

HSBC GIF US DOLLAR CORE PLUS BOND

February 2010

www.assetmanagement.hsbc.com

Fund Highlights

- ▶ **An active fundamental bond fund which employs a disciplined top-down/bottom-up approach**
- ▶ **The manager seeks to take advantage of all sectors of the bond market and maintains a high average credit quality within the portfolio of at least AA.**
- ▶ **The experienced team is supported by local fixed income resources based in various countries around the world**

Investment Aim

The sub-fund invests primarily for total return in a diversified portfolio of Investment Grade rated fixed income (e.g. bonds) and other similar securities from around the world, denominated in US dollars. The sub-fund will seek to invest primarily in securities issued in developed markets such as the OECD countries.

Please refer to the Prospectus for the full Investment Objective of this fund.

Fund Statistics (29/01/2010)

Fund size in millions (USD)	82.82
Portfolio Turnover *	4.72
Volatility **	4.33
Tracking Error **	3.28
Information Ratio **	-0.97

Volatility measures the relative rate at which the price of a security moves up and down.

Tracking error measures the volatility of the difference between a portfolio's performance and the benchmark.

Information ratio represents the value added of the manager (excess return) divided by the tracking error

Fund Manager - Azim Meghji

Senior Fund Manager

Azim Meghji is a fund manager in the London fixed income team and has been working in the industry since 2000. Prior to joining the firm in 2001, Azim worked for Deutsche Bank in the structured credit team. He holds a degree in Economics, the IMC and SFA qualifications and is a CFA charterholder.



* Source: HSBC, calculation uses the lesser of sales and purchases over the past year.

** Source: HSBC, based on monthly returns over the past three years where available.

Performance in USD (% Change) *

Rolling time period	31/12/2008 - 31/12/2009	31/12/2007 - 31/12/2008	31/12/2006 - 31/12/2007	31/12/2005 - 31/12/2006	31/12/2004 - 31/12/2005
HSBC GIF US DOLLAR CORE PLUS BOND	9.8	-4.9	4.4	4.0	3.0

Rolling time period	1 month	3 months	6 months	1 year	3 years	5 years	2010	2009	2008	2007
Fund	1.1	1.3	5.1	10.0	10.4	16.5	1.1	9.8	-4.9	4.4
Morningstar mean	1.0	1.0	4.4	10.0	16.1	20.5	1.0	7.7	0.9	5.4
Benchmark	1.5	1.2	3.9	8.5	21.1	28.2	1.5	5.9	5.2	7.0
Fund rank	82/144	58/144	51/143	65/137	100/127	82/107	82/144	56/138	112/150	115/156
Quartile rank	3	2	2	2	4	4	3	2	3	4

*** The above performance figures refer to the past and are not a reliable indicator of future returns. The value of investments and any income from them, can go down as well as up. The above performance figures are calculated in USD, and changes in the rate of currency exchange may affect the value of your investment.**

Source: Morningstar, bid to bid, gross income reinvested. Performance information is up to 29/01/2010. Morningstar Sector used Offshore and International Funds, FI USD. Benchmark source: Datastream. Please note quartile rank is a term widely used in financial services to denote performance of a fund within its sector. For example a ranking of 1 denotes a Fund in the top 25% of its peer group sector, with a ranking of 4 denoting a fund in the bottom 25% of its peer group sector. Total return, sector median performance and ranks - Data Source - © Copyright 2010 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

Fund details

- ▶ **Annual charge** 0.50%
- ▶ **Maximum initial charge** 5.54%
- ▶ **Dealing** daily by 10:00am (CET)
- ▶ **Valuation** daily at 11:00am (CET)
- ▶ **Minimum initial investment** (USD) 50,000 *
- ▶ **Financial year end** 31st March
- ▶ **Benchmark** Barclays Capital U.S. Aggregate Bond Index
- ▶ **Management Company** HSBC Investment Funds (Luxembourg) S.A.
- ▶ **Investment Advisor** Halbis Capital Management (UK) Limited
- ▶ **Dividends** annual (July)
- ▶ **Regular savings scheme** not available
- ▶ **Start date** 24/02/1987 ^
- ▶ **Launch price** (in USD) 10
- ▶ **ISIN code** LU0011820056
- ▶ **Total number of holdings** 109

* or equivalent. ^ Prior to 25/11/02 the fund was called US Dollar Bond. From the inception of the fund to 02/11/08, the benchmark of the fund was Lehman US Agg. From 03/11/08 onwards the benchmark has changed to the Barclays Capital U.S. Aggregate Index.

Top 10 holdings (29/01/2010)

Stock	Weight	Currency
1 US Treasury Notes 2.375% 31/10/1	6.23%	USD
2 Federal Home Loan Mort Corp 0%	4.76%	USD
3 Federal National Mortgage Assoc	4.54%	USD
4 Federal National Mortgage Assoc	4.04%	USD
5 Network Rail Infrastructure Fina	2.77%	USD
6 Federal National Mortgage Assoc	2.70%	USD
7 Bayerische Hypo Vereinsbank (G)	2.42%	USD
8 Western Australian Treasury Corp	2.41%	USD
9 Rabobank Nederland Aust 0%	2.41%	USD
10 Portugal (Republic of) (G) 0% 22	2.41%	USD
	34.70%	

Portfolio composition (29/01/2010)

Maturity	Fund
Long Dated Bonds	50.20%
Short Dated Bonds	46.33%
Medium Dated Bonds	19.06%
Money Market	13.40%
Floating Rate Notes	10.56%
Cash	-39.56%
	100.00%

Short Dated Bonds < 5 years
Medium Dated Bonds 5-15 years
Long Dated Bonds >=15 years

Contact

Further information about HSBC Global Asset Management, details of our individual funds performance and prices can be found at **www.assetmanagement.hsbc.com**

GIF helpdesk +44 (0) 207 992 4172 or email us at **gifadviser.services@hsbc.com**

Alternatively, contact your local sales and client services representatives.

To place a deal, please contact:

Luxembourg RBC Dexia Investors Services Bank S.A. Tel: +352 2605 9553 Fax: +352 2460 9500

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