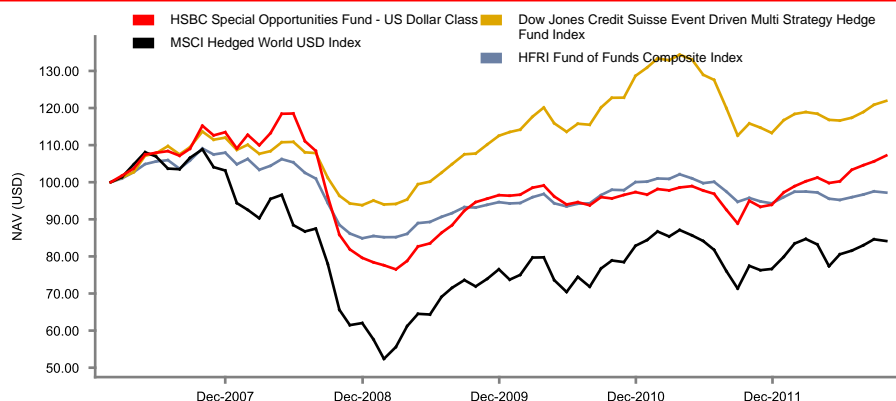
31 October 2012

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	1.52%	-0.55%	0.88%	-0.35%
YTD Return	14.14%	9.82%	7.63%	3.06%
12 Month Return	12.85%	8.63%	5.26%	1.49%
Actual Return	7.20%	-15.85%	21.93%	-2.81%
Annualised Return	1.23%	-3.00%	3.56%	-0.50%
Annualised Volatility	11.03%	17.19%	8.36%	6.43%
Sharpe Ratio (Annualised)*	-0.05	-0.28	0.21	-0.36
Maximum Drawdown	-35.45%	-51.88%	-17.46%	-22.20%
% Positive Months	61.76%	52.94%	63.24%	58.82%
Correlation	1.00	0.74	0.82	0.90
VaR(95%)	-5.26%	-8.20%	-3.98%	-3.06%
VaR(99%)	-7.47%	-11.52%	-5.63%	-4.35%

* 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.

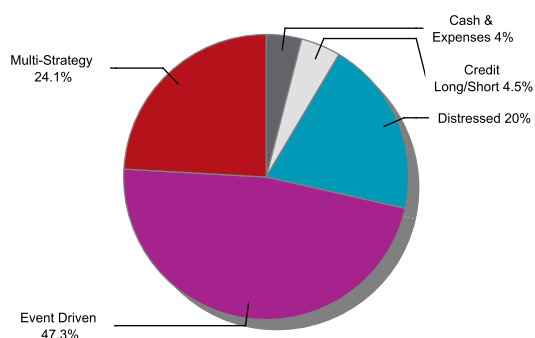
Fund Commentary

Risk assets bounced at the beginning of October, primarily driven by supportive data coming from the US, but quickly consolidated their gains in the second week of the month as concerns surrounding the outlook for global growth and questions about when Spain may request aid weighed on investor sentiment. This 'see-saw' pattern repeated itself in the second half of October with equity markets initially regaining their poise and trading higher as a result of more positive economic data, before trading back down as some notable earnings announcements in the US disappointed. Towards month-end investors adopted a wait-and-see attitude, waiting for the uncertainty of the results of the US election and the Chinese leadership transition to be lifted. The Chinese Flash PMI rose for the second consecutive month, indicating that the economy seemed to be stabilising, while the housing market data in the US continued to point to a developing recovery. The MSCI World Index (hedged in USD) closed the month down -0.55% and the S&P 500 Index declined -1.98%. The 10 year US Treasury yield increased +1.91%, while in commodities Gold made a new year high but finished the month down -2.90%.

Against this backdrop, the Fund was up over the month with all underlying strategies contributing positively to performance. Within Event Driven, a Canadian Rail company performed well as better than expected quarterly profits were announced. Other positive contributors included long exposure to a US household product manufacturer and an US Retail REIT. Within Credit Long/Short, performance contribution was primarily driven by long exposures in mortgage related securities as the structured credit sector continued to see positive inflows and price appreciation. The structured credit book in the Multi-Strategy bucket was also the primary driver of performance during the period. Additionally, equity trading in Latin America and UK and Spanish financials performed well. The European convertible bond book was profitable; however, short European financial credit positions detracted from performance. Finally, in Distressed a European telecommunications related holding and a computer services holding drove positive returns.

Note: The Fund underwent a restructuring at the end of September 2011 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 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 93.57m

US Dollar Class	Month to date:	1.52%
	Year to date:	14.14%
Euro Class - Hedged	NAV:	107.20
	NAV:	101.46

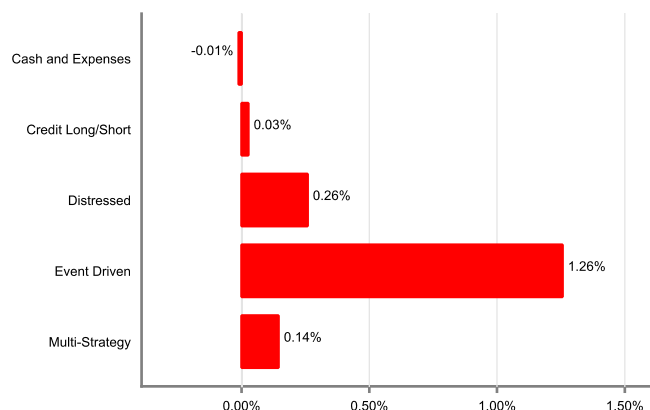
Fund Details

Investment Adviser	HSBC Alternative Investments Limited
Base Currency	USD
Inception Date	28 February 2007
Subscription	Quarterly, with 10 Business Day(s) notice
Redemption	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)
Minimum	USD 100,000
Management Fee	1.75 % per annum
Performance Fee	10 % of any return exceeding the benchmark
Hurdle	USD 3M LIBOR + 5% Index
Reuters Page	HSBC/HMGN
Bloomberg	HSBCSD GU
ISIN Number	GG00B1PDH540

Top 10 Holdings *

D.E. Shaw Composite International Fund L.P.	14.66%
Tyrus Capital Event Fund	12.08%
Triam Partners, Ltd.	11.88%
Davidson Kempner International, Ltd.	10.39%
Redwood Opportunity Offshore	10.28%
Beach Point Total Return Offshore Fund II	9.71%
CQS Directional Opportunities Feeder Fund Limited	9.46%
Pershing Square International, Ltd.	9.24%
Brevan Howard Credit Catalysts	4.53%
Cash and Expenses	4.01%
Top 10 Holdings	= 96.25% of portfolio
Top 20 Holdings	= 100% of portfolio

Strategy Contribution

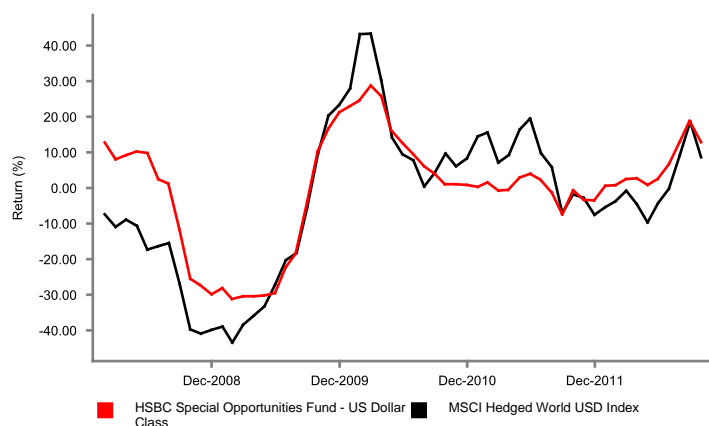


HSBC Special Opportunities Fund

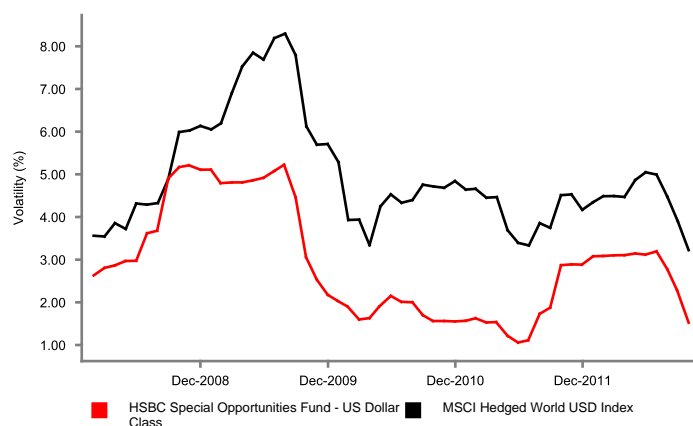
US Dollar Class

31 October 2012

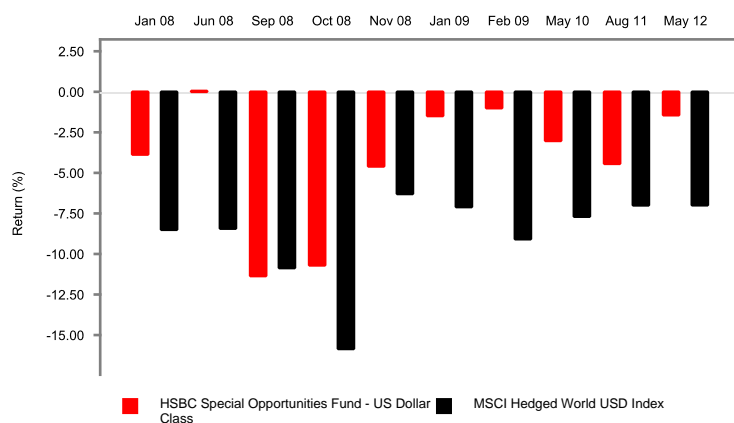
12 Month Rolling Return



12 Month Rolling Volatility

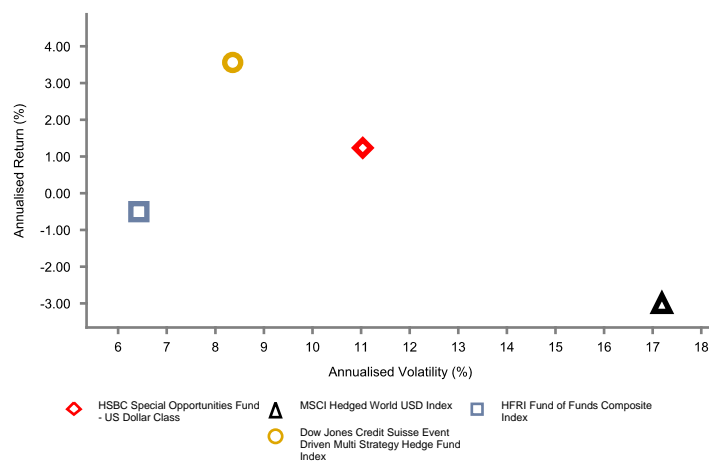


Worst Performing Months *



* 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
2012	3.53%	1.73%	1.33%	1.01%	-1.44%	0.45%	3.09%	1.21%	0.97%	1.52%			14.14%
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.

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Creation Time: 12:04:48
 Creation Date: 20 Nov 2012
 Report Instance: 893745

HSBC Special Opportunities Fund

Institutional Class (US Dollar)

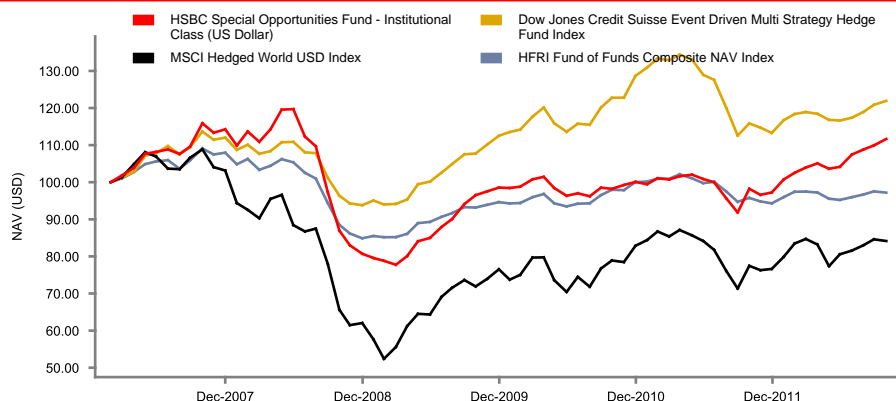
31 October 2012

Fund Performance and Analysis

	HSBC Special Opportunities Fund - Institutional Class (US Dollar)	MSCI Hedged World USD Index	Dow Jones Credit Suisse Event Driven Multi Strategy Hedge Fund Index	HFRI Fund of Funds Composite NAV Index
MTD Return	1.58%	-0.55%	0.88%	-0.35%
YTD Return	14.83%	9.82%	7.63%	3.06%
12 Month Return	13.67%	8.63%	5.26%	1.49%
Actual Return	11.66%	-15.85%	21.93%	-2.81%
Annualised Return	1.97%	-3.00%	3.56%	-0.50%
Annualised Volatility	11.03%	17.19%	8.36%	6.43%
Sharpe Ratio (Annualised)*	0.02	-0.28	0.21	-0.36
Maximum Drawdown	-35.05%	-51.88%	-17.46%	-22.20%
% Positive Months	61.76%	52.94%	63.24%	58.82%
Correlation	1.00	0.74	0.82	0.90
VaR(95%)	-5.21%	-8.16%	-3.96%	-3.06%
VaR(99%)	-7.34%	-11.42%	-5.59%	-4.33%

* 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.

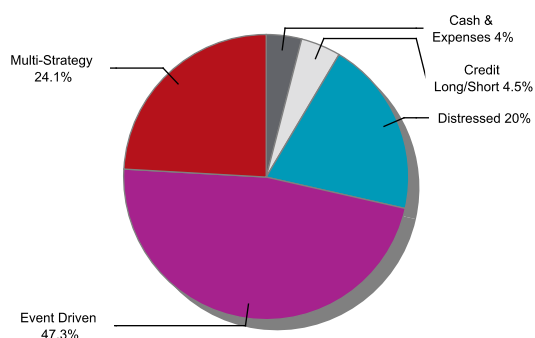
Fund Commentary

Risk assets bounced at the beginning of October, primarily driven by supportive data coming from the US, but quickly consolidated their gains in the second week of the month as concerns surrounding the outlook for global growth and questions about when Spain may request aid weighed on investor sentiment. This 'see-saw' pattern repeated itself in the second half of October with equity markets initially regaining their poise and trading higher as a result of more positive economic data, before trading back down as some notable earnings announcements in the US disappointed. Towards month-end investors adopted a wait-and-see attitude, waiting for the uncertainty of the results of the US election and the Chinese leadership transition to be lifted. The Chinese Flash PMI rose for the second consecutive month, indicating that the economy seemed to be stabilising, while the housing market data in the US continued to point to a developing recovery. The MSCI World Index (hedged in USD) closed the month down -0.55% and the S&P 500 Index declined -1.98%. The 10 year US Treasury yield increased +1.91%, while in commodities Gold made a new year high but finished the month down -2.90%.

Against this backdrop, the Fund was up over the month with all underlying strategies contributing positively to performance. Within Event Driven, a Canadian Rail company performed well as better than expected quarterly profits were announced. Other positive contributors included long exposure to a US household product manufacturer and an US Retail REIT. Within Credit Long/Short, performance contribution was primarily driven by long exposures in mortgage related securities as the structured credit sector continued to see positive inflows and price appreciation. The structured credit book in the Multi-Strategy bucket was also the primary driver of performance during the period. Additionally, equity trading in Latin America and UK and Spanish financials performed well. The European convertible bond book was profitable; however, short European financial credit positions detracted from performance. Finally, in Distressed a European telecommunications related holding and a computer services holding drove positive returns.

Note: The Fund underwent a restructuring at the end of September 2011 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 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 93.57m

Institutional Class (US Dollar)	Month to date:	1.58%
	Year to date:	14.83%
	NAV:	111.66

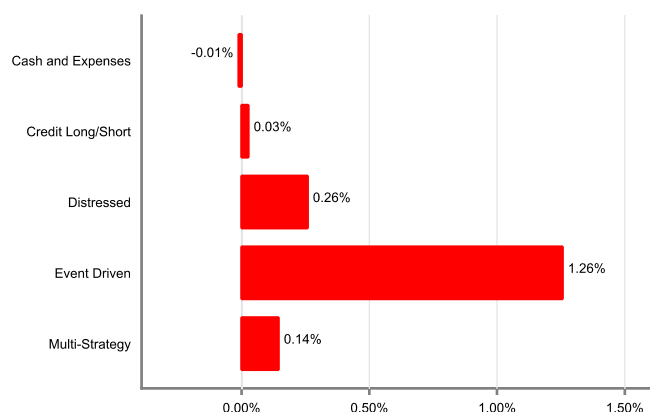
Fund Details

Investment Adviser	HSBC Alternative Investments Limited
Base Currency	USD
Inception Date	28 February 2007
Subscription	Quarterly, with 10 Business Day(s) notice
Redemption	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)
Minimum	USD 2,500,000
Management Fee	1 % per annum
Performance Fee	10 % of any return exceeding the benchmark
Hurdle	USD 3M LIBOR + 5% per annum
Reuters Page	HSBC/HMGN
Bloomberg	HSBCSOI GU
ISIN Number	GG00B1PDH870

Top 10 Holdings *

D.E. Shaw Composite International Fund L.P.	14.66%
Tyrus Capital Event Fund	12.08%
Triam Partners, Ltd.	11.88%
Davidson Kempner International, Ltd.	10.39%
Redwood Opportunity Offshore	10.28%
Beach Point Total Return Offshore Fund II	9.71%
CQS Directional Opportunities Feeder Fund Limited	9.46%
Pershing Square International, Ltd.	9.24%
Brevan Howard Credit Catalysts	4.53%
Cash and Expenses	4.01%
Top 10 Holdings	= 96.25% of portfolio
Top 20 Holdings	= 100% of portfolio

Strategy Contribution

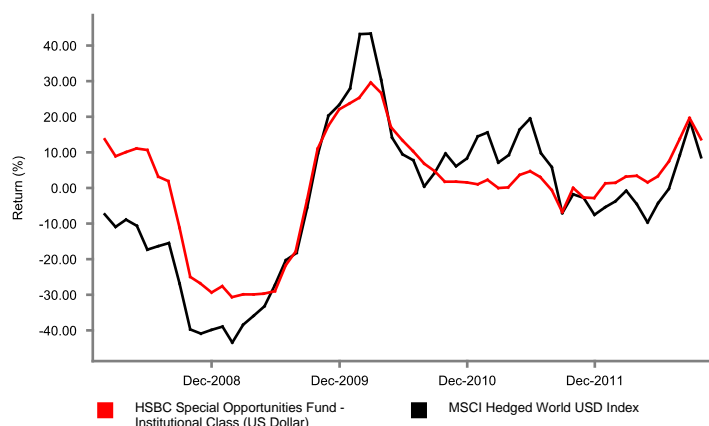


HSBC Special Opportunities Fund

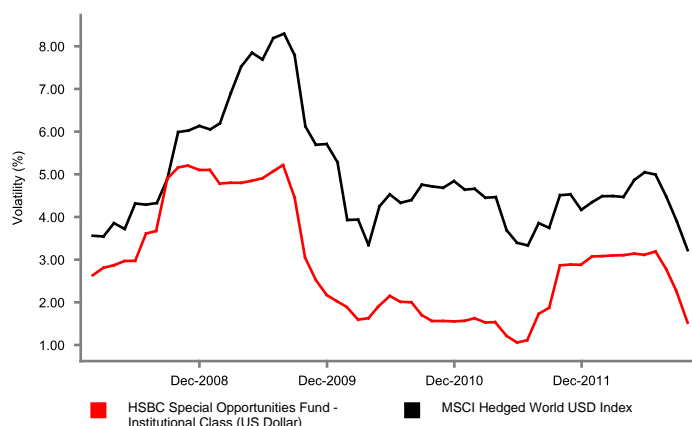
Institutional Class (US Dollar)

31 October 2012

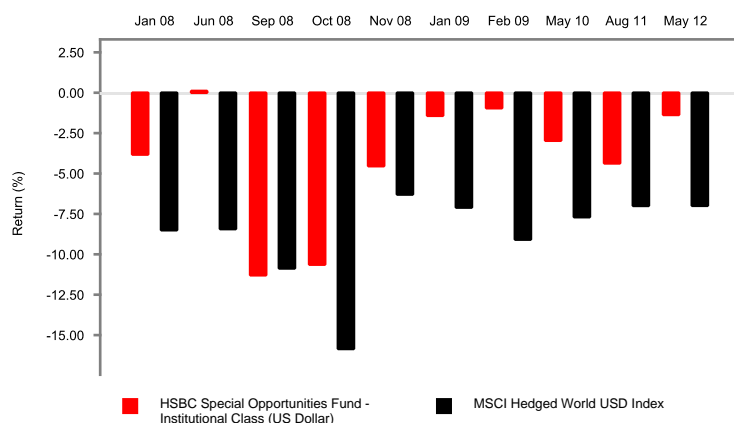
12 Month Rolling Return



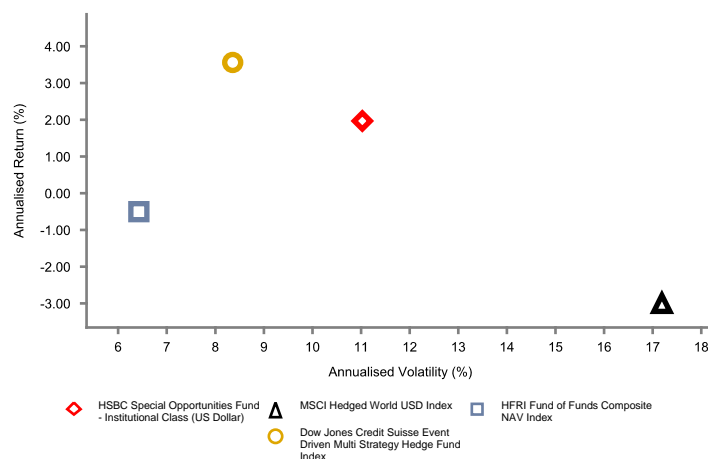
12 Month Rolling Volatility



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
2012	3.59%	1.79%	1.38%	1.08%	-1.37%	0.50%	3.16%	1.28%	1.02%	1.58%			14.83%
2011	-0.62%	1.60%	-0.30%	0.84%	0.42%	-1.14%	-0.88%	-4.37%	-3.92%	6.93%	-1.66%	0.66%	-2.84%
2010	-0.11%	0.37%	1.99%	0.66%	-2.97%	-2.12%	0.70%	-0.82%	2.41%	-0.32%	1.06%	0.84%	1.55%
2009	-1.42%	-0.96%	-1.35%	3.01%	4.97%	1.09%	3.47%	2.41%	4.49%	2.56%	1.06%	1.05%	22.09%
2008	-3.82%	3.44%	-2.44%	3.03%	4.65%	0.11%	-6.19%	-2.32%	-11.30%	-10.64%	-4.54%	-2.75%	-29.35%
2007			1.83%	1.93%	3.69%	0.50%	0.61%	-1.11%	1.82%	5.76%	-2.20%	0.81%	14.26%

Share Class: Institutional Class (US Dollar)

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.

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Creation Time: 12:06:57
 Creation Date: 20 Nov 2012
 Report Instance: 893746

HSBC Credit Market Opportunities Fund

US Dollar Class

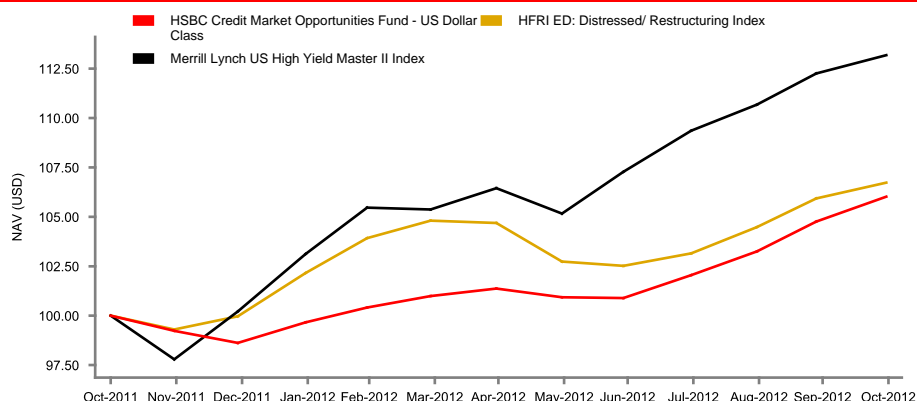
31 October 2012

Fund Performance and Analysis

	HSBC Credit Market Opportunities Fund - US Dollar Class	Merrill Lynch US High Yield Master II Index	HFRI ED: Distressed/Restructuring Index
MTD Return	1.20%	0.82%	0.75%
YTD Return	7.50%	12.94%	6.77%
12 Month Return	6.02%	13.18%	6.73%
Actual Return	6.02%	13.18%	6.73%
Annualised Return	n/a	n/a	n/a
Annualised Volatility	n/a	n/a	n/a
Sharpe Ratio (Annualised)*	n/a	n/a	n/a
Maximum Drawdown	-1.38%	-2.21%	-2.18%
% Positive Months	66.67%	75.00%	66.67%
Correlation	1.00	0.48	0.72
VaR(95%)	-1.29%	-2.61%	-1.86%
VaR(99%)	-1.84%	-3.65%	-2.67%

* 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



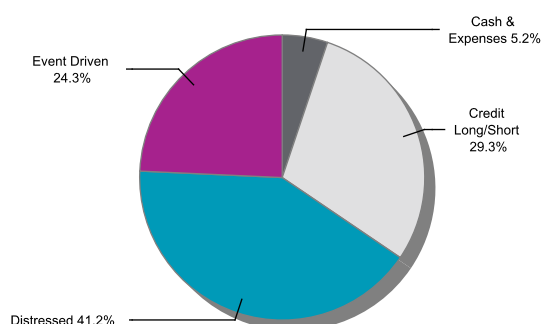
Past performance is not a reliable indicator of future results.

Fund Commentary

Risk assets bounced at the beginning of October, primarily driven by supportive data coming from the US, but quickly consolidated their gains in the second week of the month as concerns surrounding the outlook for global growth and questions about when Spain may request aid weighed on investor sentiment. This 'see-saw' pattern repeated itself in the second half of October with risk assets initially regaining their poise and trading higher as a result of more positive economic data, before trading back down as some notable earnings announcements in the US disappointed. The MSCI World Index (hedged in USD) closed the month down -0.55% and the S&P 500 Index declined -1.98%. Debt outperformed equity during the period as evidenced by the Merrill Lynch High Yield Index returning +0.83%. Over the course of October, the high yield new issue market logged its third most active month on record as 87 issues were priced totalling US\$43.1bn. The housing market data in the US also continued to point to a developing recovery, resulting in further inflows into structured credit.

Against this backdrop, the Fund continued its strong performance with all underlying strategies contributing positively. In Credit Long/Short, long US and UK Residential Mortgage Backed Securities (RMBS) positions as well as European Commercial Mortgage Backed Securities (CMBS) holdings were profitable. Positive performance was also recorded in relative value compression trades in core European financials. Within Distressed, long senior US RMBS was again the primary driver of positive performance with approximately 55% of gains generated by increased mark-to-market pricing and the remainder through cash generation. Finally, in Event Driven the equity book was positive with a special situation position in a financial institution and restructuring related positions in a steel manufacturer and food retailer driving performance. Slightly offsetting these returns was a short Turkish bank position and losses generated from convertibles exposure. The mortgage portfolio within the strategy also returned profitably due to the general grind higher in prices.

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 66.76m

US Dollar Class	Month to date:	1.20%
	Year to date:	7.50%
	NAV:	106.02
Euro Class	Month to date:	1.17%
	Year to date:	7.32%
	NAV:	105.72

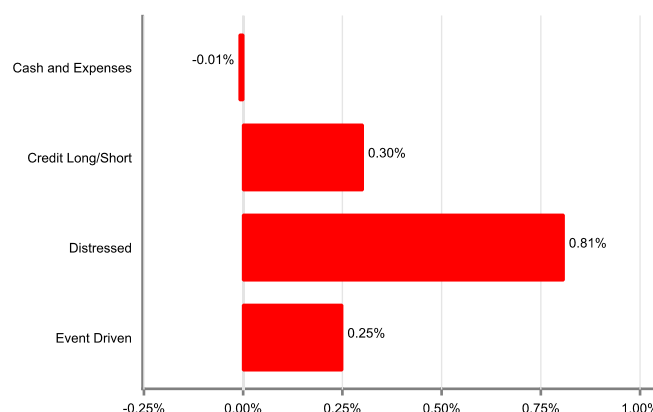
Fund Details

Investment Adviser	HSBC Alternative Investments Limited
Base Currency	USD
Inception Date	31 October 2011
Subscription	Monthly, with 5 Business Day(s) notice
Redemption	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
Minimum	USD 25,000
Management Fee	1.75 % per annum
Performance Fee	10 % of any return exceeding the benchmark
Hurdle	USD 3M LIBOR + 5% Index
Reuters Page	
Bloomberg	USD HCRMOUS GU
ISIN Number	USD GG00B5KRVB33 EUR GG00B432KB18

Top 10 Holdings *

King Street Europe Ltd	14.22%
OZ Europe Overseas Fund II, Ltd.	14.17%
CQS ABS Feeder Fund Ltd	11.03%
JPS Credit Opportunities Fund (Cayman) Limited	10.80%
Halcyon Offshore Asset-Backed Value Fund Ltd.	10.15%
Sothic Capital European Opportunities	10.15%
AG Super Fund International Ltd.	10.11%
CQS ABS Alpha Feeder Fund Limited	7.49%
Castle Hill Total Return	6.73%
Cash and Expenses	5.15%

Strategy Contribution



HSBC Credit Market Opportunities Fund

US Dollar Class

31 October 2012

Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012	1.05%	0.75%	0.58%	0.38%	-0.43%	-0.04%	1.15%	1.18%	1.46%	1.20%			
2011											-0.77%	-0.61%	-1.38%

Share Class: US Dollar Class

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Creation Time: 10:55:47
Creation Date: 20 Nov 2012
Report Instance: 893709

HSBC Credit Market Opportunities Fund

Institutional Class (US Dollar)

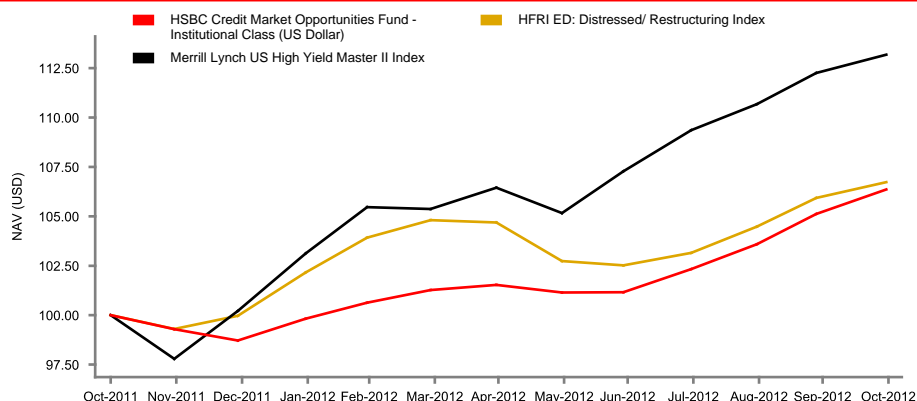
31 October 2012

Fund Performance and Analysis

	HSBC Credit Market Opportunities Fund - Institutional Class (US Dollar)	Merrill Lynch US High Yield Master II Index	HFRI ED: Distressed/ Restructuring Index
MTD Return	1.18%	0.82%	0.75%
YTD Return	7.74%	12.94%	6.77%
12 Month Return	6.36%	13.18%	6.73%
Actual Return	6.36%	13.18%	6.73%
Annualised Return	n/a	n/a	n/a
Annualised Volatility	n/a	n/a	n/a
Sharpe Ratio (Annualised)*	n/a	n/a	n/a
Maximum Drawdown	-1.28%	-2.21%	-2.18%
% Positive Months	75.00%	75.00%	66.67%
Correlation	1.00	0.48	0.73
VaR(95%)	-1.28%	-2.53%	-1.89%
VaR(99%)	-1.83%	-3.58%	-2.67%

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Historical Performance



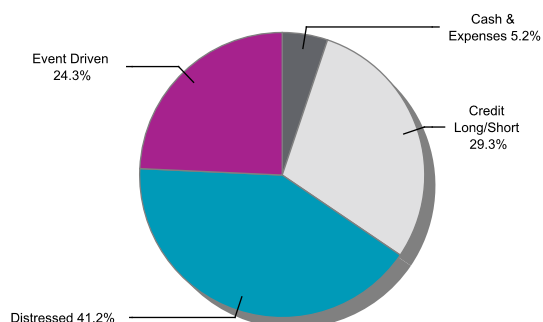
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Portfolio Size: USD 66.76m

Institutional Class (US Dollar)	Month to date:	1.18%
	Year to date:	7.74%
	NAV:	106.36

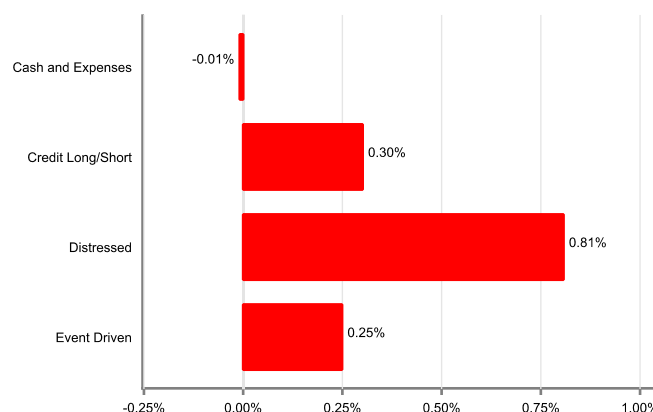
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Performance Fee	1 % per annum
Hurdle	10 % of any return exceeding the benchmark
Reuters Page	USD 3M LIBOR + 5% Index
Bloomberg	ISIN Number
ISIN Number	HCRMOIU GU GG00B5SDJ863

Top 10 Holdings *

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OZ Europe Overseas Fund II, Ltd.	14.17%
CQS ABS Feeder Fund Ltd	11.03%
JPS Credit Opportunities Fund (Cayman) Limited	10.80%
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AG Super Fund International Ltd.	10.11%
CQS ABS Alpha Feeder Fund Limited	7.49%
Castle Hill Total Return	6.73%
Cash and Expenses	5.15%

Strategy Contribution



HSBC Credit Market Opportunities Fund

Institutional Class (US Dollar)

31 October 2012

Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012	1.11%	0.81%	0.64%	0.26%	-0.37%	0.01%	1.16%	1.23%	1.48%	1.18%			
2011											-0.71%	-0.57%	-1.28%

Share Class: Institutional Class (US Dollar)

Past performance is not a reliable indicator of future results.

Disclaimer

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HSBC Asian AdvantEdge Fund

US Dollar Class

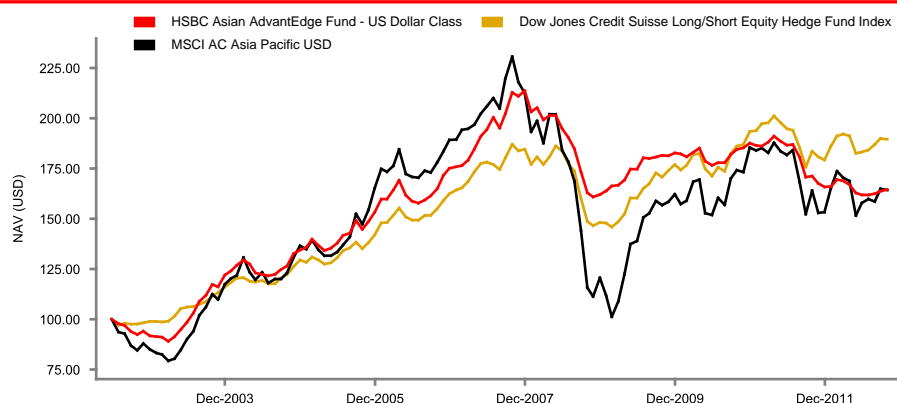
31 October 2012

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	0.52%	-0.39%	-0.21%
YTD Return	-0.78%	7.14%	5.75%
12 Month Return	-3.90%	0.18%	3.26%
Actual Return	64.54%	64.25%	89.53%
Annualised Return	4.94%	4.92%	6.38%
Annualised Volatility	8.37%	18.33%	7.97%
Sharpe Ratio (Annualised)*	0.32	0.15	0.52
Maximum Drawdown	-24.73%	-56.10%	-22.00%
% Positive Months	60.48%	57.26%	65.32%
Correlation	1.00	0.79	0.78
VaR(95%)	-3.98%	-8.71%	-3.79%
VaR(99%)	-5.66%	-12.33%	-5.34%

* 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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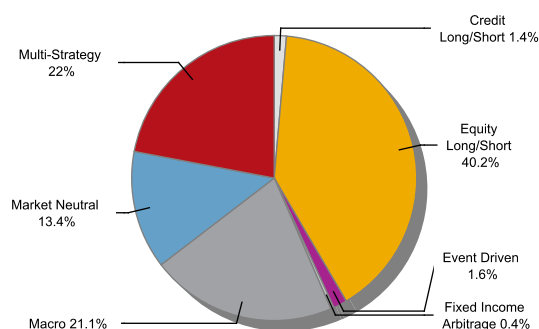
Fund Commentary

Risk assets bounced at the beginning of October, primarily driven by supportive data coming from the US, but quickly consolidated their gains in the second week of the month as concerns surrounding the outlook for global growth and questions about when Spain may request aid weighed on investor sentiment. This 'see-saw' pattern repeated itself in the second half of October with equity markets initially regaining their poise and trading higher as a result of more positive economic data, before trading back down as some notable earnings announcements in the US disappointed. Towards month-end investors adopted a wait-and-see attitude, waiting for the uncertainty of the results of the US election and the Chinese leadership transition to be lifted. The Chinese Flash PMI rose for the second consecutive month, indicating that the economy seemed to be stabilising, while the housing market data in the US continued to point to a developing recovery. The MSCI World Index (hedged in USD) closed the month down -0.55%, the S&P 500 Index declined -1.98%, and the MSCI AC Asia Pacific (in USD terms) declined -0.39%. The Japanese Yen (JPY) weakened on the possibility of further Bank of Japan easing, while a strengthening economy in China drove the Chinese Yuan Renminbi (CNY) higher.

Against this backdrop, the Fund was up for the month with positive contribution from all underlying strategies, with the exception of Multi-Strategy. Equity Long/Short gains were driven by exposure to the Chinese industrial, healthcare and financials sectors. Within Macro, profits from currency positions, more specifically, tactical long CNY positions and short JPY positions more than offset losses from long Indian Rupee (INR); the strategy also gained from front end rates positions in China. Exposures to the Australian and Asian markets drove gains for Market Neutral. Losses from a short position in a global financial services firm were more than outweighed by gains from a holding in an Australian grain storage company following a takeover offer. Furthermore, gains came from a long held structural short position in the Asian steel sector. The Event Driven allocation benefitted through positive movements in an Australian iron ore company. Multi-Strategy detracted over the month, with the equity long/short book weighing on performance. Losses came from a holding in a Japanese TMT (technology, media and telecommunications) company and in relative value strategies through A-Share/H-Share spread trading. However, gains were made in the fundamental credit and convertibles books due to tightening credit spreads in the Chinese property developer sector and strong performance from recently issued convertibles.

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 38.32m

US Dollar Class	Month to date:	0.52%
	Year to date:	-0.78%
	NAV:	164.54
Euro Class - Hedged	Month to date:	0.49%
	Year to date:	-1.71%
	NAV:	88.11

Fund Details

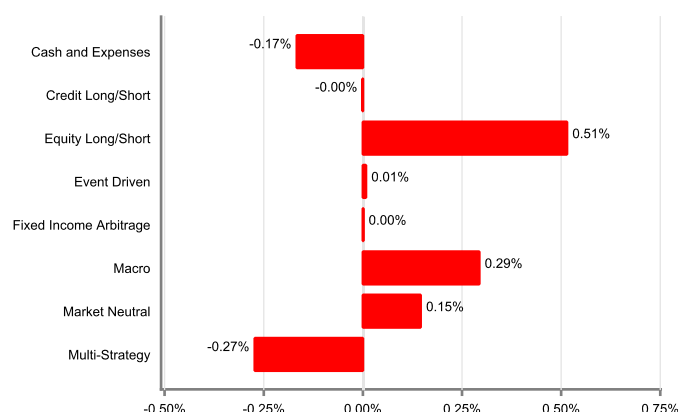
Investment Adviser	HSBC Alternative Investments Limited
Base Currency	USD
Inception Date	28 June 2002
Subscription	Monthly, with 5 Business Day(s) notice
Redemption	Monthly redemptions, subject to 1 month plus 5 Business Days notice.
Minimum	USD 25,000
Management Fee	1.75 % per annum
Performance Fee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

Top 10 Holdings *

Pinpoint China Fund	15.45%
Fortress Asia Macro Fund	9.27%
OZ Asia Overseas Fund, Ltd.	9.16%
Macquarie Asian Alpha Fund	8.30%
Rockhampton Fund	7.73%
Segantii AP Equity Multi-Strategy	7.26%
Brevan Howard Asia Fund Limited	6.83%
Sensato Asia Pacific Offshore Fund Ltd.	6.82%
Myriad Opportunities Fund	5.32%
Tybourne Equity Offshore Fund	5.18%

Top 10 Holdings	=	81.32% of portfolio
Top 20 Holdings	=	98.95% of portfolio

Strategy Contribution

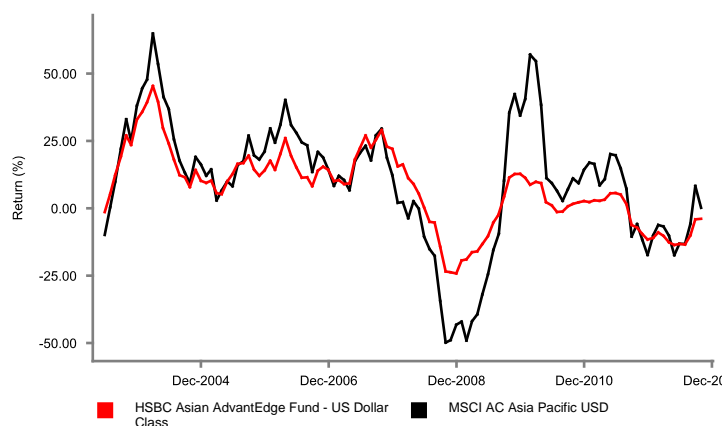


HSBC Asian AdvantEdge Fund

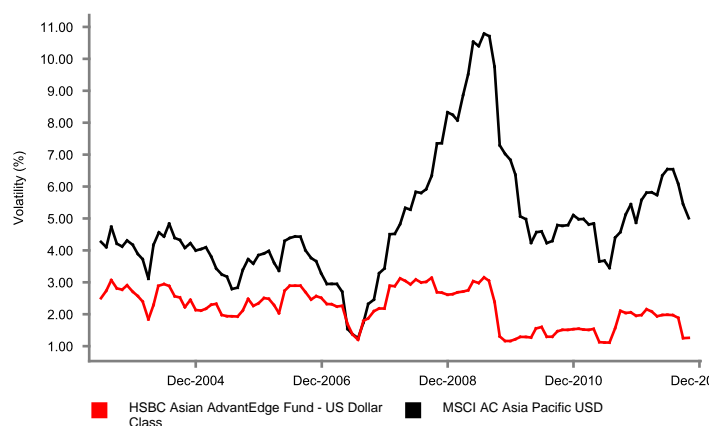
US Dollar Class

31 October 2012

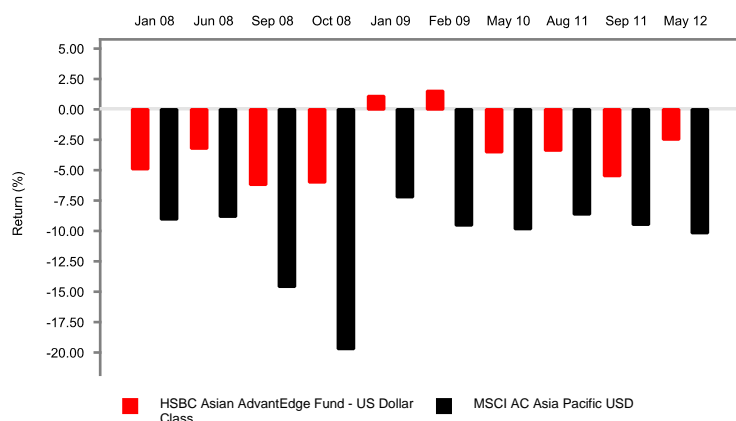
12 Month Rolling Return



12 Month Rolling Volatility

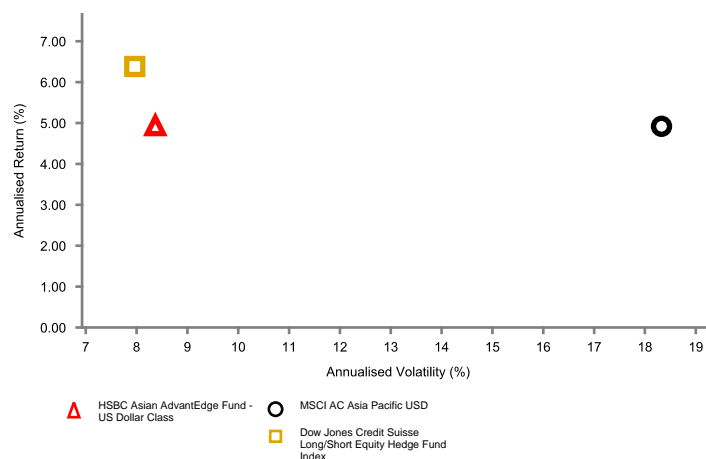


Worst Performing Months *



* 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
2012	0.10%	2.08%	-0.36%	-1.11%	-2.47%	-0.60%	-0.01%	0.38%	0.76%	0.52%			-0.78%
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%	-2.32%	-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

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Creation Time: 14:01:06
Creation Date: 20 Nov 2012
Report Instance: 893781

HSBC Next Generation Fund

Founder Class

31 October 2012

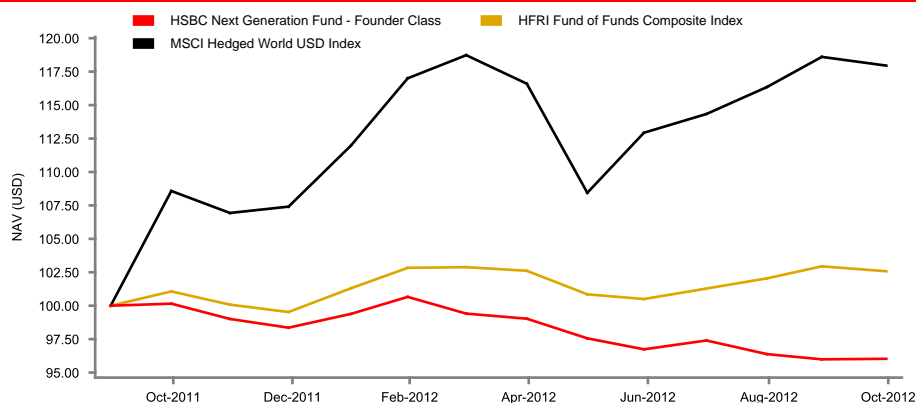
Fund Performance and Analysis

	HSBC Next Generation Fund - Founder Class	MSCI Hedged World USD Index	HFRI Fund of Funds Composite Index
MTD Return	0.04%	-0.55%	-0.35%
YTD Return	-2.37%	9.82%	3.06%
12 Month Return	-4.11%	8.63%	1.49%
Actual Return	-3.97%	17.95%	2.58%
Annualised Return	-3.67%	16.46%	2.38%
Annualised Volatility	3.10%	13.08%	3.54%
Sharpe Ratio (Annualised)*	-1.34	1.22	0.54
Maximum Drawdown	-4.64%	-8.67%	-2.31%
% Positive Months	38.46%	69.23%	53.85%
Correlation	1.00	0.55	0.78
VaR(95%)	-1.47%	-6.20%	-1.68%
VaR(99%)	-2.10%	-8.68%	-2.39%

* 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



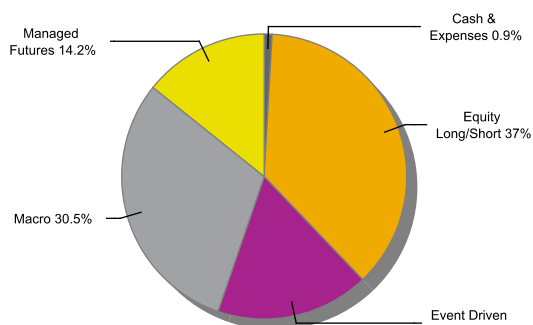
Past performance is not a reliable indicator of future results.

Fund Commentary

Risk assets bounced at the beginning of October, primarily driven by supportive data coming from the US, but quickly consolidated their gains in the second week of the month as concerns surrounding the outlook for global growth and questions about when Spain may request aid weighed on investor sentiment. This 'see-saw' pattern repeated itself in the second half of October with equity markets initially regaining their poise and trading higher as a result of more positive economic data, before trading back down as some notable earnings announcements in the US disappointed. Towards month-end investors adopted a wait-and-see attitude, waiting for the uncertainty of the results of the US election and the Chinese leadership transition to be lifted. The Chinese Flash PMI rose for the second consecutive month, indicating that the economy seemed to be stabilising, while the housing market data in the US continued to point to a developing recovery. The MSCI World Index (hedged in USD) closed the month down -0.55% and the S&P 500 Index declined -1.98%. The 10 year US Treasury yield increased +1.91%, while in commodities Gold made a new year high but finished the month down -2.90%.

Against this backdrop, the Fund was up over the month. All underlying strategies contributed positively to performance apart from Managed Futures. Within Macro, our currency focused manager contributed positively with strong gains from US Dollar versus Japanese Yen and Chinese Renminbi positions. Offsetting some of these gains were losses in Brazilian rates positions and US and European equity exposures. In Equity Long/Short performance was mixed; losses were incurred in fundamental value shorts, while broad based losses in both the long and short books were offset by strong gains in Asian equities. In particular, exposures to a Chinese real estate company, a Taiwanese food and beverages company and a Chinese automobile corporation contributed positively. Within Event Driven, performance was modestly positive as gains made in a European telecommunications company and commercial and agricultural vehicle manufacturers were partially offset by portfolio hedges. Finally in Managed Futures, trend following and longer term systems were the primary drivers of negative performance. From an asset class perspective, equity was the only positive contributor while agricultural, metals and currencies all detracted.

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 105.26m

Founder Class	Month to date:	0.04%
	Year to date:	-2.37%
	NAV:	96.03

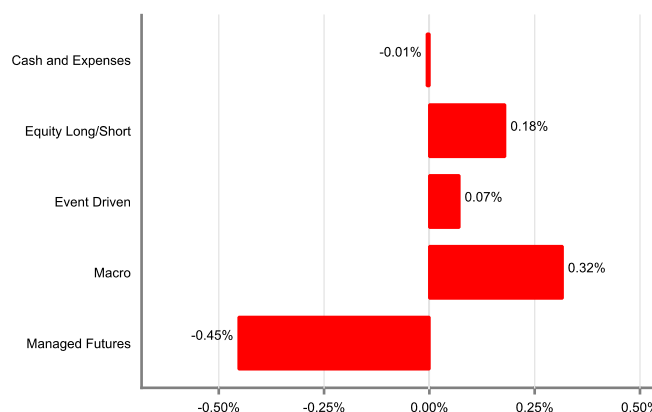
Fund Details

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

Top 10 Holdings *

OVS Capital Fund	17.39%
Solaise Systematic Fund Limited	14.25%
Carrhae Capital Fund Ltd	12.48%
DSAM Long Short Equity Fund	11.87%
Dymon Asia Currency Value	10.45%
Eaglevale Partners Offshore Fund	10.05%
Avantium Liquid EM Macro	9.99%
Zeal China	8.56%
Harbor Bridge Emerging Markets	4.06%
Cash and Expenses	0.89%

Strategy Contribution



HSBC Next Generation Fund

Founder Class

31 October 2012

Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012	1.05%	1.28%	-1.24%	-0.38%	-1.49%	-0.83%	0.68%	-1.05%	-0.40%	0.04%			-2.37%
2011										0.15%	-1.14%	-0.66%	-1.64%

Share Class: Founder Class

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Creation Date: 20 Nov 2012
Report Instance: 893765

HSBC Next Generation Fund

US Dollar Class

31 October 2012

Fund Performance and Analysis

	HSBC Next Generation Fund - US Dollar Class	MSCI Hedged World USD Index	HFRI Fund of Funds Composite Index
MTD Return	-0.05%	-0.55%	-0.35%
YTD Return	-4.13%	5.33%	1.25%
12 Month Return	n/a	n/a	n/a
Actual Return	-4.13%	5.33%	1.25%
Annualised Return	n/a	n/a	n/a
Annualised Volatility	n/a	n/a	n/a
Sharpe Ratio (Annualised)*	n/a	n/a	n/a
Maximum Drawdown	-5.27%	-8.67%	-2.31%
% Positive Months	22.22%	66.67%	55.56%
Correlation	1.00	0.47	0.67
VaR(95%)	-1.48%	-5.89%	-1.57%
VaR(99%)	-2.14%	-8.21%	-2.14%

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

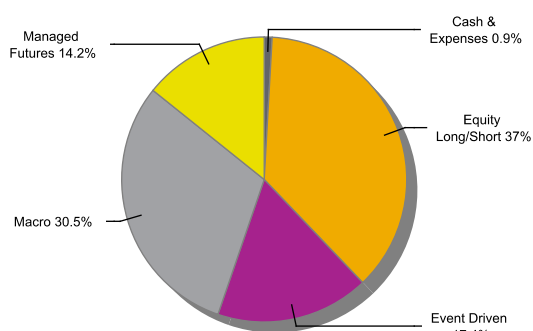
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Fund Commentary

Risk assets bounced at the beginning of October, primarily driven by supportive data coming from the US, but quickly consolidated their gains in the second week of the month as concerns surrounding the outlook for global growth and questions about when Spain may request aid weighed on investor sentiment. This 'see-saw' pattern repeated itself in the second half of October with equity markets initially regaining their poise and trading higher as a result of more positive economic data, before trading back down as some notable earnings announcements in the US disappointed. Towards month-end investors adopted a wait-and-see attitude, waiting for the uncertainty of the results of the US election and the Chinese leadership transition to be lifted. The Chinese Flash PMI rose for the second consecutive month, indicating that the economy seemed to be stabilising, while the housing market data in the US continued to point to a developing recovery. The MSCI World Index (hedged in USD) closed the month down -0.55% and the S&P 500 Index declined -1.98%. The 10 year US Treasury yield increased +1.91%, while in commodities Gold made a new year high but finished the month down -2.90%.

Against this backdrop, the Fund was up over the month. All underlying strategies contributed positively to performance apart from Managed Futures. Within Macro, our currency focused manager contributed positively with strong gains from US Dollar versus Japanese Yen and Chinese Renminbi positions. Offsetting some of these gains were losses in Brazilian rates positions and US and European equity exposures. In Equity Long/Short performance was mixed; losses were incurred in fundamental value shorts, while broad based losses in both the long and short books were offset by strong gains in Asian equities. In particular, exposures to a Chinese real estate company, a Taiwanese food and beverages company and a Chinese automobile corporation contributed positively. Within Event Driven, performance was modestly positive as gains made in a European telecommunications company and commercial and agricultural vehicle manufacturers were partially offset by portfolio hedges. Finally in Managed Futures, trend following and longer term systems were the primary drivers of negative performance. From an asset class perspective, equity was the only positive contributor while agricultural, metals and currencies all detracted.

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 105.26m

US Dollar Class	Month to date:	-0.05%
	Year to date:	-4.13%
	NAV:	95.87

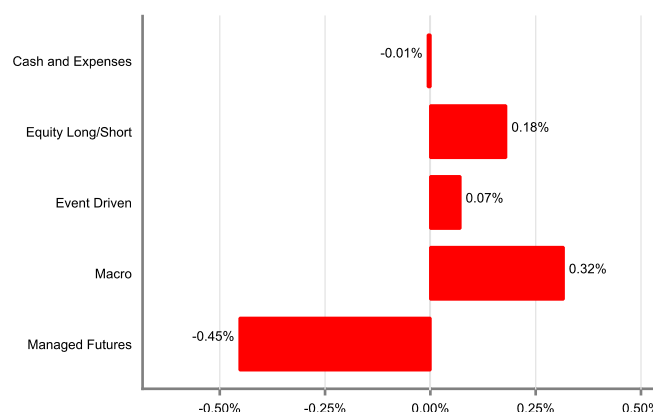
Fund Details

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

Top 10 Holdings *

OVS Capital Fund	17.39%
Solaise Systematic Fund Limited	14.25%
Carrhae Capital Fund Ltd	12.48%
DSAM Long Short Equity Fund	11.87%
Dymon Asia Currency Value	10.45%
Eaglevale Partners Offshore Fund	10.05%
Avantium Liquid EM Macro	9.99%
Zeal China	8.56%
Harbor Bridge Emerging Markets	4.06%
Cash and Expenses	0.89%

Strategy Contribution



HSBC Next Generation Fund

US Dollar Class

31 October 2012

Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012		1.20%	-1.33%	-0.47%	-1.58%	-0.91%	0.60%	-1.14%	-0.49%	-0.05%			-4.13%

Share Class: US Dollar Class

Past performance is not a reliable indicator of future results.

Disclaimer

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Report Instance	893763

HSBC Next Generation Fund

Euro Class - Hedged

31 October 2012

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	-0.13%	-0.57%	-0.36%
YTD Return	-4.61%	4.43%	1.34%
12 Month Return	n/a	n/a	n/a
Actual Return	-4.61%	4.43%	1.34%
Annualised Return	n/a	n/a	n/a
Annualised Volatility	n/a	n/a	n/a
Sharpe Ratio (Annualised)*	n/a	n/a	n/a
Maximum Drawdown	-5.64%	-9.21%	-2.27%
% Positive Months	22.22%	66.67%	55.56%
Correlation	1.00	0.51	0.69
VaR(95%)	-1.51%	-5.83%	-1.59%
VaR(99%)	-2.19%	-8.25%	-2.26%

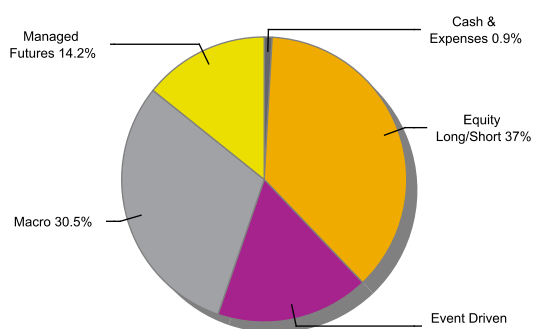
* The risk free rate used to calculate the sharpe ratio is the annualised return of EUR 3M LIBOR Index over the period.
All fund performance quoted above is since inception unless otherwise stated.

Fund Commentary

Risk assets bounced at the beginning of October, primarily driven by supportive data coming from the US, but quickly consolidated their gains in the second week of the month as concerns surrounding the outlook for global growth and questions about when Spain may request aid weighed on investor sentiment. This 'see-saw' pattern repeated itself in the second half of October with equity markets initially regaining their poise and trading higher as a result of more positive economic data, before trading back down as some notable earnings announcements in the US disappointed. Towards month-end investors adopted a wait-and-see attitude, waiting for the uncertainty of the results of the US election and the Chinese leadership transition to be lifted. The Chinese Flash PMI rose for the second consecutive month, indicating that the economy seemed to be stabilising, while the housing market data in the US continued to point to a developing recovery. The MSCI World Index (hedged in USD) closed the month down -0.55% and the S&P 500 Index declined -1.98%. The 10 year US Treasury yield increased +1.91%, while in commodities Gold made a new year high but finished the month down -2.90%.

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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 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 105.26m

Euro Class - Hedged	Month to date:	-0.13%
	Year to date:	-4.61%
	NAV:	95.39

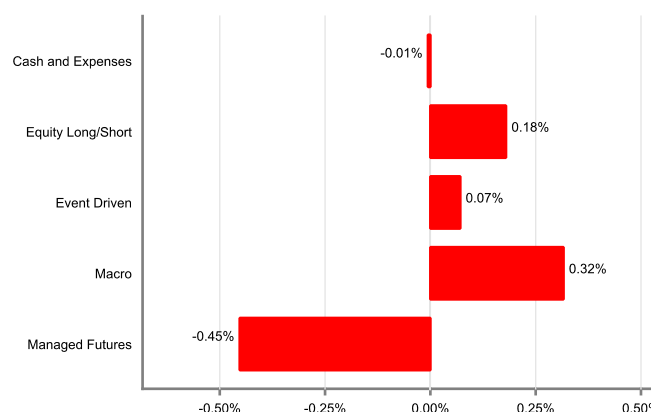
Fund Details

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

Top 10 Holdings *

OVS Capital Fund	17.39%
Solaise Systematic Fund Limited	14.25%
Carrhae Capital Fund Ltd	12.48%
DSAM Long Short Equity Fund	11.87%
Dymon Asia Currency Value	10.45%
Eaglevale Partners Offshore Fund	10.05%
Avantium Liquid EM Macro	9.99%
Zeal China	8.56%
Harbor Bridge Emerging Markets	4.06%
Cash and Expenses	0.89%

Strategy Contribution



HSBC Next Generation Fund

Euro Class - Hedged

31 October 2012

Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012		1.09%	-1.33%	-0.51%	-1.72%	-0.93%	0.55%	-1.19%	-0.50%	-0.13%			-4.61%

Share Class: Euro Class - Hedged

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Creation Date	20 Nov 2012
Report Instance	893749

HSBC Next Generation Fund

Institutional Class (US Dollar)

31 October 2012

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	-0.06%	-0.55%	-0.35%
YTD Return	-4.05%	5.33%	1.25%
12 Month Return	n/a	n/a	n/a
Actual Return	-4.05%	5.33%	1.25%
Annualised Return	n/a	n/a	n/a
Annualised Volatility	n/a	n/a	n/a
Sharpe Ratio (Annualised)*	n/a	n/a	n/a
Maximum Drawdown	-5.21%	-8.67%	-2.31%
% Positive Months	22.22%	66.67%	55.56%
Correlation	1.00	0.47	0.67
VaR(95%)	-1.49%	-5.72%	-1.59%
VaR(99%)	-2.09%	-8.16%	-2.24%

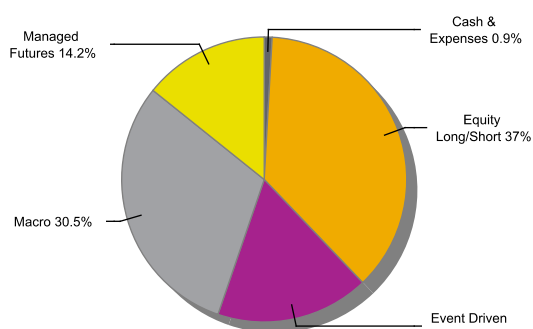
* The risk free rate used to calculate the sharpe ratio is the annualised return of USD 3M LIBOR Index over the period.
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Fund Commentary

Risk assets bounced at the beginning of October, primarily driven by supportive data coming from the US, but quickly consolidated their gains in the second week of the month as concerns surrounding the outlook for global growth and questions about when Spain may request aid weighed on investor sentiment. This 'see-saw' pattern repeated itself in the second half of October with equity markets initially regaining their poise and trading higher as a result of more positive economic data, before trading back down as some notable earnings announcements in the US disappointed. Towards month-end investors adopted a wait-and-see attitude, waiting for the uncertainty of the results of the US election and the Chinese leadership transition to be lifted. The Chinese Flash PMI rose for the second consecutive month, indicating that the economy seemed to be stabilising, while the housing market data in the US continued to point to a developing recovery. The MSCI World Index (hedged in USD) closed the month down -0.55% and the S&P 500 Index declined -1.98%. The 10 year US Treasury yield increased +1.91%, while in commodities Gold made a new year high but finished the month down -2.90%.

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Portfolio Size: USD 105.26m

Institutional Class (US Dollar)	Month to date:	-0.06%
	Year to date:	-4.05%
	NAV:	95.95

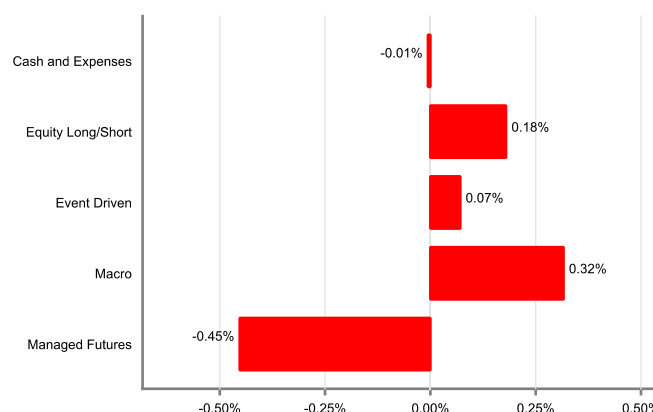
Fund Details

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Inception Date	31 January 2012
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Redemption	Monthly, subject to 65 calendar days notice.
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Performance Fee	10 % of any return exceeding the benchmark
Hurdle	USD 3M LIBOR + 8% Index
Reuters Page	
Bloomberg	HSNGIUS GU
ISIN Number	GG00B66GC290

Top 10 Holdings *

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Solaise Systematic Fund Limited	14.25%
Carrhae Capital Fund Ltd	12.48%
DSAM Long Short Equity Fund	11.87%
Dymon Asia Currency Value	10.45%
Eaglevale Partners Offshore Fund	10.05%
Avantium Liquid EM Macro	9.99%
Zeal China	8.56%
Harbor Bridge Emerging Markets	4.06%
Cash and Expenses	0.89%

Strategy Contribution



HSBC Next Generation Fund

Institutional Class (US Dollar)

31 October 2012

Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012		1.22%	-1.30%	-0.45%	-1.56%	-0.89%	0.59%	-1.15%	-0.49%	-0.06%			-4.05%

Share Class: Institutional Class (US Dollar)

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Creation Date	20 Nov 2012
Report Instance	893769

HSBC Alternative Focused Fund

ADM US Dollar Class

31 October 2012

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	-0.54%	-0.55%	-0.35%	-0.67%
YTD Return	-0.54%	-0.55%	-0.35%	-0.67%
12 Month Return	n/a	n/a	n/a	n/a
Actual Return	-0.54%	-0.55%	-0.35%	-0.67%
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	-0.54%	-0.55%	-0.35%	-0.67%
% Positive Months	0.00%	0.00%	0.00%	0.00%
Correlation	NaN	NaN	NaN	NaN
VaR(95%)	NaN	NaN	NaN	NaN
VaR(99%)	NaN	NaN	NaN	NaN

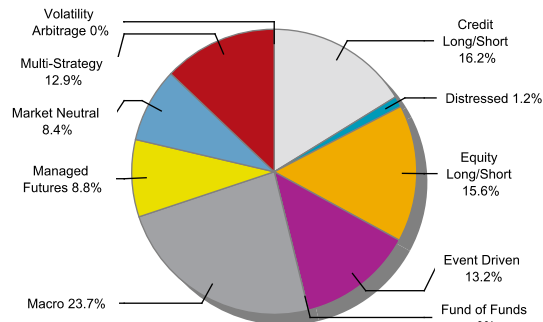
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Against this backdrop the Fund was down slightly over the month. However, the largest holdings in the portfolio, where we are in the process of concentrating our exposures, contributed positively, with four out of the top five positions up for the month. At a strategy level, the main detractor was Managed Futures. Trend followers, in particular, struggled as a large number of positions suffered from trend reversals over the month. Equity Long/Short and Market Neutral were also down marginally, with mixed performance from the underlying managers. Credit Long/Short was the largest positive contributor, with our core corporate and structured credit specialists both generating positive returns. Within Event Driven, a range of equity special situations contributed positively, in addition to several credit and distressed situations. Within Macro, performance was mixed, as some managers suffered losses in commodities and currencies, whilst others generated strong performance from Emerging Market credit and rates positions.

Strategy Allocation *



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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 38.15m

ADM US Dollar Class	Month to date:	-0.54%
	Year to date:	-0.54%
	NAV:	99.46

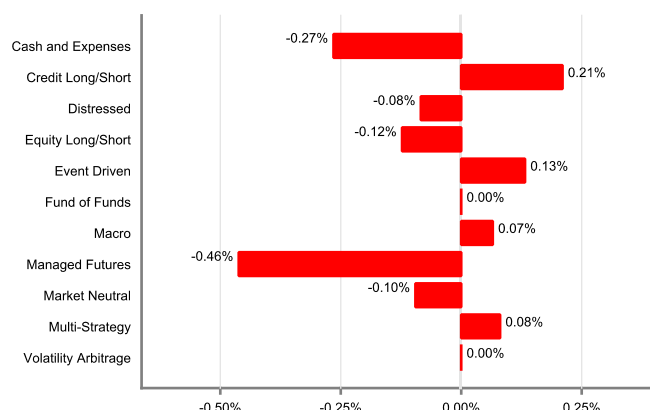
Fund Details

Investment Adviser	HSBC Alternative Investments Limited
Base Currency	USD
Inception Date	30 September 2012
Subscription	Monthly, with 5 Business Day(s) notice
Redemption	Quarterly redemptions, subject to 95 days notice.
Minimum	USD 2,500,000
Management Fee	1 % per annum
ISIN Number	GG00B8FJBV52

Top 10 Holdings *

BTG Pactual Global Emerging Markets and Macro Fund	7.55%
CQS ABS Feeder Fund Ltd	5.58%
Lansdowne Developed Markets Fund Limited	5.47%
S.A.C. Capital International, Ltd.	5.35%
Tudor BVI Global Fund Ltd.	5.08%
Third Point Offshore Fund, Ltd.	4.79%
Brevan Howard Fund Limited	4.61%
Davidson Kempner International, Ltd.	4.30%
Clive Fund Limited (The)	4.10%
CQS Diversified	3.84%
Top 10 Holdings	= 50.66% of portfolio
Top 20 Holdings	= 78.59% of portfolio

Strategy Contribution



HSBC Alternative Focused Fund

ADM US Dollar Class

31 October 2012

Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012										-0.54%			-0.54%

Share Class: ADM US Dollar Class

Past performance is not a reliable indicator of future results.

Disclaimer

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