



HSBC Global Investment Funds

Freedom

Prospectus April 2007
Application terms and conditions
and
Nominee service agreement

HSBC 

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HSBC Global Investment Funds

Important Information

HSBC GLOBAL INVESTMENT FUNDS is an investment company (*Société d'Investissement à Capital Variable*) incorporated in the Grand Duchy of Luxembourg and qualifies as an Undertaking for Collective Investment in Transferable Securities (UCITS) complying with the provisions of Part I of the law of 20 December 2002 on undertakings for collective investment (as amended) (the "2002 Law").

No dealer, salesman or any other person has been authorised to give any information or to make any representations, other than those contained in this Prospectus and in the documents referred to herein, in connection with the offer hereby made, and, if given or made, such information or representations must not be relied upon as having been authorised by the Company.

The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

The Company is a recognised collective investment scheme in the United Kingdom under the Financial Services and Markets Act 2000 (the "Act").

The Shares have not been and will not be offered for sale or sold in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to United States persons, except in a transaction which does not violate the securities laws of the United States of America. The Articles of Incorporation permit certain restrictions on the sale and transfer of Shares to restricted persons and the Board of Directors has decided that United States persons shall be restricted persons and are defined as follows:

The term "United States Person" or "US Person" shall mean a citizen or resident of the United States of America, a partnership organised or existing under the laws of any state, territory or possession of the United States of America, or a corporation organised under the laws of the United States of America or of any state, territory or possession thereof, or any estate or trust, other than an estate or trust the income of which from sources outside the United States of America is not includable in gross income for purpose of computing United States income tax payable by it. If a Shareholder subsequently becomes a "United States Person" and such fact comes to the attention of the Company, Shares owned by that person may be compulsorily repurchased by the Company.

The distribution of this Prospectus and the offering of the Shares may be restricted in certain jurisdictions. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions. Prospective applicants for Shares should inform themselves as to legal requirements so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

The simplified prospectuses of the sub-funds, the latest Annual Report of the Company and any subsequent Semi-Annual

Report are available at the registered office of the Company and will be sent to investors upon request. Such reports shall be deemed to form part of this Prospectus.

Statements made in this Prospectus are, except where otherwise stated, based on the law and practice currently in force in Luxembourg and are subject to changes therein.

If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

It should be remembered that the price of Shares and the income from them can go down as well as up and that investors may not receive, on redemption of their Shares, the amount that they invested.

The Board of Directors of the Company has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts, the omission of which would make misleading any statement herein whether of fact or opinion. All the members of the Board of Directors accept responsibility accordingly.

Hong Kong: The Company and a number of its sub-funds have been authorised by the Securities and Futures Commission ("SFC") in Hong Kong. However, it must be distinctly understood that in giving their consent the SFC does not take any responsibility either for the financial soundness of any schemes or for the correctness of any statements made or opinions expressed with regard to them. Investors in Hong Kong should read a separate Explanatory Memorandum of the Company obtainable from the Hong Kong Representative at HSBC Main Building, 1 Queen's Road Central, Hong Kong.

It is intended to list the Company's Shares on the Luxembourg Stock Exchange, as detailed in Section 1.3 of this Prospectus.

Shareholders are informed that their personal data or information given in the application form, as well as details of their shareholding, will be stored in digital form and processed in compliance with the provisions of the Luxembourg law of 2 August 2002 on data protection. The shareholder accepts that the Management Company, being responsible for the processing of personal data, has authorised HSBC Group as promoter and any distributor that is also a member of HSBC Group to have access to data concerning him/her for the purpose of shareholder service and the promotion of products relating to the Company or any other products of HSBC Group and thus process them in accordance with the provisions of the law of 2 August 2002. By subscribing or purchasing Shares, shareholders also accept that their telephone conversations with the Management Company, any company of the HSBC Group or the Transfer Agent, may be recorded and thus processed within the meaning of the law of 2 August 2002. Investors are also advised that their personal data will be held in the register of shareholders maintained by Transfer Agent while the contract by which the Management Company appoints its Registrar and Transfer Agent remains in force. The latter will thus process the personal data relating to investors as the processor acting on behalf of the Management Company with responsibility for the processing of personal data. In accordance with the provisions of the law of 2 August 2002, investors are entitled to request information about their personal data at any time as well as to correct it.

Section 1 Sub-Fund Information

The Company offers investors, within the same investment vehicle, a choice of investments in one or more sub-funds (each a "sub-fund"), in respect of which a separate portfolio of investments is held, which are distinguished among others by their specific investment policy and objective and/or by the currency of denomination (a "Base Currency"). Within each sub-fund, Shares may be offered in different Classes which are distinguished by specific features, as more fully described in Section 1.4.

The assets of a sub-fund are exclusively available to satisfy the rights of Shareholders in relation to that sub-fund and the rights of creditors whose claims have arisen in connection with the creation, operation or liquidation of that sub-fund.

In this prospectus and in the reports, the short names of the sub-funds are used. They should be read with HSBC Global Investment Funds preceding them.

1.1. Investment Objectives and Policies

General

The Company seeks to provide a comprehensive range of sub-funds with the purpose of spreading investment risk and satisfying the requirements of investors seeking income, capital conservation and growth.

In carrying out the investment objectives of the Company, the Board of Directors at all times seeks to maintain an appropriate level of liquidity in the assets of the sub-funds so that redemptions of Shares under normal circumstances may be made without undue delay upon request by the Shareholders.

Whilst using their best endeavours to attain the investment objectives, the Board of Directors cannot guarantee the extent to which these objectives will be achieved. The value of the Shares and the income from them can fall as well as rise and investors may not realise the value of their initial investment. Changes in the rates of exchange between currencies may also cause the value of the Shares to diminish or to increase.

The Board of Directors may from time to time, by amendment of this Prospectus, establish further sub-funds which may have different investment objectives and policies to those listed below, subject however to these conforming to the UCITS status of the Company.

Investors should read this Section in conjunction with Section 1.6 "Risk Factors".

(1) Reserve Sub-Funds

The Reserve sub-funds aim to provide security of capital by investing in transferable securities, money market instruments with a short remaining maturity, financial derivative instruments and in other permitted assets. The Reserve sub-funds may also hold ancillary liquid assets.

Certain Reserve sub-funds, as defined in their specific investment objectives, may use/invest in financial derivative instruments subject to the restrictions defined in Appendix 4 "Restrictions on the use of financial derivative instruments".

Sub-Fund Name	Investment Objectives	Base Currency*
Euro Reserve	The Euro Reserve sub-fund comprises a selection of Investment Grade rated Euro denominated transferable debt securities, money market instruments and other permitted assets, such as securities issued by or guaranteed by the governments of participating Euro countries, their agencies or instrumentalities, and ancillary liquid assets. The portfolio will only invest in investments which have a maximum remaining maturity of 365 days. The average maturity of the portfolio will not exceed 90 days. Variable and Floating Rate Notes will be deemed to mature on the next coupon fixing date. The sub-fund may also invest in financial derivative instruments such as futures, options, swaps and forward currency contracts and in other currency derivatives. The sub-fund intends to use such financial derivative instruments for, inter alia, the purposes of managing credit risks and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives. The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments held in the sub-fund will be calculated using a Value-at-Risk approach.	EUR
US Dollar Reserve	The US Dollar Reserve sub-fund comprises a selection of Investment Grade rated US Dollar denominated transferable debt securities, money market instruments and other permitted assets, such as securities issued by or guaranteed by the Government of the United States of America and its agencies or instrumentalities, and ancillary liquid assets. The portfolio will only invest in investments which have a maximum remaining maturity of 365 days. The average maturity of the portfolio will not exceed 90 days. Variable and Floating Rate Notes will be deemed to mature on the next coupon fixing date.	USD

* Please note that Shares in Classes of sub-funds may also be available in other Dealing Currencies. Please refer to Section 1.4 for further details.

(2) Bond Sub-Funds

The Bond sub-funds aim to provide income whilst maintaining a prudent policy of capital conservation. The Company's view of interest rate trends will be reflected in the type and the maturity dates of securities in which the sub-funds are invested.

Overall returns will be achieved through both capital appreciation and income, which may result in lower income yields than might otherwise normally be obtainable from the relevant securities markets.

Each of the Bond sub-funds aims to provide investors with actively managed portfolios of interest bearing transferable securities. Such securities are generally denominated in the respective currency of

the sub-fund and include those traded both domestically and internationally. The portfolios may also include ancillary liquid assets and from time to time other permitted assets with a short remaining maturity, especially in times of rising interest rates.

As a matter of principle, at least two thirds of the total non-cash assets of each of the Bond sub-funds, will be invested in accordance with the sub-fund's name. In the aggregate of up to one third of the total non-cash assets, the Bond sub-funds may consider other investments, including equities and convertibles.

Certain Bond sub-funds, as defined in their specific investment objectives may use/invest in financial derivative instruments subject to the restrictions defined under Appendix 4 "Restrictions on the use of financial derivatives instruments".

Sub-Fund Name	Investment Objectives	Base Currency*
Asian Bond	The sub-fund invests for total return in a diversified portfolio of Investment and Non-Investment Grade rated fixed income (e.g. bonds) and other similar securities. The sub-fund will seek to invest at least two thirds of the total non-cash assets in securities whose issuers either have their registered office in or carry out a predominant part of their business activities in the Asian markets, mainly denominated in USD but including currencies of Asian and OECD countries. At least 60% of the sub-fund's assets will be invested in securities denominated in currencies other than the Korean Won.	USD
Asian Currencies Bond	The sub-fund invests for total return in a diversified portfolio of Investment and Non-Investment Grade rated fixed income (e.g. bonds) securities. The sub-fund will seek to invest at least two thirds of its total non-cash assets in securities issued in the Asian markets and denominated in Asian currencies. On an ancillary basis the sub-fund may consider investments in securities denominated in USD and those of other OECD countries. At least 60% of the sub-fund's assets will be invested in securities denominated in currencies other than the Korean Won.	USD
Brazil Bond	The sub-fund invests at least two thirds of its total non-cash assets for total return through a diversified portfolio of Non-Investment and Investment Grade rated fixed income (e.g. bonds) and other similar securities. Such securities will be primarily denominated in local currency, which is Real. Up to 35% of the sub-funds assets may be invested in securities issued by the Brazilian Government. On an ancillary basis, the sub-fund may consider investments in securities denominated in USD. The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to the use of financial derivative instruments will be calculated using a Value-at-Risk approach.	USD

Sub-Fund Name	Investment Objectives	Base Currency*
Euro Core Bond	The sub-fund invests at least two thirds of its total non-cash assets 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 Euro. The sub-fund will seek to invest primarily in securities issued in developed markets such as OECD countries. The sub-fund may also invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and total return swaps) and forward currency contracts and in other currency and credit derivatives. These financial derivative instruments may be denominated in currencies other than EUR although the net currency exposure will be very close to 100% in EUR at all times. The sub-fund intends to use such financial derivative instruments for, inter alia, the purposes of managing interest and credit risks and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives. The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.	EUR
Euro Core Credit Bond	The sub-fund invests at least two-thirds of its total non-cash assets for total return in a diversified portfolio of Investment Grade rated fixed income (e.g. bonds) and other similar securities, denominated in Euro. The sub-fund will seek to invest primarily in Euro denominated Investment Grade corporate issues whilst reserving the possibility of investing in securities issued or guaranteed by governments, government agencies and supranational bodies. The sub-fund may also invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and total return swaps) and forward currency contracts and in other currency and credit derivatives. The sub-fund intends to use such financial derivative instruments for, inter alia, the purposes of managing interest and credit risks and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives. The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.	EUR

Sub-Fund Name	Investment Objectives	Base Currency*
Euro High Yield Bond ¹	The sub-fund invests at least two thirds of its total non-cash assets for total return in a diversified portfolio of Non-Investment Grade rated fixed income (e.g. bonds) and other similar securities (commonly termed high yield) denominated in Euro. The sub-fund may also invest in fixed income securities in other European currencies, including Sterling. The sub-fund may also invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and total return swaps) and forward currency contracts and in other currency and credit derivatives. The sub-fund intends to use such financial derivative instruments for, inter alia, the purposes of managing interest and credit risks and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives. The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.	EUR

¹ Until 21 May 2007, the investment objectives of the sub-fund are as follows:

"The sub-fund invests at least two thirds of its non-cash assets for total return in a diversified portfolio of Non-Investment Grade rated fixed income (e.g. bonds) and other similar securities (commonly termed high yield) denominated in Euro. The sub-fund may also invest in fixed income securities in other European currencies, including Sterling."

Sub-Fund Name	Investment Objectives	Base Currency*
Euro Strategic Credit Bond	The sub-fund invests at least two thirds of its total non-cash assets for total return in a diversified portfolio of OECD located corporate issued Investment and Non-Investment Grade rated fixed income (e.g. bonds) and other similar securities. The sub-fund will seek to invest at least two thirds of its non-cash assets in securities issued in Euro and hedge the other currencies into Euro.	EUR
European Government Bond	The sub-fund invests at least two thirds of its total non-cash assets for total return in a diversified portfolio of Investment Grade rated fixed income (e.g. bonds) and other similar securities, denominated in a range of European currencies, including Sterling, and issued or guaranteed by governments, government agencies and supranational bodies of developed European markets such as the European OECD countries, but also those of emerging European markets. The sub-fund may also invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and total return swaps), forward currency contracts and in other currency and credit derivatives. The	EUR

Sub-Fund Name	Investment Objectives	Base Currency*
	sub-fund intends to use such financial derivative instruments for, inter alia, the purposes of managing interest and credit risks and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives. The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.	
Global Core Plus Bond ²	The sub-fund invests at least two thirds of its total non-cash assets for total return through a diversified portfolio of Investment Grade rated fixed income (e.g. bonds) and other similar securities from around the world. The sub-fund will seek to invest primarily in securities issued in the developed markets and currencies of OECD countries. The sub-fund may also invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and total return swaps), forward currency contracts and in other currency and credit derivatives. The sub-fund intends to use such financial derivative instruments for, inter alia, the purposes of managing interest and credit risks and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives. The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.	USD

² Until 21 May 2007, the name of the sub-fund is "Global Investment Grade Bond" and the investment objectives of the sub-fund are as follows:

"The sub-fund invests at least two thirds of its non-cash assets for total return through a diversified portfolio of Investment Grade rated fixed income (e.g. bonds) and other similar securities from around the world. The sub-fund will seek to invest primarily in securities issued in the developed markets and currencies of OECD countries."

Sub-Fund Name	Investment Objectives	Base Currency*
Global Emerging Markets Bond ³	The sub-fund invests at least two thirds of its total non-cash assets for total return through a diversified portfolio of Investment Grade and Non-Investment Grade rated fixed income (e.g. bonds) and other similar securities either issued by companies which have their registered office in Emerging Markets around the world, primarily denominated in US dollars, or which are issued or guaranteed by governments, government agencies and supranational bodies of Emerging Markets. The sub-fund may also invest in financial	USD

Sub-Fund Name	Investment Objectives	Base Currency*
	derivative instruments such as futures, forwards (including non-deliverable forwards), swaps, options, credit default swaps, as well as other structured products. The sub-fund intends to use such financial derivative instruments for, inter alia, return enhancement, hedging, tax-advantage access to instruments and whenever the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives. The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.	

³ Until 21 May 2007, the investment objectives of the sub-fund are as follows:

"The sub-fund invests at least two thirds of its non-cash assets for total return through a diversified portfolio of Investment Grade and Non-Investment Grade rated fixed income (e.g. bonds) and other similar securities either issued by companies which have their registered office in Emerging Markets around the world, primarily denominated in US dollars, or which are issued or guaranteed by governments, government agencies and supranational bodies of Emerging Markets."

Sub-Fund Name	Investment Objectives	Base Currency*
Global Emerging Markets Local Debt Fund	The sub-fund invests at least two thirds of its total non-cash assets for total return through a diversified portfolio of Investment Grade and Non-Investment Grade rated fixed income (e.g. bonds) and other similar securities. These securities are issued or guaranteed by governments or government agencies or supranational bodies of Emerging Markets or companies which have their registered office in Emerging Markets. Such securities will be primarily denominated in local currency. On an ancillary basis, the sub-fund may consider investments in securities denominated in USD and those of other OECD countries. The sub-fund may also invest in financial derivative instruments such as futures, forwards (including non-deliverable forwards), swaps, options, credit default swaps, as well as other structured products. The sub-fund intends to use such financial derivative instruments for, inter alia, return enhancement, hedging, tax-advantage access to instruments and whenever the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives. The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.	USD
Global High Yield Bond	The sub-fund invests at least two thirds of its total non-cash assets for total return in a diversified portfolio of Non-Investment Grade rated fixed income (e.g. bonds) and other similar securities from around the world (commonly termed high yield) denominated in a range of currencies.	USD

Sub-Fund Name	Investment Objectives	Base Currency*
US Dollar Core Plus Bond ⁴	The sub-fund invests at least two thirds of its total non-cash assets 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. The sub-fund may also invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and total return swaps), forward currency contracts and in other currency and credit derivatives. The sub-fund intends to use such financial derivative instruments for, inter alia, for the purposes of managing interest and credit risks and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives. The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.	USD

⁴ Until 21 May 2007, the name of the sub-fund is "US Dollar Investment Grade Bond" and the investment objectives of the sub-fund are as follows:

"The sub-fund invests at least two thirds of its non-cash assets 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."

Sub-Fund Name	Investment Objectives	Base Currency*
US Dollar High Yield Bond ⁵	The sub-fund invests at least two thirds of its total non-cash assets for high current income together with longer term capital growth primarily in a diversified portfolio of Non-Investment Grade rated fixed income (e.g. bonds) and other similar securities from around the world (commonly termed high yield) denominated in US dollars. The sub-fund may also invest in financial derivative instruments such as credit default swaps (including, but not limited to, credit default swaps and total return swaps) and in other currency and credit derivatives. The sub-fund intends to use such financial derivative instruments for, inter alia, the purposes of managing credit risk and cash positioning, but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives. The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using an absolute Value-at-Risk approach.	USD

⁵ Until 21 May 2007, the investment objectives of the sub-fund are as follows:

"The sub-fund invests at least two thirds of its non-cash assets for high current income together with longer term capital growth primarily in a diversified portfolio of Non-Investment Grade rated fixed income (e.g. bonds) and other similar securities from around the world (commonly termed high yield) denominated in US dollars."

* Please note that Shares in Classes of sub-funds may also be available in other Dealing Currencies. Please refer to Section 1.4 for further details.

(3) Equity Sub-Funds

The Equity sub-funds aim to provide capital growth by investing at least two-thirds of the total non-cash assets of each sub-fund in the equity or equity equivalent securities issued by companies which have their registered office in the regions, countries or markets referred to in the sub-fund's name.

The Equity sub-funds may consider other investments in the aggregate, of up to one third of the total non-cash assets. However, investments in a combination of bonds, convertible bonds and options will be subject to a limit of 25% of net assets provided that under normal market conditions, no more than 15% of net assets will be invested in debt claims (as defined by the Savings Directive).

Certain Equity sub-funds, as defined in their specific investment objectives, may use/invest in financial derivative instruments subject to the restrictions defined in Appendix 4 "Restrictions on the use of financial derivative instruments".

a) International and Regional sub-funds

Sub-Fund Name	Investment Objectives	Base Currency*
Asia ex Japan Equity	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a well-diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any Asian country (excluding Japan), as well as companies which carry out a preponderant part of their economic activities in the Asian region (excluding Japan). As the sub-fund will seek to invest in companies throughout Asia (excluding Japan), these can be both companies with registered office in, and with an official listing in developed markets such as the Asian OECD countries and also those in emerging Asian countries. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest primarily in larger, established companies. At least 60% of the sub-fund's assets will be invested in securities denominated in currencies other than the Korean Won.	USD
Asia ex Japan Equity Smaller Companies	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a diversified portfolio of investments in equity and equity equivalent securities of smaller, less-established companies (being defined as those with a maximum market	USD

Sub-Fund Name	Investment Objectives	Base Currency*
	capitalisation of USD 2 billion at the time of purchase) which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any Asian country (excluding Japan) as well as companies which carry out a preponderant part of their economic activities in the Asian region (excluding Japan). As the sub-fund will seek to invest in companies throughout Asia (excluding Japan), these will be both companies with a registered office in and with an official listing in, developed markets such as the Asian OECD countries, and also those in emerging Asian countries.	
Asia Pacific ex Japan Equity High Dividend	The sub-fund seeks long-term capital growth and a high level of income by investing at least two thirds of its total non-cash assets in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in and with an official listing on a major stock exchange or other Regulated Market of any Asia Pacific country (excluding Japan) as well as companies which carry out a preponderant part of their economic activities in the Asia Pacific region (excluding Japan), that offer short-term sustainable dividend yields above the market average and/or the potential for dividend growth above the market average over the short-term. As the sub-fund will seek to invest in companies throughout the Asia Pacific region (excluding Japan), these can be both companies with a registered office in, and with an official listing in developed markets, and also those in emerging Asian countries. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest primarily in larger, established companies. At least 60% of the sub-fund's assets will be invested in securities denominated in currencies other than the Korean Won.	USD
BRIC Markets ¹	The sub-fund will invest at least two thirds of its total non-cash assets in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market in Brazil, Russia, India and China (including Hong Kong SAR) ("BRIC") as well as those companies with significant operations or carrying out a preponderant part of their business activities in these countries. The sub-fund will strategically allocate between the BRIC countries and the Investment Adviser may over or underallocate as considered appropriate. Within each BRIC country, the sub-fund will seek to track the total return performance of the MSCI US Dollar Brazil, MSCI US Dollar Russia, MSCI US Dollar India and MSCI US Dollar China indices. The indices will typically be dominated by large company stocks in terms of their aggregate weight in the relevant index. Within each country, the Investment Adviser will invest in either all of the stocks in the index or a representative sample. The sub-fund may	USD

Sub-Fund Name	Investment Objectives	Base Currency*
	acquire local currencies by means of back-to-back loans with highly rated credit institutions.	

¹ Until 21 May 2007, the investment objectives of the sub-fund are as follows:

"The sub-fund will invest at least two thirds of its non cash assets in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market in Brazil, Russia, India and China (including Hong Kong SAR) ("BRIC") as well as those companies with significant operations or carrying out a preponderant part of their business activities in these countries. The sub-fund will strategically allocate between the BRIC countries and the Investment Adviser may over or underallocate as considered appropriate. Within each BRIC country, the sub-fund will seek to track the total return performance of indices. The indices will typically be dominated by large company stocks in terms of their aggregate weight in the relevant index. Within each country, the Investment Adviser will invest in either all of the stocks in the index or a representative sample. The sub-fund may acquire local currencies by means of back-to-back loans with highly rated credit institutions."

Sub-Fund Name	Investment Objectives	Base Currency*
BRIC Markets Equity ²	The sub-fund will invest at least two thirds of its total non-cash assets in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market in Brazil, Russia, India and China (including Hong Kong SAR) ("BRIC") as well as those companies with significant operations or carrying out a preponderant part of their business activities in these countries. The sub-fund will strategically allocate between the BRIC countries and the Investment Adviser may over or under allocate between the BRIC countries as considered appropriate. Within each BRIC country, the sub-fund will seek to outperform the total return performance of indices. The indices will typically be dominated by large company stocks in terms of their aggregate weight in the relevant index. The sub-fund may acquire local currencies by means of back-to-back loans with highly rated credit institutions. The sub-fund may also invest in financial derivative instruments such as futures, equity swaps, options and forward currency contracts and in other currency and equity derivatives. The sub-fund intends to use such financial derivative instruments for, inter alia, the purposes of managing market exposure (up to a maximum of 110% of the sub-fund's net asset value) and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives. The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.	USD

² Until 21 May 2007, the investment objectives of the sub-fund are as follows:

"The sub-fund will invest at least two thirds of its non cash assets in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market in Brazil, Russia, India and China (including Hong Kong SAR) ("BRIC") as well as those companies with significant operations or carrying out a preponderant part of their business activities in these countries. The sub-fund will strategically allocate between the BRIC countries and the Investment Adviser may over or under allocate between the BRIC countries as considered appropriate. Within each BRIC country, the sub-fund will seek to outperform the total return performance of indices. The indices will typically be dominated by large company stocks in terms of their aggregate weight in the relevant index. The sub-fund may acquire local currencies by means of back-to-back loans with highly rated credit institutions."

Sub-Fund Name	Investment Objectives	Base Currency*
Emerging Europe Equity	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a well-diversified portfolio of investments in equity and equity equivalent securities issued by companies which have their registered office in, and with an official listing in, an European Emerging Market, as well as companies which carry out a preponderant part of their economic activities in European Emerging Market. The sub-fund may invest up to one third of its non-cash assets in other investments although investments in a combination of fixed interest securities, convertible and options will be subject to a limit of 25% of net assets. The sub-fund will seek to invest primarily in securities listed on a Regulated Market but may also invest up to 10% of the sub-fund's net assets in securities listed on markets that are not Regulated Markets. Investment in interest bearing securities is also permitted either for short-term cash surpluses or in response to unfavourable equity market conditions and this is limited to 15% of the total assets of the sub-fund.	EUR
Euroland Equity ³	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a well-diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any European Monetary Union (EMU) member country. Initially this will be the 12 member countries but if others join the EMU in the future then investments in these countries may also be considered. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest primarily in larger, established companies. The sub-fund may also invest in financial derivative instruments such as futures, options and swaps (including, but not limited to, credit default swaps) and in other currency and equity derivatives. The sub-fund intends to use such financial derivative instruments for, inter alia, for the purposes of managing	EUR

Sub-Fund Name	Investment Objectives	Base Currency*
	market exposure and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives. The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.	

³ Until 21 May 2007, the investment objectives of the sub-fund are as follows:

"The sub-fund seeks long-term capital growth by investing at least two thirds of its non-cash assets in a well-diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any European Monetary Union (EMU) member country. Initially this will be the 12 member countries but if others join the EMU in the future then investments in these countries may also be considered. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest primarily in larger, established companies."

Sub-Fund Name	Investment Objectives	Base Currency*
Euroland Equity Smaller Companies	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a diversified portfolio of investments in equity and equity equivalent securities of smaller, less-established companies (being defined as those with a maximum market capitalisation of EUR 2 billion at the time of purchase), which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any Euroland country (euro zone). The sub-fund will seek to invest primarily in companies with registered office in, and with an official listing on a major stock exchange or other Regulated Market of European Economic Union. The sub-fund may also invest in financial derivative instruments such as futures, options and forward currency contracts and in other currency and equity derivatives. The sub-fund intends to use such financial derivative instruments for, inter alia, the purposes of managing market exposure and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives. The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.	EUR
Euroland Value Creation	The sub-fund seeks long-term returns from capital growth and income by investing at least two thirds of its total non-cash assets	EUR

Sub-Fund Name	Investment Objectives	Base Currency*
	in a concentrated portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any European Monetary Union (EMU) member country. Initially this will be the 12 member countries but if others join the EMU in the future then investment in these countries may also be considered. Whilst there are no capitalisation restrictions it is anticipated that the sub-fund will seek to invest across a range of capitalisations. The sub-fund will invest almost exclusively in capitalisations exceeding EUR 1 billion. The sub-fund may also invest in financial derivative instruments such as futures, options and forward currency contracts and in other currency and equity derivatives. The sub-fund intends to use such financial derivative instruments for, inter alia, the purposes of managing market exposure and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives. The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.	
Europe ex UK Equity	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a well-diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any European country excluding the UK. The sub-fund will seek to invest primarily in companies with registered office in, and with an official listing in developed markets such as the European OECD countries. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest primarily in larger, established companies.	EUR
Global Emerging Markets Elite Fund	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a well-diversified portfolio of investments in equity and equity equivalent securities issued by companies which have their registered office in, and with an official listing in, an Emerging Market, as well as companies which carry out a preponderant part of their economic activities in Emerging Markets. The sub-fund will seek to invest primarily in securities listed on a Regulated Market, but may also invest up to 10% of the sub-fund's net assets in securities listed on markets that are not Regulated Markets. Investment in interest bearing securities is also permitted either for short-term cash surpluses or in response to unfavourable equity market conditions and this is limited to one third	USD

Sub-Fund Name	Investment Objectives	Base Currency*
	of the total assets of the sub-fund. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will invest primarily in larger, established companies.	
Global Emerging Markets Equity	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a well-diversified portfolio of investments in equity and equity equivalent securities issued by companies which have their registered office in, and with an official listing in, an Emerging Market, as well as companies which carry out a preponderant part of their economic activities in Emerging Markets. The sub-fund will seek to invest primarily in securities listed on a Regulated Market, but may also invest up to 10% of the sub-fund's net assets in securities listed on markets that are not Regulated Markets. Investment in interest bearing securities is also permitted either for short-term cash surpluses or in response to unfavourable equity market conditions and this is limited to one third of the total assets of the sub-fund. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will invest primarily in larger, established companies.	USD
Global Equity	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a well diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and/or with an official listing on a major stock exchange or other Regulated Market of any country. The sub-fund will seek to invest in companies with registered office in, and/or with an official listing in, developed markets such as OECD countries, and also those in Emerging Markets. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will invest primarily in larger, established companies.	USD
Global Equity SRI	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a well-diversified portfolio of investments in equity and equity equivalent securities of companies that are deemed by the Investment Adviser to demonstrate a commitment to long-term economic growth through socially responsible practices and which have their registered office in, and/or with an official listing on a major stock exchange or other Regulated Market of any country. Companies will be selected from a universe that is made up of above average performers in a variety of areas concerning social responsibility such as corporate governance, environmental impact, labour, customer and supplier relations and impact on the communities in which they operate. As the sub-fund will seek to invest throughout the world, these can be both companies with registered office in, and/or with an official listing in developed markets such as the OECD, and also those in Emerging Markets. There are	USD

Sub-Fund Name	Investment Objectives	Base Currency*
	no capitalisation restrictions, and it is anticipated that the sub-fund will seek to invest across a range of capitalisations.	
Global Equity Technology	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a well-diversified portfolio of investments in equity and equity equivalent securities of companies active in the technology, media and telecommunications sectors, with registered office in, and/or with an official listing on a major stock exchange or other Regulated Market of any country. As the sub-fund will seek to invest throughout the world, these can be both companies which have their registered office in, and/or with an official listing in developed markets such as the OECD, and also those in Emerging Markets. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will invest primarily in larger, established companies.	USD
Global ex Euroland Equity	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a well-diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of a developed OECD country outside any European Monetary Union (EMU) member countries. Initially this will be the 12 member countries but if others join the EMU in the future then investment in these countries may also be excluded. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will invest primarily in larger, established companies. The sub-fund may also invest in financial derivative instruments such as futures, options and forward currency contracts and in other currency and equity derivatives. The sub-fund intends to use such financial derivative instruments for, inter alia, the purposes of managing market exposure and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives. The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.	EUR
Global Power Equity	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a portfolio of investments in equity and equity equivalent securities of companies in energy, new energy, and utilities sectors as well as those companies with significant operations or carrying out a preponderant part of their business activities related to these sectors. There are no capitalisation restrictions and it is anticipated that the sub-fund will seek to invest across a range	USD

Sub-Fund Name	Investment Objectives	Base Currency*
	of capitalisations. The sub-fund may also invest in financial derivative instruments such as futures, equity swaps, options and forward currency contracts and in other currency and equity derivatives. The sub-fund intends to use such financial derivative instruments for, inter alia, the purposes of managing market exposure (up to a maximum of 110% of the sub-fund's net asset value) and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives. The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.	
Greater China Equity	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a well diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of the Greater China region, including mainland China, Hong Kong SAR and Taiwan as well as companies which carry out a preponderant part of their economic activities in the Greater China Region. There are no capitalisation restrictions, and it is anticipated that the sub-fund will seek to invest across a range of capitalisations.	USD
Pan-European Equity	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a well-diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any Pan-European country (both Continental and the UK). The sub-fund will seek to invest primarily in companies with registered office in, and with an official listing on a major stock exchange or other Regulated Market of developed Pan-European markets such as the OECD countries. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest primarily in larger, established companies.	EUR
Pan-European Equity High Dividend ⁴	The sub-fund seeks long-term capital growth and a high level of income by investing at least two thirds of its total non-cash assets in a well diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any Pan-European country (both Continental and the UK), that offer short-term sustainable dividend yields above the market average and/or the potential for	EUR

Sub-Fund Name	Investment Objectives	Base Currency*
	dividend growth above the market average over the short-term. The sub-fund will seek to invest primarily in companies with registered office in, and with an official listing on a major stock exchange or other Regulated Market of developed Pan-European markets such as the OECD countries. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest primarily in larger, established companies. The sub-fund may also invest in financial derivative instruments such as futures, options and forward currency contracts and in other currency and equity derivatives. The sub-fund intends to use such financial derivative instruments for, inter alia, the purposes of managing market exposure and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives. The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.	

⁴ Until 21 May 2007, the investment objectives of the sub-fund are as follows:

"The sub-fund seeks long-term capital growth and a high level of income by investing at least two thirds of its non-cash assets in a well diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any Pan-European country (both Continental and the UK), that offer short-term sustainable dividend yields above the market average and/or the potential for dividend growth above the market average over the short-term. The sub-fund will seek to invest primarily in companies with registered office in, and with an official listing on a major stock exchange or other Regulated Market of developed Pan-European markets such as the OECD countries. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest primarily in larger, established companies."

Sub-Fund Name	Investment Objectives	Base Currency*
Pan-European Equity Mid-Cap	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a diversified portfolio of investments in equity and equity equivalent securities of middle-capitalisation companies (being defined as those with a minimum market capitalisation of EUR 1 billion and a maximum market capitalisation of EUR 5 billion at the time of purchase), which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any Pan-European country (both Continental and the UK). The sub-fund will seek to invest primarily in companies with registered office in, and with an official listing on a major stock exchange or other Regulated Market of developed Pan-European markets such as the OECD countries.	EUR

Sub-Fund Name	Investment Objectives	Base Currency*
Sustainability Leaders	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a well-diversified portfolio of investments in equity and equity equivalent securities of companies that are deemed by the Investment Adviser to demonstrate a commitment to long-term economic growth through socially and environmentally responsible practices. The sub-fund will seek to invest primarily in companies which have their registered office in, and with an official listing on, developed markets such as the European OECD countries although the sub-fund may invest in companies with a registered office in, and with an official listing on, any major stock exchange or other Regulated Market. The sub-fund may invest up to one third of its total non-cash assets in other investments although investments in a combination of fixed interest securities, convertible and options will be subject to a limit of 25% of net assets. Companies will be selected from a universe that is made up of above average performers in a variety of areas concerning social responsibility such as environmental impact, customer and supplier relations, corporate governance, labour, and impact on the communities in which they operate. There are no capitalisation restrictions, and it is anticipated that the sub-fund will seek to invest across a range of capitalisations. The sub-fund may also invest in financial derivative instruments such as futures, options and forward currency contracts and in other currency and equity derivatives. The sub-fund intends to use such financial derivative instruments for, inter alia, the purposes of managing market exposure and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives. The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.	EUR

b) Market Specific sub-funds

Sub-Fund Name	Investment Objectives	Base Currency*
Brazil Equity	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a well diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Brazil, as well as those companies which carry out a preponderant part of their business activities in Brazil. There are no capitalisation restrictions, and it is anticipated that the sub-fund will seek to invest across a range of capitalisations.	USD

Sub-Fund Name	Investment Objectives	Base Currency*
	The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.	
Chinese Equity	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a well diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of the People's Republic of China ("China"), including Hong Kong SAR, as well as those companies which carry out a preponderant part of their business activities in China. There are no capitalisation restrictions, and it is anticipated that the sub-fund will seek to invest across a range of capitalisations.	USD
Hong Kong Equity	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a well diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Hong Kong SAR as well as those companies which carry out a preponderant part of their business activities in Hong Kong SAR. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest primarily in larger, established companies.	USD
Indian Equity	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of India, as well as those companies which carry out a preponderant part of their business activities in India. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest across a range of market capitalisations with a bias to medium and large companies. The sub-fund intends to invest part or all of the net proceeds of the issue of Shares in HSBC Global Investment Funds Mauritius Limited, Manor House, Corner of St George/Chazal Streets, Port Louis, Mauritius (the "Subsidiary") which is a Mauritian company wholly-owned by the Company. Under normal market conditions, the Subsidiary will invest substantially all of its assets in Indian equities and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of India. The remainder of the net proceeds of the issue of Shares will be invested directly in equity and equity equivalent securities of	USD

Sub-Fund Name	Investment Objectives	Base Currency*
	<p>companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of India. The investment objectives of the Subsidiary are in line with those of Indian Equity and the Subsidiary will apply the Company's investment restrictions as outlined in this Prospectus.</p> <p>The Subsidiary was incorporated in Mauritius on 3 October 1995. It is wholly-owned by the Company. It will issue ordinary Shares and redeemable preference Shares only to the Company's Indian Equity fund. The Subsidiary is registered with the Mauritius Offshore Business Activities Authority and has obtained a certificate of tax residency from the Commissioner of Income Tax in Mauritius (Please refer to "Taxation" in Section 2.15 of this Prospectus).</p> <p>The directors of the Subsidiary are responsible, inter alia, for establishing the investment objectives and policy of the Subsidiary, for monitoring the Subsidiary's investments and performance and for providing advisory services to the exclusive benefit of the Company, including in relation to massive redemptions in the sub-fund.</p> <p>The Subsidiary has appointed Multiconsult Limited, 10, Frère Félix de Valois Street, Port Louis, Mauritius, to provide administrative services to the Subsidiary in Mauritius, including maintenance of its accounts, books and records. The Subsidiary has appointed KPMG Mauritius of KPMG Centre, 30 St George Street, Port Louis, Mauritius, as auditors of the Subsidiary in Mauritius to perform the auditor's duties required by Mauritius law. The Subsidiary has appointed the Custodian as custodian over its assets. Based on its custodian arrangements with the Company, the Custodian has entered into a Mauritius Cash Custodian Agreement with the Hong Kong and Shanghai Banking Corporation Limited, a bank organised under the Hong Kong and Shanghai Banking Corporation ordinance, Hong Kong, and duly licensed to do business in Mauritius, and having an office at 5/F Le Cascade Building, Edith Cavell Street, Port Louis, Mauritius, for the remittance of all cash and currency of the Subsidiary for the purpose of inward investment into India by the Subsidiary and in respect of remittances from such investments.</p> <p>The Company and the Subsidiary shall issue consolidated accounts.</p>	
Indian Equity Smaller Companies	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a diversified portfolio of investments in equity and equity equivalent securities of smaller companies (being defined at those with a maximum market capitalisation of USD 500 million at the time of purchase) which have their registered office in, and with an official listing on a major stock exchange or other regulated market of India as well as companies which carry out a preponderant part of their economic activities in India.	USD

Sub-Fund Name	Investment Objectives	Base Currency*
Japanese Equity ⁵	<p>The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a well diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Japan as well as those companies which carry out a preponderant part of their business activities in Japan. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest primarily in larger, established companies. The sub-fund may also invest in financial derivative instruments such as futures, equity swaps options and forward currency contracts and in other currency and equity derivatives. The sub-fund intends to use such financial derivative instruments for, inter alia, the purposes of managing market exposure (up to a maximum of 110% of the sub-fund's net asset value) and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives. The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.</p>	YEN

⁵ Until 21 May 2007, the investment objectives of the sub-fund are as follows:

"The sub-fund seeks long-term capital growth by investing at least two thirds of its non-cash assets in a well-diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Japan as well as those companies which carry out a preponderant part of their business activities in Japan. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest primarily in larger, established companies."

Sub-Fund Name	Investment Objectives	Base Currency*
Korean Equity	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Korea, as well as those companies which carry out a preponderant part of their business activities in Korea. There are no capitalisation restrictions and it is anticipated that the sub-fund will seek to invest across a range of capitalisations.	USD
Mexican Equity	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a well diversified portfolio of investments in equity and equity equivalent securities of	USD

Sub-Fund Name	Investment Objectives	Base Currency*
	companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Mexico, as well as those companies which carry out a preponderant part of their business activities in Mexico. There are no capitalisation restrictions, and it is anticipated that the sub-fund will seek to invest across a range of capitalisations.	
Singapore Equity	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a well-diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Singapore as well as those companies which carry out a preponderant part of their business activities in Singapore. There are no capitalisation restrictions and it is anticipated that the sub-fund will seek to invest across a range of capitalisations.	USD
Taiwan Equity	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Taiwan, as well as those companies which carry out a preponderant part of their business activities in Taiwan. There are no capitalisation restrictions and it is anticipated that the sub-fund will seek to invest across a range of capitalisations.	USD
Thai Equity	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a well diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of Thailand as well as those companies which carry out a preponderant part of their business activities in Thailand. There are no capitalisation restrictions and it is anticipated that the sub-fund will seek to invest across a range of capitalisations.	USD
UK Equity	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market in the UK as well as those companies which carry out a preponderant part of their business activities in the UK. There are no capitalisation restrictions, and it is anticipated that the sub-fund will seek to invest across a broad range of capitalisations representative of the overall market.	GBP

Sub-Fund Name	Investment Objectives	Base Currency*
US Equity ⁶	The sub-fund seeks long-term capital growth by investing at least two thirds of its total non-cash assets in a well-diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of the US as well as those companies which carry out a preponderant part of their business activities in the US. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest primarily in larger, established companies. The sub-fund may also invest in financial derivative instruments such as futures, equity swaps, options and forward currency contracts and in other currency and equity derivatives. The sub-fund intends to use such financial derivative instruments for, inter alia, the purposes of managing market exposure (up to a maximum of 110% of the sub-fund's net asset value) and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives. The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.	USD

⁶ Until 21 May 2007, the investment objectives of the sub-fund are as follows:

"The sub-fund seeks long-term capital growth by investing at least two thirds of its non-cash assets in a well-diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of the US as well as those companies which carry out a preponderant part of their business activities in the US. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest primarily in larger, established companies."

Sub-Fund Name	Investment Objectives	Base Currency*
US Index	The sub-fund seeks to track the total return performance of the Standard & Poor's 500 Index, which is dominated by the stocks of large companies from the US. The passive management strategy is executed by investing in a representative sample of the stocks in the index. Standard and Poor's 500 is a trademark of The McGraw-Hill Companies, Inc. and has been licensed for use by this sub-fund. The sub-fund is not sponsored, endorsed, sold or promoted by Standard & Poor's and they make no representation regarding the availability of investing in this fund.	USD

* Please note that Shares in Classes of sub-funds may also be available in other Dealing Currencies. Please refer to Section 1.4 for further details.

(4) Freestyle Sub-Funds

The Freestyle sub-funds aim to provide enhanced returns in the form of capital growth and income predominantly through equity investments. The portfolios may have significant holdings in smaller capitalisation companies and companies with above average growth prospects.

These sub-funds distinguish themselves from the Equity and the Other sub-funds in the following ways; the total number of securities in the portfolios may be lower, thus creating a particularly concentrated portfolio; stocks are selected with no regard to their inclusion in the main market indices and may include investments in emerging companies or Emerging Markets.

As a matter of principle, at least two thirds of the total non-cash assets of each of the Freestyle sub-funds, will be invested in the equity or equity equivalent securities issued by companies which have their registered office in the regions, countries or markets referred to in the sub-fund's name.

The Freestyle sub-funds may consider other investments in the aggregate, of up to one third of the total non-cash assets. However, investments in a combination of bonds, convertible bonds and options will be subject to a limit of 25% of net assets.

Sub-Fund Name	Investment Objectives	Base Currency*
Asia Freestyle ¹	The sub-fund seeks long-term returns from capital growth and income by investing at least two thirds of its total non-cash assets in a concentrated portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any Asian country (excluding Japan), as well as those companies with significant operations or carrying out a preponderant part of their business activities in the Asian region (excluding Japan). As the sub-fund will seek to invest in companies throughout Asia (excluding Japan), there can be both companies with registered office in and with an official listing in developed markets such as Asian OECD countries and also those in emerging Asian countries. Whilst there are no capitalisation restrictions it is anticipated that the sub-fund will seek to invest across a range of capitalisations. The portfolio will be actively managed aiming to achieve total returns to investors without reference to market index weightings.	USD

¹ Under normal market conditions, these sub-funds will not invest more than 15% of their net assets in debt claims as defined in the Savings Directive.

Sub-Fund Name	Investment Objectives	Base Currency*
BRIC Freestyle	The sub-fund seeks long-term returns from capital growth and income by investing at least two thirds of its total non-cash assets in a concentrated portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market in Brazil, Russia, India and China (including Hong Kong SAR) ("BRIC") as well as those companies with significant operations or carrying out a preponderant	USD

Sub-Fund Name	Investment Objectives	Base Currency*
	part of their business activities in these countries provided that investments in securities dealt in on the Russian markets other than those recognised by the Luxembourg regulator as Regulated Markets are subject to the 10 % limit set forth in restriction 1. a) of Appendix 3 "General Investment Restrictions". These companies will be those that at the time of purchase have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of a BRIC country, as well as those companies which carry out a preponderant part of their business activities in any of the BRIC countries. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest across a range of capitalisations. If the Investment Adviser considers that the BRIC equity markets offer insufficient opportunities at any time, he may invest up to 49% of the sub-fund's net asset value in ancillary liquid assets. The portfolio will be actively managed, aiming to achieve total returns to investors without reference.	
Global Emerging Markets Equity Freestyle	The sub-fund seeks long-term returns from capital growth and income by investing at least two-thirds of its total non-cash assets in a concentrated portfolio of investments in equity and equity equivalent securities of companies in Emerging Markets. These companies will be those that at the time of purchase have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of an Emerging Markets country, as well as those companies which carry out a preponderant part of their business activities in any Emerging Markets country. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest across a range of capitalisations. If the Investment Adviser considers that the markets of the Emerging Markets offer insufficient opportunities at any time, he may invest up to 49% of the sub-fund's net asset value in ancillary liquid assets. The portfolio will be actively managed, aiming to achieve total returns to investors without reference to market index weightings.	USD
Global Equity Freestyle	The sub-fund seeks long-term returns from capital growth and income by investing at least two-thirds of its total non-cash assets in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any developed market such as within the OECD countries and also those in Emerging Markets. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest across a range of capitalisations. If the Investment Adviser considers that the global equity markets offer insufficient opportunities at any time, he may invest up to 49% of the sub-fund's net asset value in ancillary liquid assets. The portfolio will be actively managed, aiming to achieve total returns to investors without reference to market index weightings.	USD

Sub-Fund Name	Investment Objectives	Base Currency*
Latin American Freestyle	The sub-fund seeks long-term returns from capital growth and income by investing at least two thirds of its total non-cash assets in a concentrated portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any Latin American country, as well as companies which carry out a preponderant part of their economic activities in Latin America. The sub-fund will seek to invest primarily in securities listed on a Regulated Market but may also invest up to 10% of the sub-fund's net assets in securities listed on markets that are not Regulated Markets. If the Investment Adviser considers that the Latin American equity markets offer insufficient opportunities at any time, he may invest up to 49% of the sub-fund's net asset value in ancillary liquid assets.	USD
UK Freestyle ²	The sub-fund seeks long-term returns from capital growth and income by investing at least two thirds of its total non-cash assets in a concentrated portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market in the United Kingdom as well as those companies which carry out a preponderant part of their business activities in the UK. Whilst there are no capitalisation restrictions it is anticipated that the sub-fund will seek to invest across a range of capitalisations. The portfolio will be actively managed, aiming to achieve total returns to investors without reference to market index weightings.	GBP

² Under normal market conditions, these sub-funds will not invest more than 15% of their net assets in debt claims as defined in the Savings Directive.

(5) Other Sub-Funds

These sub-funds distinguish themselves from the Equity, Bond and Freestyle sub-funds pursuant to their investment policies as further detailed below.

Certain sub-funds in this category, as defined in their specific investment objectives, may use/invest in financial derivative instruments subject to the restrictions defined in Appendix 4 "Restrictions on the use of financial derivative instruments".

Sub-Fund Name	Investment Objectives	Base Currency*
Halbis Global Macro	The sub-fund seeks to achieve stable absolute returns in excess of 1-month Euribor. The targeted returns are intended to be largely de-correlated from those of the major asset classes. To reach this objective the sub-fund's assets will be actively allocated to different asset classes (including cash, equities, bonds and currencies worldwide). Assets are allocated to different strategies so as to deliver a recurrent return through diversification. The share of each strategy	USD

Sub-Fund Name	Investment Objectives	Base Currency*
	in the sub-fund can change over time as a function of perceived market opportunities. Strategies may exploit differences in expected returns across a given asset class while having little or no exposure to the return of the asset class or adequately time exposure to given asset classes. The Investment Adviser will constantly analyse eligible asset classes to identify new opportunities and develop strategies providing absolute returns. Exposure to the different asset classes will be mainly achieved by using financial derivative instruments (such as equity futures, bond futures, currency forwards and non deliverable forwards) through the taking of both long and short positions within the investment universe. Short positions are only taken by using financial derivative instruments. The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.	
New World Income Fund	The sub-fund seeks to generate enhanced total return from capital growth and income by investing at least two thirds of its total non-cash assets in a concentrated portfolio of Investment Grade and Non-Investment Grade rated fixed income and other similar securities, denominated in local currency or in the currencies of OECD countries. These securities are issued or guaranteed by governments or government agencies or supranational bodies of Emerging Markets or issued by companies which have their registered office in Emerging Markets. Depending on the Investment Adviser's view as to the attractiveness of the Emerging Markets equity markets, he may invest up to 10% of the sub-fund's net asset value in equity and equity equivalent securities issued by companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of an Emerging Market country, as well as those companies which carry out a preponderant part of their business activities in any Emerging Market country. Investments in a combination of convertible bonds and options will be subject to a limit of 25% of the sub-fund's net asset value. If the Investment Adviser considers that the Emerging Markets offer insufficient opportunities at any time, he may invest up to 49% of the sub-fund's Net Asset Value in liquid assets. The portfolio will be actively managed, aiming to achieve total returns to investors without reference to any market index weightings. The sub-fund may also invest in financial derivative instruments such as futures, forwards (including non-deliverable forwards), swaps, options, credit default swaps as well as other structured products. The sub-fund intends to use such financial derivative instruments for, inter alia, the purposes of return enhancement,	USD

Sub-Fund Name	Investment Objectives	Base Currency*
	hedging, tax-advantage access to instruments and whenever the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives. The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.	
Turkish Convergence	<p>The sub-fund seeks long-term returns from capital growth and income by investing at least two thirds of its total non-cash assets in any securities, primarily denominated in Turkish liras, either issued or guaranteed by the government, or by government agencies, of Turkey, or issued by companies which have their registered office in Turkey.</p> <p>The sub-fund will seek to invest primarily in Non-Investment Grade fixed income (e.g. bonds). As Turkey's sovereign credit rating improves over time, the universe of Investment Grade fixed income and similar securities is expected to increase. If the Investment Adviser considers those securities to offer attractive opportunities, he may increase the weighting to Investment Grade fixed income securities in the sub-fund.</p> <p>Depending on the Investment Adviser's view as the attractiveness of the Turkish equity markets, he will invest between 25% and 50% of the sub-fund's net asset value in equity and equity equivalent securities issued by companies which have their registered office in, and/or with an official listing in, Turkey, as well as companies which carry out a preponderant part of their economic activities in Turkey. Investments in a combination of convertible bonds and options will be subject to a limit of 25%.</p>	EUR

* Please note that Shares in Classes of sub-funds may also be available in other Dealing Currencies. Please refer to Section 1.4 for further details.

1.2. Profile of the Typical Investor

To determine if specific sub-funds are suitable, it is recommended that the investor consults a stockbroker, bank manager, solicitor, accountant, representative bank or other financial adviser. The Investment Advisers have defined the following five categories – Stable, Core, Core Plus, Dynamic and Unconstrained – when describing the investment horizon for the investor, the likely returns and anticipated volatility of the sub-funds.

Sub-funds in the Stable category are suitable for investors with a short to medium term investment horizon. These sub-funds are intended as a core investment where there is a low expectation of capital loss and where income levels are expected to be regular and stable. This category is relevant for:

Reserve sub-funds:

Euro Reserve
US Dollar Reserve

Sub-funds in the Core category are suitable for investors with a medium to long term investment horizon. These sub-funds are intended as a core investment where there is exposure to the fixed income securities markets as defined in the individual sub-fund's investment policy but where investment is principally made in bonds rated Investment Grade in markets which may be subject to moderate volatility. This category is relevant for:

Bond sub-funds:

Asian Bond
Asian Currencies Bond
Euro Core Bond
Euro Core Credit Bond
Euro Strategic Credit Bond
European Government Bond
Global Core Plus Bond^a
US Dollar Core Plus Bond^b

Sub-Funds in the Core Plus category are suitable for investors with a medium to long term investment horizon. These sub-funds are intended as a complementary investment to funds in the Core category where a high proportion of the assets may be invested in equity, or equity-related securities, or in bonds rated below Investment Grade in markets which may be subject to moderately high volatility. This category is relevant for:

Bond sub-funds:

Brazil Bond
Euro High Yield Bond
Global Emerging Markets Bond
Global High Yield Bond
US Dollar High Yield Bond

International and Regional Equity Sub-Funds:

Asia ex Japan Equity
Asia Pacific ex Japan Equity High Dividend
BRIC Markets
Euroland Equity
Euroland Value Creation
Europe ex-UK Equity
Global Equity
Global Equity SRI
Global ex Euroland Equity
Global Power Equity
Pan-European Equity
Pan-European Equity High Dividend
Pan-European Equity Mid-Cap
Sustainability Leaders

Market Specific Equity Sub-Funds:

Hong Kong Equity
Japanese Equity
Singapore Equity
UK Equity
US Equity
US Index

Other Sub-Funds

Turkish Convergence

Sub-funds in the Dynamic category are suitable for investors with a long term investment horizon. These sub-funds are intended to provide additional exposure for more experienced investors within a balanced portfolio where a high proportion of the assets may be invested in emerging markets, smaller capitalisation and/or more concentrated portfolios, which may restrict liquidity and increase the volatility of returns. This category is relevant for:

Bond sub-funds:

Global Emerging Markets Local Debt Fund

International and Regional Equity sub-funds:

Asia ex Japan Equity Smaller Companies
BRIC Markets Equity
Emerging Europe Equity
Euroland Equity Smaller Companies
Global Emerging Markets Elite Fund
Global Emerging Markets Equity
Global Equity Technology
Greater China Equity

Market Specific Equity sub-funds:

Brazil Equity
Chinese Equity
Indian Equity
Indian Equity Smaller Companies
Korean Equity
Mexican Equity
Taiwan Equity
Thai Equity

Freestyle Sub-Funds:

Asia Freestyle
BRIC Freestyle
Global Emerging Markets Equity Freestyle
Global Equity Freestyle
Latin American Freestyle
UK Freestyle

Other Sub-Funds:

New World Income Fund

Sub-funds in the Unconstrained category are suitable for sophisticated investors. These sub-funds are intended to provide exposure to different asset classes actively allocated, mainly achieved by using financial derivative instruments. These sub-funds may invest in assets which may restrict liquidity and increase the volatility of returns. This category is relevant for:

Other Sub-Funds:

Halbis Global Macro

The descriptions and suitability defined in the above categories should be considered as indicative and do not provide any indication of likely returns. They should only be used for comparison with other sub-funds of the Company.

1.3. Listing of the Shares of the Sub-Funds on the Luxembourg Stock Exchange

The Shares of the following sub-funds are listed on the Luxembourg Stock Exchange:

Asia ex-Japan Equity – A^{D*} Shares
Asia ex-Japan Equity Smaller Companies – A^{D*} Shares
Asia Freestyle – A^{D*} Shares
Asia Pacific ex-Japan Equity High Dividend - A^{D*} Shares
BRIC Freestyle – M2^{C**} Shares
Chinese Equity – A^{D*} Shares
Emerging Europe Equity - A^{D*} Shares
Euro High Yield Bond - A^{D*} Shares
Euro Strategic Credit Bond - A^{D*} Shares
Europe ex-UK Equity – A^{D*} Shares
Global Core Plus Bond^a – A^{D*} Shares
Global Emerging Market Bond – A^{D*} Shares
Global Emerging Markets Equity – A^{D*} Shares
Global Equity – A^{D*} Shares
Global Equity Technology – A^{D*} Shares
Hong Kong Equity – P^{D*} Shares
Indian Equity – A^{D*} Shares
Japanese Equity – P^{D*} Shares
Pan-European Equity – P^{D*} Shares
Singapore Equity – P^{D*} Shares
Sustainability Leaders – M1^{D*} Shares
Thai Equity – A^{D*} Shares
US Dollar Core Plus Bond^b – P^{D*} Shares
US Dollar High Yield Bond – A^D
US Equity – P^{D*} Shares
US Index – P^{D*} Shares

* Distribution Shares are identifiable by a "D" following the sub-fund and Class names.

** Capital Accumulation Shares are identifiable by a "C" following the sub-fund and Class names

1.4. Availability of Sub-Funds in Different Dealing Currencies (including Base Currencies)

Currency options are available only where management fee percentages are listed in the table below. Please see also footnote 1.

SUB-FUND NAME	Base Currency	CLASS A ³					CLASS E ³			
		Dealing Currencies ¹					Dealing Currencies ¹			
		EURO	USD	SGD	GBP	OTHER	EURO	USD	GBP	OTHER
Reserve Sub-Funds										
Euro Reserve	EURO	0.50	-	-	-	-	-	-	-	-
US Dollar Reserve	USD	-	0.50	-	-	-	-	-	-	-
Bond Sub-Funds										
Asian Bond ²	USD	1.20	1.20	1.20	-	-	1.50	-	-	-
Asian Currencies Bond ²	USD	1.25	1.25	1.25	-	-	1.55	-	-	-
Brazil Bond	USD	1.00	1.00	-	-	-	1.30	1.30	-	-
Euro Core Bond	EURO	0.75	0.75	0.75	0.75	-	1.05	-	-	-
Euro Core Credit Bond	EURO	1.00	1.00	1.00	-	-	1.30	-	-	-
Euro High Yield Bond	EURO	1.20	1.20	1.20	1.20	-	1.50	-	1.50	-
European Government Bond	EURO	0.75	0.75	0.75	-	-	1.05	-	-	-
Euro Strategic Credit Bond	EURO	1.00	1.00	1.00	-	-	1.30	-	-	-
Global Core Plus Bond ^{8,11}	USD	0.75	0.75	0.75	0.75	-	1.05	-	1.05	-
Global Emerging Markets Bond	USD	1.00	1.00	1.00	1.00	-	1.30	-	1.30	-
Global Emerging Markets Local Debt Fund ²	USD	1.25	1.25	1.25	-	-	1.55	-	-	-
Global High Yield Bond ²	USD	1.20	1.20	1.20	-	-	1.50	-	-	-
US Dollar Core Plus Bond ^{8,12}	USD	0.75	0.75	0.75	0.75	-	1.05	-	1.05	-
US Dollar High Yield Bond ⁸	USD	1.20	1.20	1.20	1.20	-	1.50	-	1.50	-
International and Regional Equity Sub-Funds										
Asia ex Japan Equity ⁶	USD	1.50	1.50	1.50	1.50	-	2.00	2.00	2.00	-
Asia ex Japan Equity Smaller Companies	USD	1.50	1.50	1.50	1.50	-	2.00	-	2.00	-
Asia Pacific ex Japan Equity High Dividend ⁶	USD	1.50	1.50	1.50	1.50	-	2.00	-	2.00	-
BRIC Markets ⁹	USD	-	-	-	-	-	-	-	-	-
BRIC Markets Equity ⁶	USD	1.50	1.50	1.50	1.50	-	2.00	-	2.00	-
Emerging Europe Equity	EURO	1.75	1.75	1.75	1.75	-	2.25	-	2.25	-
Euroland Equity	EURO	1.50	1.50	1.50	-	-	2.00	-	-	-
Euroland Equity Smaller Companies	EURO	1.50	1.50	1.50	-	-	2.00	-	-	-
Euroland Value Creation ⁵	EURO	-	-	-	-	-	-	-	-	-
Europe ex UK Equity	EURO	1.50	1.50	1.50	1.50	-	2.00	-	-	-
Global Emerging Markets Elite Fund ⁹	USD	-	-	-	-	-	-	-	-	-
Global Emerging Markets Equity ⁸	USD	1.50	1.50	1.50	1.50	-	2.00	2.00	2.00	-
Global Equity	USD	1.50	1.50	1.50	1.50	-	2.00	-	2.00	-
Global Equity SRI ⁸	USD	1.50	1.50	1.50	1.50	-	2.00	-	2.00	-
Global Equity Technology ¹⁰	USD	1.50	1.50	1.50	-	-	2.00	2.00	-	-
Global ex Euroland Equity	EURO	1.50	1.50	1.50	-	-	2.00	-	-	-
Global Power Equity ²	USD	1.50	1.50	1.50	-	-	2.00	2.00	-	SGD 2.00
Greater China Equity ^{2,6}	USD	1.50	1.50	1.50	-	-	2.00	-	-	-
Pan-European Equity ⁸	EURO	1.50	1.50	-	1.50	-	2.00	-	2.00	-
Pan-European Equity High Dividend	EURO	1.50	1.50	1.50	1.50	-	2.00	-	2.00	-
Pan-European Equity Mid-Cap ²	EURO	1.50	1.50	1.50	-	-	2.00	-	-	-
Sustainability Leaders ⁷	EURO	1.50	-	-	-	-	-	-	-	-
Market Specific Equity Sub-Funds										
Brazil Equity	USD	1.75	1.75	1.75	-	-	2.25	2.25	-	-
Chinese Equity ^{4,6}	USD	1.50	1.50	1.50	1.50	-	2.00	2.00	2.00	-
Hong Kong Equity ⁶	USD	1.50	1.50	1.50	-	-	2.00	-	-	-
Indian Equity ^{4,6}	USD	1.50	1.50	1.50	1.50	-	2.00	2.00	2.00	-
Indian Equity Smaller Companies ^{2,4,7}	USD	-	-	-	-	-	-	-	-	-
Japanese Equity ⁸	JPY	1.50	1.50	-	-	JPY 1.50	2.00	2.00	-	JPY 2.00
Korean Equity ⁶	USD	1.50	1.50	1.50	-	-	2.00	-	-	-
Mexican Equity ²	USD	1.75	1.75	1.75	-	-	2.25	-	-	-

CLASS I ³				CLASS M ^{3,5}				CLASS P ³			CLASS Z ³			
Dealing Currencies ¹				Dealing Currencies ¹				Dealing Currencies ¹			Dealing Currencies ¹			
EURO	USD	GBP	OTHER	EURO	USD	SGD	GBP	USD	GBP	OTHER	EURO	USD	GBP	OTHER
0.25	0.25		-	-	-	-	-	-	-	-	0.00	-	-	-
0.25	0.25		-	-	-	-	-	0.25	-	EUR 0.25	-	0.00	-	-
0.55	0.55		-	-	-	-	-	-	-	-	-	0.00	-	-
0.625	0.625		-	-	-	-	-	-	-	-	-	0.00	-	-
0.50	0.50	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-
0.375	0.375	0.375	-	-	-	-	-	0.50	0.50	EUR 0.50	0.00	-	-	-
0.50	0.50		-	-	-	-	-	-	-	-	0.00	-	-	-
0.60	0.60	0.60	-	-	-	-	-	-	-	-	0.00	-	0.00	-
0.375	0.375		-	-	-	-	-	-	-	-	0.00	-	-	-
0.50	0.50		-	-	-	-	-	-	-	-	0.00	-	-	-
0.375	0.375	0.375	-	-	-	-	-	0.50	0.50	EUR 0.50	-	0.00	0.00	-
0.50	0.50	0.50	-	-	-	-	-	-	-	-	-	0.00	0.00	-
0.625	0.625		-	-	-	-	-	-	-	-	-	0.00	-	-
0.60	0.60		-	-	-	-	-	-	-	-	-	0.00	-	-
0.375	0.375	0.375	-	-	-	-	-	0.50	0.50	SGD 0.50 EUR 0.50	-	0.00	0.00	-
0.60	0.60	0.60	-	-	-	-	-	-	-	-	-	0.00	0.00	-
0.75	0.75	0.75	-	-	-	-	-	-	-	-	0.00	0.00	0.00	-
0.75	0.75	0.75	-	-	-	-	-	-	-	-	-	0.00	0.00	-
0.75	0.75	0.75	-	-	-	-	-	-	-	-	0.00	-	0.00	-
-	-		-	-	-	-	-	-	-	-	1.00	1.00	-	SGD 1.00 CAD1.00
0.75	0.75	0.75	-	-	-	-	-	-	-	-	0.00	0.00	-	-
0.875	0.875	0.875	-	-	-	-	-	-	-	-	0.00	-	-	-
0.75	0.75		-	-	-	-	-	-	-	-	0.00	-	-	-
0.75	0.75	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-
-	-		-	1.25	1.25	1.25	1.25	-	-	-	-	-	-	-
0.75	0.75		-	-	-	-	-	-	-	-	0.00	-	-	-
-	-		-	-	-	-	-	-	-	-	1.25	1.25	-	SGD 1.25
0.75	0.75	0.75	-	-	-	-	-	-	-	-	-	0.00	0.00	-
0.75	0.75	0.75	-	-	-	-	-	-	-	-	-	0.00	0.00	-
0.75	0.75	0.75	-	-	-	-	-	-	-	-	-	0.00	0.00	-
0.75	0.75		-	-	-	-	-	-	-	-	0.00	-	-	-
0.75	0.75	-	SGD 0.75	-	-	-	-	-	-	-	0.00	0.00	-	SGD 0.00
0.75	0.75		-	-	-	-	-	-	-	-	-	0.00	-	-
0.75	0.75	0.75	-	-	-	-	-	1.00	1.00	EUR 1.00 SGD 1.00	0.00	-	0.00	-
0.75	0.75	0.75	-	-	-	-	-	-	-	-	0.00	0.00	0.00	-
0.75	0.75		-	-	-	-	-	-	-	-	0.00	-	-	-
-	-		-	1.25	1.25	1.25	1.25	-	-	-	-	-	-	-
0.875	0.875		-	-	-	-	-	-	-	-	0.00	0.00	-	-
0.75	0.75	0.75	-	-	-	-	-	-	-	-	-	0.00	0.00	-
0.75	0.75		-	-	-	-	-	1.00	-	SGD 1.00 EUR 1.00	-	0.00	-	-
0.75	0.75	0.75	-	-	-	-	-	-	-	-	-	0.00	0.00	-
-	-		-	-	-	-	-	-	-	-	-	-	-	-
0.75	0.75		JPY 0.75	-	-	-	-	1.00	1.00	JPY 1.00 SGD 1.00 EUR 1.00	-	0.00	-	JPY 0.00
0.75	0.75		-	-	-	-	-	-	-	-	-	0.00	-	-
0.875	0.875		-	-	-	-	-	-	-	-	0.00	0.00	-	-

SUB-FUND NAME	Base Currency	CLASS A ³ Dealing Currencies ¹					CLASS E ³ Dealing Currencies ¹			
		EURO	USD	SGD	GBP	OTHER	EURO	USD	GBP	OTHER
Singapore Equity ⁶	USD	1.50	1.50	1.50	-	-	2.00	-	-	-
Taiwan Equity ^{2,6}	USD	1.50	1.50	1.50	-	-	2.00	-	-	-
Thai Equity ⁶	USD	1.50	1.50	1.50	-	CAD 1.50	2.00	-	-	-
UK Equity	GBP	1.50	1.50	1.50	1.50	-	2.00	-	2.00	-
US Equity ⁸	USD	1.50	1.50	-	-	-	2.00	2.00	-	-
US Index	USD	0.75	0.75	0.75	-	-	1.25	-	-	-
EUR 0.30	-	0.00	-	-	-	-	-	-	-	-
Freestyle Sub-Funds										
Asia Freestyle ⁶	USD	1.75	1.75	1.75	1.75	-	2.25	2.25	2.25	SGD 2.25
BRIC Freestyle ^{4,6}	USD	-	-	-	-	-	-	-	-	-
Global Emerging Markets Equity Freestyle ^{9,6}	USD	-	-	-	-	-	-	-	-	-
Global Equity Freestyle ²	USD	-	-	-	-	-	-	-	-	-
Latin American Freestyle	USD	-	-	-	-	-	-	-	-	-
UK Freestyle	GBP	-	-	-	-	-	-	-	-	-
Other Sub-Funds										
Halbis Global Macro ⁷	USD	-	-	-	-	-	-	-	-	-
New World Income Fund ²	USD	-	-	-	-	-	-	-	-	-
Turkish Convergence ⁶	EURO	1.35	1.35	1.35	-	-	1.70	-	-	-

Within each sub-fund, the Company shall be entitled to create different Share Classes and/or sub-classes, distinguished by their distribution policy (Capital-Accumulation (C) and Distribution (D) Shares), their hedging activity (H) and/or by any other criterion to be stipulated by the Board of Directors.

All Share Classes are available as both Capital-Accumulation and Distribution Shares. For the availability of the hedged classes please refer to the Notes below.

The maximum rate of the management fee for E Shares, I Shares, J Shares and M Shares is 3.5% per annum. The maximum rate of the management fee for W Shares is 0% per annum. The maximum rate of the management fee for A Shares, P Shares, Y Shares and Z Shares is as stated in the tables above or below.

Notes

- Please note that the Board of Directors reserves the right to offer additional Dealing Currencies for all Classes and sub-funds. In case additional Dealing Currencies are added, this Prospectus will be updated. Please read Section 2.2 "How to buy Shares – Currencies".
- Shares in these sub-funds are not yet available. The initial launch date or offering period for each newly created Class or the relevant sub-fund will be disclosed in the simplified prospectus of the relevant sub-fund and in the latest annual report of the Fund. The relevant simplified prospectus will be updated as new Classes become available or a sub-fund launched. Any references to these sub-funds in the Prospectus will come into effect when Shares in these sub-funds become available.
- In each Share Class of sub-funds having a Base Currency other than Euro, a separate Class suffixed "H" can be issued in respect of which the Board of Directors may engage in currency hedging transactions in order to preserve the Euro value of the corresponding portion of the portfolio of the Share Class. It should be understood that Class "H" will be hedged whether the Euro is declining or increasing in value relative to the US dollar or other currencies. No assurance can be given that the hedging objective will be achieved. A list of all currently available hedged Share

Classes may be obtained at the registered office of the Company or from the Share Distributors.

- These sub-funds may, from time to time, reach a size above which they may, in the view of the relevant Investment Advisers, become difficult to manage in an optimal manner. If this occurs, no new investors will be entitled to subscribe Shares in these sub-funds. Existing Shareholders should contact their local HSBC distributor or the Company to enquire on opportunities for ongoing subscriptions (if any). All existing Shareholders wishing to subscribe on a given Dealing Day will be treated equitably.
- Performance fees for Class M1, M2 etc. as disclosed in the Section "Charges and Expenses" of this Prospectus will be charged in addition to the management fees disclosed in the above table.
- Class J, as further detailed in the Section Share "Class Information", is available in these sub-funds. The management fees for Class "J" in the following sub-funds will be:

	Dealing Currencies			
	EURO	USD	SGD	OTHER
Asia ex Japan Equity	-	0.60	-	-
Asia ex Japan Equity High Dividend	-	0.60	-	-
Asia Freestyle	-	0.60	-	-
BRIC Freestyle	0.60	0.60	0.60	GBP 0.60
BRIC Markets Equity	0.60	0.60	0.60	GBP 0.60
Chinese Equity	-	0.60	-	-
Global Emerging Markets Equity Freestyle	0.60	0.60	0.60	GBP 0.60
Greater China Equity	-	0.60	-	-
Hong Kong Equity	-	0.60	-	-
Indian Equity	-	0.60	-	-
Korean Equity	-	0.60	-	-
Singapore Equity	-	0.60	-	-
Taiwan Equity	-	0.60	-	-
Thai Equity	-	0.60	-	-
Turkish Convergence	0.60	0.60	-	-

CLASS I ³ Dealing Currencies ¹				CLASS M ^{3,5} Dealing Currencies ¹				CLASS P ³ Dealing Currencies ¹			CLASS Z ³ Dealing Currencies ¹			
EURO	USD	GBP	OTHER	EURO	USD	SGD	GBP	USD	GBP	OTHER	EURO	USD	GBP	OTHER
0.75	0.75		-	-	-	-	-	1.00	-	SGD 1.00 EUR 1.00	-	0.00	-	-
0.75	0.75		-	-	-	-	-	-	-	-	-	0.00	-	-
0.75	0.75		CAD 0.75	-	-	-	-	-	-	-	-	0.00	-	-
0.75	0.75	0.75	-	-	-	-	-	-	-	-	-	-	0.00	-
0.75	0.75		-	-	-	-	-	1.00	1.00	SGD 1.00 EUR 1.00	-	0.00	-	-
0.375	0.375		-	-	-	-	-	0.30	-	SGD 0.30				
0.875	0.875	0.875	SGD 0.875	-	-	-	-	-	-	-	0.00	0.00	0.00	-
				1.00	1.00	1.00	1.00	-	-	-	-	-	-	-
-	-	-	-	1.00	1.00	1.00	1.00	-	-	-	-	-	-	-
-	-	-	-	1.25	1.25	1.25	1.25	-	-	-	-	-	-	-
-	-	-	-	1.00	1.00	1.00	1.00	-	-	-	-	-	-	-
-	-	-	-	1.00	1.00	1.00	1.00	-	-	-	-	-	-	-
-	-	-	-	1.50	1.50	1.50	1.50	-	-	-	-	-	-	-
-	-	-	-	1.00	1.00	1.00	1.00	-	-	-	-	-	-	-
0.675	0.675	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-

Performance fees for Class J1, J2 etc., as disclosed in the Section "Charges and Expenses" of this Prospectus may be charged in addition to the management fees disclosed in the above table.

7 Class L, as further detailed in the Section "Share Class Information", is available in these sub-funds.

The management fees for Class "L" in the following sub-funds will be:

	Dealing Currencies			
	EURO	USD	SGD	OTHER
Indian Equity Smaller Companies	0.65	0.65	0.65	GBP 0.65
Halbis Global Macro	1.00	1.00	1.00	GBP 1.00
Sustainability Leaders	0.65	0.65	0.65	GBP 0.65

Performance fees for Class L1, L2 etc., as disclosed in the Section "Charges and Expenses" of this Prospectus will be charged in addition to the management fees disclosed in the above table.

8. Class W, as further detailed in the Section "Share Class Information", is available in these sub-funds.

9. Class Y, as further detailed in the Section "Share Class Information", is available in these sub-funds.

The management fees for Class "Y" in the following sub-fund will be:

	Dealing Currencies			
	EURO	USD	SGD	OTHER
BRIC Markets	1.50	1.50	1.50	GBP 1.50
Global Emerging Markets Elite Fund	1.50	1.50	1.50	-
Global Emerging Markets Equity Freestyle	1.50	1.50	1.50	GBP 1.50

10. This sub-fund will be liquidated on 25 May 2007. The sub-fund does not issue further shares since 23 February 2007.

11. Until 21 May 2007, the name of the sub-fund is "Global Investment Grade Bond".

12. Until 21 May 2007, the name of the sub-fund is "US Dollar Investment Grade Bond".

1.5 Share Class Information

	Description	Minimum Initial Investment	Minimum Holding
Class A	A Shares are available to all investors.	USD 5,000	USD 5,000
Class E	E Shares will be available in certain countries, subject to the relevant regulatory approval, through specific distributors selected by the Global Distributor. E Shares will incur annual management fees equivalent to that of the Class A Shares plus 0.3% to 0.5% per annum of the Net Asset Value of Class E Shares, which may be payable to specific distributors in certain countries.	USD 5,000	USD 5,000
Class I	I Shares are available through specific distributors selected by the Global Distributor.	EUR 1,000,000	EUR 1,000,000
Class J¹	J Shares are available for investment by fund of fund ranges managed by the HSBC Group only.	USD 100,000	USD 100,000
Class L²	L Shares are available through specific distributors selected by the Global Distributor, provided that the investors qualify as institutional investors within the meaning of article 129 of the 2002 Law.	EUR 1,000,000	EUR 1,000,000
Class M³	M Shares are available to all investors.	USD 5,000	USD 5,000
Class P	P Shares are available for subscription in certain jurisdictions or through certain selected distributors by the Global Distributor.	USD 50,000	USD 50,000
Class S	S Shares will be available for investment by certain investors approved by the Board of Directors (including providers of structured products). The Offer Price may be increased by a charge of up to a percentage disclosed separately for each sub-fund levied by the Company in favour of the Class S Shares in order to mitigate effects of transaction costs in the context of subscriptions. The Redemption Price may be reduced by a charge of up to a percentage disclosed separately for each sub-fund levied by the Company in favour of the Class S Shares, in order to mitigate effects of transaction costs in the context of redemptions.	-	-
Class W	W Shares are available through specific distributors that will also be members or affiliated entities of the HSBC	USD 100,000	USD 100,000

	Description	Minimum Initial Investment	Minimum Holding
	Group as selected by the Global Distributor provided (in addition) the investors qualify as institutional investors within the meaning of article 129 of the 2002 Law. No Operating, Administrative and Servicing Expenses will be charged to Class W Shares. All the fees and charges allocated to this Class will be paid directly by members or affiliated entities of the HSBC Group.		
Class Y	Y Shares are available in certain jurisdictions through specific distributors that will also be members of affiliated entities of the HSBC Group as selected by the Global Distributor.	USD 1,000	USD 1,000
Class Z	Z Shares are available to investors having entered into a discretionary management agreement with an HSBC Group entity and to investors subscribing via distributors selected by the Global Distributor provided that such investors qualify as institutional investors within the meaning of article 129 of the 2002 Law.	USD 1,000,000	USD 1,000,000

Within each Share Class of a sub-fund, the Company shall be entitled to create different sub-classes, distinguished by their distribution policy (Capital-Accumulation (C) and Distribution (D) Shares), their hedging activity (H) and/or by any other criterion to be stipulated by the Board of Directors.

¹Successive Class J in a given sub-fund are numbered 1, 2, 3 ... and will be referred to as J1, J2, J3 ... (see "Charges and Expenses" for further details).

²Successive Class L in a given sub-fund are numbered 1, 2, 3 ... and will be referred to as L1, L2, L3 ... (see "Charges and Expenses" for further details).

³Successive Class M in a given sub-fund are numbered 1, 2, 3 ... and will be referred to as M1, M2, M3 ... (see "Charges and Expenses" for further details).

There is no requirement on minimum subsequent investment. All figures shall be construed to refer to equivalent amounts in other major currencies.

The Board of Directors has authority to issue different Classes of Shares in one or several sub-funds. Details of the characteristics of such Share Classes offered by one or several sub-funds will be determined by the Board of Directors. In case of the creation of additional Classes of Shares, this Prospectus will be updated.

The subscription proceeds of all Shares in a sub-fund are invested in one common underlying portfolio of investments. All Shares of the same Class have equal rights and privileges. Each Share is, upon issue, entitled to participate equally in assets of the relevant Class of the sub-fund to which it relates on liquidation and in dividends and other distributions as declared for such sub-fund. The Shares will carry

no preferential or pre-emptive rights and each whole Share will be entitled to one vote at all meetings of Shareholders.

Investors purchasing any Class of Shares through a distributor should note that they will be subject to the distributor's normal account opening requirements.

The different Classes offered in relation to each sub-fund are described in the table in Section 1.4. For certain Classes, Shares are available in the Base Currency of the relevant sub-fund and one or several other currencies ("Dealing Currencies").

If as a result of redemptions or conversions, the minimum holding in a Class of a sub-fund is less than the amount determined by the Board of Directors for each Class, the Board of Directors may consider that the Shareholder has requested to convert or redeem its entire holding in such Class. The above is not applicable in case the value of an investor's holding falls below the minimum holding threshold by reason of market movements affecting the portfolio value.

Restrictions apply to the purchase of E, I, J, P, W, Y and Z Shares. First time applicants should contact their local HSBC distributor before submitting an application form for these Classes of Shares.

The minimum initial investment amount may be reduced at the discretion of the Company.

Share Class Denominations:

The Share Classes issued in the different sub-funds are designated by their class name, followed by their distribution characteristics and, if applicable, their specific hedging policy. This means that for example Shares issued in Class A which are distributing income and applying a hedging policy, as defined above, would be identified as A^{PH} whereas Class I Shares accumulating income would be identified as I^C.

1.6. Risk Factors

(1) General risk considerations.

Investment in any sub-fund carries with it a degree of risk, including, but not limited to, those referred to below. Potential investors should review the Prospectus in its entirety prior to making a decision to invest. There can be no assurance that the sub-funds of the Company will achieve their investment objectives and past performance should not be seen as a guide to future returns. An investment may also be affected by any changes in exchange control regulation, tax laws, withholding taxes and economic or monetary policies.

Market Risk

The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

Interest rate risk

A sub-fund that invests in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

Credit risk

A sub-fund which invests in bonds and other fixed income securities is subject to the risk that issuers may not make payments on such securities. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security, may also offset the security's liquidity, making it more

difficult to sell. Sub-funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

Foreign exchange risk

Because a sub-fund's assets and liabilities may be denominated in currencies different to the Base Currency, the sub-fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the Base Currency and other currencies. Changes in currency exchange rates may influence the value of a sub-fund's Shares, the dividends or interest earned and the gains and losses realised. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions.

If the currency in which a security is denominated appreciates against the Base Currency, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

A sub-fund may engage in foreign currency transactions in order to hedge against currency exchange risk, however there is no guarantee that hedging or protection will be achieved. This strategy may also limit the sub-fund from benefiting from the performance of a sub-fund's securities if the currency in which the securities held by the sub-fund are denominated rises against the Base Currency. In case of a hedged class, (denominated in a currency different from the Base Currency), this risk applies systematically.

Volatility

The price of a financial derivative instrument can be very volatile. This is because a small movement in the price of the underlying security, index, interest rate or currency may result in a substantial movement in the price of the financial derivative instrument. Investment in financial derivative instruments may result in losses in excess of the amount invested.

Futures and Options

Under certain conditions, the Company may use options and futures on securities, indices and interest rates, as described in Appendix 4, "Restrictions on the use of financial derivative instruments" for the purpose of investment, hedging and efficient portfolio management. Also, where appropriate, the Company may hedge market and currency risks using futures, options or forward foreign exchange contracts.

Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

Credit default swaps

Credit default swaps may trade differently from the funded securities of the reference entity. In adverse market conditions, the basis (difference between the spread on bonds and the spread on credit default swaps) can be significantly more volatile.

OTC Financial Derivative Transactions

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which currencies, forward, spot and option contracts, credit default swaps, total return swaps and certain options on currencies are generally traded) than of transactions entered into on organized exchanges. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, may not be available in connection with OTC financial derivative transactions. Therefore, a sub-fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that a sub-fund will sustain losses. The Company will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of the measures the Company may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that a sub-fund will not sustain losses as a result.

From time to time, the counterparties with which the Company effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Company might be unable to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange-traded instruments, forward, spot and option contracts on currencies do not provide the Investment Adviser with the possibility to offset the Company's obligations through an equal and opposite transaction. For this reason, in entering into forward, spot or options contracts, the Company may be required, and must be able, to perform its obligations under the contracts.

(2) Sub-Fund specific risk considerations

Emerging Markets including BRIC Freestyle, BRIC Markets, BRIC Markets Equity, Emerging Europe Equity, Global Emerging Markets Bond, Global Emerging Markets Elite Fund, Global Emerging Markets Equity, Global Emerging Markets Equity Freestyle, Global Emerging Markets Local Debt Fund and New World Income Fund

Because of the special risks associated with investing in Emerging Markets, sub-funds which invest in such securities should be considered speculative. Investors in such sub-funds are advised to consider carefully the special risks of investing in emerging market securities. Economies in Emerging Markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries in which they trade.

Brokerage commissions, custodial services and other costs relating to investment in Emerging Markets generally are more expensive than those relating to investment in more developed markets. Lack of adequate custodial systems in some markets may prevent investment

in a given country or may require a sub-fund to accept greater custodial risks in order to invest, although the Custodian will endeavour to minimise such risks through the appointment of correspondents that are international, reputable and creditworthy financial institutions. In addition, such markets have different settlement and clearance procedures. In certain markets there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. The inability of a sub-fund to make intended securities purchases due to settlement problems could cause the sub-fund to miss attractive investment opportunities. Inability to dispose of a portfolio security caused by settlement problems could result either in losses to a sub-fund due to subsequent declines in value of the portfolio security or, if a sub-fund has entered into a contract to sell the security, could result in potential liability to the purchaser.

The risk also exists that an emergency situation may arise in one or more developing markets as a result of which trading of securities may cease or may be substantially curtailed and prices for a sub-fund's securities in such markets may not be readily available.

Investors should note that changes in the political climate in Emerging Markets may result in significant shifts in the attitude to the taxation of foreign investors. Such changes may result in changes to legislation, the interpretation of legislation, or the granting of foreign investors the benefit of tax exemptions or international tax treaties. The effect of such changes can be retrospective and can (if they occur) have an adverse impact on the investment return of Shareholders in any sub-fund so affected.

Investors in Emerging Markets sub-funds should be aware of the risk associated with investment in Russian equity securities. Markets are not always regulated in Russia and at present time, there are a relatively small number of brokers and participants in these markets and when combined with political and economic uncertainties this may temporarily result in illiquid equity markets in which prices are highly volatile.

The relevant sub-funds will therefore only invest up to 10% of their net asset value directly in Russian equity securities (except if they are listed on the RTS Stock Exchange, on the Moscow Interbank Currency Exchange in Russia and any other regulated markets in Russia which would further be recognised as such by the Luxembourg supervisory authority) while the sub-funds will invest in American, European and Global Depositary Receipts, respectively ADRs, EDRs or GDRs, where underlying securities are issued by companies domiciled in the Russian Federation and then trade on a Regulated Market outside Russia, mainly in the USA or Europe. By investing in ADRs, EDRs and GDRs, the sub-funds expect to be able to mitigate some of the settlement risks associated with the investment policy, although other risks, e.g. the currency risk exposure, shall remain.

The sub-funds' investments are spread among a number of industries, however the BRIC countries' markets are comprised of significant weightings in the natural resources sectors. This means that the sub-fund's investments may be relatively concentrated in these sectors and the performance of the sub-fund could be sensitive to movements in these sectors. Risks of sector concentration are outlined below. In selecting companies for investment, a company's financial strength, competitive position, profitability, growth prospects and quality of management will typically be evaluated. The BRIC Freestyle, BRIC Markets, BRIC Markets Equity, Emerging Europe Equity and Global Emerging Markets Equity Freestyle sub-funds involve above-average investment risks.

Chinese Equity and Greater China Equity

Investors should be aware of a number of special risk factors attendant on investment in Emerging Markets generally and the markets in China in particular:

1. Emerging Markets can be significantly more volatile than developed markets, so that the price of Shares may be subject to large fluctuations. The sub-fund's investments are subject to changes in regulations and tax policies going forward as China has now joined the WTO and engages in continuing market liberalisation.
2. The Chinese currency, the Renminbi, is not a freely convertible currency. The State Council's securities regulation body - the China Securities Regulation Commission (CSRC) also supervises the two official stock exchanges in China (the Shanghai Stock Exchange and the Shenzhen Securities Exchange) on which shares of Chinese issuers are listed in two categories, of which the "B" shares are quoted and traded in foreign currencies (currently Hong Kong Dollars and US dollars) and are available to foreign investors.
3. The China "B" share market is relatively illiquid so that the choice of investments will be limited by comparison with that of major international stock exchanges.
4. The sub-funds will invest directly in securities quoted on the regulated Stock Exchanges in China and also in securities of companies listed in other Stock Exchanges which have substantial business or investment links in China. For this purpose, Chinese Equity will generally only invest in companies listed outside China where those companies are owned or controlled by Chinese interests, or where at least 40% of the earnings, production facilities, turnover, assets or investments of such companies are based in or derived from China.

The sub-funds may invest in equity markets in China other than the Shanghai and Shenzhen exchanges once such markets have been established and approved by the authorities in China.

Sector risk

The investments of Global Equity Technology are spread across the sector on which they focus and in case of BRIC Freestyle, BRIC Markets and BRIC Markets Equity, the portfolios may have a high concentration in the natural resources sector. Because these investments are limited to a relatively narrow segment of the economy, the sub-funds' investments are not as diversified as most mutual funds. This means that these sub-funds tend to be more volatile than other mutual funds and their portfolio values can increase or decrease more rapidly. The performance of each sub-fund may differ in direction and degree from that of the overall stock market. Particular sub-fund considerations are as follows:

Global Equity Technology

Companies in the technology sector are at risk from new technologies and face a high risk of obsolescence as a result of technological advances. They are also dependent on consumer and business acceptance for new technologies in order to establish a market. Many technology companies are smaller companies, and the risks of investing in such companies are detailed below.

Small capitalisation

The investments of Asia ex Japan Equity Smaller Companies and Euroland Equity Smaller Companies, which include smaller capitalisation companies, may involve greater risk than sub-funds investing in larger, more established companies. For example, small capitalisation companies may have limited product lines, markets and financial or managerial resources. As a result, price movements in

securities of smaller capitalisation companies may be more volatile.

Transaction costs in securities of smaller capitalisation companies can be higher than those of larger capitalisation companies and there may be less liquidity.

Non-Investment Grade Debt

Credit risk is more pronounced for investments in fixed-income securities that are rated below Investment Grade or which are of comparable quality. The risk of default may be greater and the market for these securities may be less active, making it more difficult to sell the securities at reasonable prices, and also making valuation of the securities more difficult. A sub-fund may incur additional expenses if an issuer defaults and the sub-fund tries to recover some of its losses in bankruptcy or other similar proceedings.

The foregoing risk factors do not purport to be a complete explanation of the risks involved in investing in the shares. Prospective investors should read the entire prospectus and consult with their legal, tax and financial advisors before making any decision to invest in any sub-fund.

Section 2 Company Details

2.1. Summary of Principal Features

Legal structure: Open ended investment company with multiple sub-funds incorporated in Luxembourg as a société anonyme qualifying as a *société d'investissement à capital variable*. Each sub-fund corresponds to a distinct part of assets and liabilities. It exists for an unlimited period and qualifies as an undertaking for collective investment in transferable securities under Part I of the Luxembourg law of 20 December 2002 implementing directive 85/611 EEC (as amended by directives 2001/107 and 2001/108 in particular) into Luxembourg law

Incorporation date: 21 November 1986

Registered number: B 25 087 at the *Registre de Commerce et des Sociétés of Luxembourg*

Articles of Incorporation: Published in the Legal Gazette *Mémorial, Recueil des Sociétés et Associations ("Mémorial")* on 17 December 1986 and the latest amendment was published on 28 June 2005 in the *Mémorial*.

Dividends: For Distribution Shares, the Board of Directors expects to recommend distribution of a portion of each sub-fund's net investment income for the year.

Taxation: Annual Luxembourg tax of 0.05%, payable quarterly on Equity, Freestyle, Bond and Other sub-funds and 0.01% on Reserve sub-funds and all J Share, L Share, W Share and Z Share Classes.
(for details see 2.15 "Taxation")

Investment objectives: The Company provides investment in separate professionally managed pool of international securities distinguished by different geographical areas and currencies, with the opportunity for the investor to spread investment risk as well as to choose to emphasise income, capital conservation and growth.

NAV Publication:	Details can be obtained from Share Distributors or the registered office of the Company. Generally available in various publications. (for details see section entitled "Prices of Shares and Publication of Prices and NAV")
Net Asset Value:	Calculation on each Dealing Day
Purchase / Conversion / Redemption: (dealing cut-off time)	<p>Hong Kong</p> <p>4.00 p.m. Hong Kong time on a business day in Hong Kong;</p> <p>Applications received in Hong Kong on a day which is not a Hong Kong business day will be transacted on the next Hong Kong business day.</p> <p>Jersey</p> <p>5.00 p.m. Jersey time on a business day in Jersey; prior to the Dealing Day</p> <p>Rest of the World</p> <p>10.00 a.m. Luxembourg time on a Dealing Day</p>
Current sales charge:	Up to 5.54% of the Net Asset Value per Share
Base Currency of the Company:	USD
Year end:	31 March

2.2. How to buy Shares

Application

Investors buying Shares for the first time should complete the Application Form. Any subsequent purchase of Shares can be made by letter, fax or telephone, the latter may require confirmation in writing.

Applications for Shares of any sub-fund made to a distributor, the Distributor, a Representative, or the Company before the appropriate dealing cut-off times as set forth below on a Dealing Day will, if accepted, normally be fulfilled on that Dealing Day, unless otherwise provided below.

Dealing cut-off times at place of issue of orders

Hong Kong

4.00 p.m. Hong Kong time on a business day in Hong Kong

Applications received in Hong Kong on a day which is not a Hong Kong business day will be deemed to have been received on the next Hong Kong business day.

Jersey

5.00 p.m. Jersey time on a business day in Jersey prior to the Dealing Day

Rest of the World

10.00 a.m. Luxembourg time on a Dealing Day

Applications received after the above cut-off times will normally be dealt on the next following Dealing Day. Shareholders should normally allow up to 4 Business Days before further switching or redeeming their Share after purchase or subscription.

Investors and Shareholders dealing through distributors (including those offering nominee services) shall be entitled to deal until the above dealing cut-off times. The distributors/nominees shall transmit the amalgamated orders to the Company as soon as possible.

Acceptance

The right is reserved by the Company to reject any subscription or conversion application in whole or in part. If an application is rejected, the application monies or balance thereof will be returned at the risk of the applicant and without interest within five Business Days of rejection by cheque or, at the cost of the applicant, by telegraphic transfer.

Anti-Money Laundering and Prevention of Terrorist Financing

Pursuant to the Luxembourg laws of 19 February 1973 (as amended), to combat drug addiction, of 5 April 1993 (as amended), relating to the financial sector and of 12 November 2004 on the fight against money laundering and terrorist financing and to the relevant circulars of the Luxembourg supervisory authority, obligations have been imposed on professionals of the financial sector to prevent the use of undertakings for collective investment such as the Company for money laundering and terrorist financing purposes. Within this context measures to ensure the identification of investors have been imposed. The Application Form of an investor must be supported in the case of individuals, by a copy of the passport or identification card and/or in the case of legal entities, a copy of the statutes and an extract from the commercial register (any such copy must be certified to be a true copy by one of the following authorities: ambassador, consulate, notary, local police). Such identification procedure may be waived by the Company in the following circumstances:

- In the case of a subscription through an intermediary qualifying as a professional of the financial sector resident in Luxembourg or in a country which imposes an identification obligation equivalent to that required under Luxembourg law for the prevention of money laundering and terrorist financing;
- In the case of a subscription through qualifying branches or subsidiaries of a professional of the financial sector subject to an identification obligation equivalent to that required by Luxembourg law, where the law or a group policy applicable to the parent imposes equivalent identification obligations on its subsidiaries or branches.

It is generally accepted that professionals of the financial sector resident in a country which has ratified the conclusions of the FATF report are deemed to have an identification obligation equivalent to that required by Luxembourg law.

Investors may be asked to produce additional documents for verification of their identity before acceptance of their applications.

Settlement

In Cash

Settlement may be made by cheque, bankers' draft or electronic transfer net of bank charges to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate sub-fund into which settlement monies are paid. Details of the relevant correspondent bank(s) are given on the Application Form or can be obtained from a Distributor.

No money should be paid to a salesman or in Hong Kong to any intermediary who is not a person licensed to carry on Type I (dealing in securities) regulated activities under the Securities and Futures Ordinance (the "SFO") in Hong Kong or a financial institution registered under the SFO to carry on such activities.

In Kind

The Board of Directors may, at their discretion, decide to accept securities as valid consideration for a subscription provided that these comply with the investment policy and restrictions of the relevant sub-funds. Such securities will be independently valued in accordance with Luxembourg law by a special report of the Company's Luxembourg auditor. Additional costs resulting from a subscription in kind will be borne exclusively by the subscriber concerned.

Currencies

Where payments are made in a currency other than the Base Currency or a Dealing Currency, the necessary foreign exchange transactions are arranged by the Distributor or the Transfer Agent for the account of, and at the expense of, the applicant at prevailing exchange rates on the relevant Dealing Day.

Share Allocation

Shares are provisionally allotted but not allocated until cleared funds have been received by the Company or to its order. Cleared monies must be received by the Company or by a correspondent bank to its order, not later than the deadlines set forth below

Sub-fund	Due date for receipt of cleared monies
Equity, Bond, Reserve, Freestyle and Other	Four days (which are Business Days and days during which the banks in the principal financial centre for the Dealing Currency of the relevant Share Class are open for business) after application

If settlement is not received by the Company or to its order in cleared funds by the due date the Company reserves the right to cancel the provisional allotment of Shares without prejudice to the right of the Company to obtain compensation of any loss directly or indirectly resulting from the failure of an applicant to effect settlement.

Contract Notes

Contract Notes and, for those who have not completed an Application Form, registration slips, are posted to the investor on the allotment of Shares. Registration slips must be properly completed and returned immediately to the Transfer Agent or the Distributor. Shareholders are allocated a personal account number as stated in the Contract Note which should be quoted on all further correspondence.

Form of Shares

Shares are issued in registered form, with only a Share Confirmation being sent to the subscriber.

For Registered Shares, fractions of Shares will be allocated where appropriate.

Registered Shares in book form can be delivered into the Clearstream or Euroclear platforms.

Purchase of Shares in the UK

Prospective applicants in the United Kingdom are advised that if they enter into a purchase agreement for Shares in consequence of this Prospectus or subsequently apply to convert such Shares to Shares in another sub-fund, they shall not have the right (provided under Section 6.7 of the Financial Services Authority Conduct of Business Sourcebook, as may be amended from time to time) to cancel the investment agreement constituted upon the acceptance by or on behalf of the Company of an application for Shares unless advice has

been received from a financial adviser. If you invest direct or are not resident in the United Kingdom you will not be eligible for cancellation rights. If an application is received directly we will assume that you did not receive advice unless you indicate at the time of investing that you did receive advice. Where you have the right to cancel, we will notify you of this right and you will have 14 days to cancel from the day you receive the cancellation notice. If you cancel within this period we will cash in your investment and send you the proceeds, refunding any initial charge. However, if the value of the Shares has fallen from the time when you purchased them you will not get back the full price you paid for them. In addition, prospective applicants in the United Kingdom should note that investment into this scheme will not be covered by the provisions of the Financial Services and Markets Act 2000 (the "Act") for the protection of investors. The Management Company is not an authorised person under the Act and investors are not therefore protected by the Financial Services Compensation Scheme.

The scheme has however been certified as a UCITS scheme by the Supervisory Authority of Luxembourg and has been certified by the Financial Services Authority as a recognised collective investment scheme in the UK, pursuant to Section 264 of the Act.

2.3. How to sell Shares

Request

Redemption requests should be made to the Company either directly or through the Distributor. Redemption requests may be made by letter, fax or telephone, the latter may require confirmation in writing. They must include the names and personal account number(s) of the Shareholder(s), the number of Shares to be repurchased relating to each sub-fund and any special instructions for despatch of the redemption proceeds. Holders of Bearer Shares should enclose their duly renounced Share Certificate(s) with all unmatured coupons attached, in the case of Bearer Shares, with their written request or written confirmation.

Valid instructions to redeem Shares of any sub-fund received prior to the appropriate dealing cut-off times as described in Section 2.2 under "How to Buy Shares – Application" will normally be fulfilled on that Dealing Day. Any valid request received after the dealing cut-off times will be dealt with on the next Dealing Day. Any request for which documentation is missing will be dealt on receipt of the relevant documents, on the appropriate Dealing Day, after taking account of the dealing cut-off times.

Hong Kong residents should refer to Section 2.12 of this Prospectus "Hong Kong Representative and Distributor" and the accompanying Hong Kong covering document for details of the procedure they must follow.

Settlement

In Cash

The net redemption proceeds shall be paid in the Base Currency or Dealing Currency of the sub-fund concerned, no later than the following dates.

Sub-fund	Due date for receipt of cleared monies
Equity, Bond, Reserve, Freestyle and Other	Four days (which are Business Days and days during which the banks in the principal financial centre for the Dealing Currency of the relevant Share Class are open for business) after relevant Dealing Day

If payment is made by telegraphic transfer at the request of the Shareholder, any costs so incurred will be the liability of the Shareholder. The payment of the redemption proceeds is carried out at the risk of the Shareholder.

In Kind

At a Shareholder's request, the Company may elect to make an in kind redemption subject to a special report from the Company's auditors, having due regard to the interests of all Shareholders, to the industry sector of the issuer, to the country of issue, to the liquidity and to the marketability and the markets on which the investments distributed are dealt in and to the materiality of investments. Additional costs resulting from a redemption in kind will be borne exclusively by the Shareholder concerned.

Contract Note

Contract Notes are posted to Shareholders as soon as practicable after the transaction has been effected.

Mandatory Redemption

If a redemption instruction would reduce the value of a Shareholder's residual holding in any one sub-fund to below the minimum holding requirement as set forth in Section 1.5, the Company may decide to compulsorily redeem the Shareholder's entire holding in respect of that sub-fund.

Deferral of Redemption

In order to ensure that Shareholders who remain invested in the Company are not disadvantaged by the reduction of the liquidity of the Company's portfolio as a result of significant redemption applications received over a limited period, the Board of Directors may apply the procedures set out below in order to permit the orderly disposal of securities to meet redemptions.

The Company, having regard to the fair and equal treatment of Shareholders, on receiving requests to redeem Shares amounting to 10% or more of the net asset value of any sub-fund:

- a) shall not be bound to redeem on any Dealing Day a number of Shares representing more than 10% of the net asset value of any sub-fund. If the Company receives requests on any Dealing Day for redemption of a greater number of Shares, it may declare that such redemptions exceeding the 10% limit may be deferred for seven consecutive Dealing Days. On such Dealing Days such requests for redemption will be complied with in priority to later requests. If in the case of a request for conversion, such day is not a Qualifying Day, requests for conversion shall be dealt with on the next Qualifying Day in priority to later requests.
- b) may elect to sell assets representing, as nearly as practicable, the same proportion of the sub-fund's assets as the Shares for which redemption requests have been received. If the Company exercises this option, the amount due to the Shareholders who have applied to have their Shares redeemed will be based on the Net Asset Value per Share, calculated after such sale or disposal. Payment will be made forthwith upon completion of the sales and the receipt by the Company of the proceeds of sale in freely convertible currency. Receipt of the sale proceeds by the Company may however be delayed and the amount ultimately received may not necessarily reflect the Net Asset Value per Share calculation made at the time of the relevant transactions because of possible fluctuations in the currency values and difficulties in repatriating funds from certain jurisdictions (See Section on Risk Factors).

Payment of redemption proceeds may be delayed if there are any specific statutory provisions such as foreign exchange restrictions, or any circumstances beyond the Company's control which make it

impossible to transfer the redemption proceeds to the country where the redemption was requested.

Cancellation Right

Requests for redemption once made may only be withdrawn in the event of a suspension or deferral of the right to redeem Shares of the relevant sub-fund.

Prevention of Market Timing Practices

The Company does not knowingly allow investments which are associated with market timing practices, as such practices may adversely affect the interests of all Shareholders.

In general, market timing refers to the investment behaviour of an individual or company or a group of individuals or companies buying, selling or exchanging shares or other securities on the basis of predetermined market indicators by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the net asset value. Market timers may also include individuals or groups of individuals whose securities transactions seem to follow a timing pattern or are characterised by frequent or large exchanges.

Accordingly, the Management Company may, whenever it deems it appropriate and using its existing discretion take the following decisions or cause the Transfer Agent and/or Administrative Agent, as appropriate, to implement any or all, of the following measures:

- The Transfer Agent may combine Shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices. Accordingly, the Management Company reserve the right to cause the Transfer Agent to reject any application for switching and/or subscription of Shares from investors whom the former considers market timers.
- If a sub-fund is primarily invested in markets which are closed for business at the time the sub-fund is valued, the Management Company may, during periods of market volatility, and in accordance with the provisions below cause the Administration Agent to adjust the Net Asset Value per Share to reflect more accurately the fair value of the sub-fund's investments or, in certain circumstances specified below, to suspend the calculation of the Net Asset Value per Share and the issue, allocation, the redemption and the conversion of Shares relating to that sub-fund.
- If a sub-fund is primarily invested in markets that are closed or with substantially restricted or suspended dealings, the Management Company may suspend the calculation of the Net Asset Value per Share and the issue allocation and the redemption and repurchase of Shares relating to that sub-fund.

In practice, the securities of sub-funds investing in non-European markets are usually valued on the basis of the last available price at the time when the Net Asset Value per Share is calculated. The time difference between the close of the markets in which a sub-fund invests and the point of valuation can be significant.

As a result, where the Management Company believes that a significant event has occurred between the close of the markets in which a sub-fund invests and the point of valuation, and that such event will materially affect the value of that sub-fund's portfolio, it may cause the Administration Agent to adjust the Net Asset Value per Share so as to reflect what is believed to be the fair value of the portfolio as at that point of valuation.

The level of adjustment will be based upon the movement in a chosen surrogate up until the point of valuation, provided that such movement exceeds the threshold as determined by the Board of

Directors, as detailed below. The surrogate will usually be in the form of a futures index, but might also be a basket of securities, which the Board of Directors believes is strongly correlated to, and representative of, the performance of the relevant sub-fund.

Where an adjustment is made as per the foregoing, it will be applied consistently to all Classes of Shares in the same sub-fund.

As at the date of issue of this Prospectus, it is intended that the measure described above, known as fair value pricing, be only applied to seven sub-funds which have a significant exposure to the securities on the US market or Japanese market, namely the sub-funds US Equity, US Index, Global Equity, Global Equity SRI, Global Equity Technology, Global ex Euroland Equity and Japanese Equity. The Board of Directors has decided to implement in principle a fair value pricing procedure if a threshold of one per cent is exceeded. In case a second threshold of two per cent is exceeded, the provisions under the heading "Suspension of the Calculation of the Net Asset Value and Issue, Allocation, Conversion, Redemption and Repurchase of Shares" (sub Appendix 2., 2. f) may apply. The surrogate chosen by the Board of Directors is S&P 500 Index for the sub-funds US Equity, US Index, Global Equity, Global Equity SRI, Global ex Euroland Equity, and Nikkei 225 Index for the sub-fund Japanese Equity.

As a suitable surrogate does not exist for the Brazil Equity, BRIC Freestyle, BRIC Markets, BRIC Markets Equity and Korean Equity sub-funds, the fair value pricing adjustment detailed above will not apply. The Board of Directors will monitor the movement of various stock market indices which are known to be correlated, from the close of the Brazilian and Korean markets up to the valuation point. If these market indices move by more than 1.5% in this period, the Board of Directors will seek to ascertain the reason for such movement and determine whether such reason is also applicable to Brazil or Korea, respectively.

If the Board of Directors decides that it is applicable, then the provisions under the heading "Suspension of the Calculation of the Net Asset Value and Issue, Allocation, Conversion, Redemption and Repurchase of Shares" (sub Appendix 2.2.) may apply to the relevant sub-fund.

In addition to the fees listed elsewhere in this Prospectus, the Board of Directors may impose a charge of up to 2.00% of the Net Asset Value of the Shares redeemed or exchanged where the Board of Directors reasonably believes that an investor has engaged in market timing activity or active trading that is to the disadvantage of other shareholders. The charge shall be credited to the relevant sub-fund.

2.4. Foreign Exchange Transactions

Shares are issued in principle at an Offer Price and redeemed at a Redemption Price denominated and payable in the Base Currency of the sub-fund or Class concerned. The Offer and Redemption Prices are also expressed in the Dealing Currencies set out in Section 1.4. Where payments are tendered by a subscriber or, if a capital withdrawal is required in a currency **other than that in the Base Currency or the Dealing Currencies**, the necessary foreign exchange transactions are arranged by the Distributor or the Transfer Agent for the account of, and at the expense of, the applicant at prevailing exchange rates on the relevant Dealing Day.

2.5. How to convert between Sub-Funds

	INTO											
	Share A	Share E	Share I	Share J	Share L	Share M	Share P	Share S	Share W	Share Y	Share Z	
Share A	✓	✓	x	x	x	x	x	x	x	x	x	x
Share E	x	✓	x	x	x	x	x	x	x	x	x	x
Share I	✓	✓	✓	x	x	x	✓	x	x	x	x	x
Share J	x	x	x	✓	x	x	x	x	x	x	x	x
Share L	x	x	x	x	✓	x	x	x	x	x	x	x
Share M	✓	✓	✓	x	x	✓	✓	x	✓	x	✓	✓
Share P	✓	✓	x	x	x	x	✓	x	x	x	x	x
Share S	x	x	x	x	x	x	x	✓	x	x	x	x
Share W	x	x	x	x	x	x	x	x	✓	x	x	x
Share Y	x	x	x	x	x	x	x	x	x	✓	x	x
Share Z	✓	✓	✓	x	x	x	✓	x	x	x	✓	✓

Subject to Shareholders being eligible in a given Class, Shares of different Classes in any sub-fund may be converted into different Classes of the same or other sub-funds in accordance with the above table on any Dealing Day for both sub-funds (a "Qualifying Day"). Completed requests received before the dealing cut-off time will be dealt with on that Dealing Day or Qualifying Day, as applicable. Requests received after the dealing cut-off time are deemed received the next Dealing Day or Qualifying Day as applicable.

If compliance with conversion instructions would result in a residual holding in any one sub-fund or Class of less than the minimum holding, the Company may compulsorily redeem the residual Shares at the Redemption Price ruling on the relevant Qualifying Day and make payment of the proceeds to the Shareholder.

Investors in Capital-Accumulation Shares can convert their holding to Distribution Shares in the same as other sub-funds and vice versa. Investors in hedged Share Classes can convert their holding to unhedged Share Classes in the same or other sub-funds and vice versa.

A conversion charge of up to 1% of the value of the Shares which are being converted may be payable to the relevant distributor. If a currency conversion needs to be effected, because the Net Asset Values per Share of the shares are in different currencies, the currency conversion rate of the relevant Dealing Day is used.

For investors in the Company who invest initially in Share Classes where no or a low sales charge is usually payable and subsequently switch into Share Classes of the same or different sub-funds with higher sales charges, such conversions are subject to the sales charge normally payable on direct investments into such Share Classes.

Fractions of Registered Shares are issued on conversion to three decimal points. Hong Kong residents should refer to Section 2.12 paragraph 2 headed "Hong Kong Representative and Distributor" and the accompanying Hong Kong covering document for details of the procedure they must follow.

The Company will allow selected distributors in certain jurisdictions to convert their clients holdings from A Shares to P Shares and from E Shares to A Shares.

Conversion Procedure for Certificated Shares

Holders of Bearer Shares should, at the time of making the conversion request, deliver the relevant share certificate(s) to the Transfer Agent together with all unmaturing coupon(s). On receipt of the share certificate(s) and relevant coupon(s) the conversion will be effected, provided such day is a Qualifying Day. The proceeds of Shares converted are reinvested in Shares relating to the new Class or sub-fund.

2.6. Prices of Shares and Publication of Prices and NAV

Valuations

The Net Asset Values per Share are calculated on each Dealing Day on the basis of the net asset value of the relevant Class of Shares of the relevant sub-fund in its relevant currencies.

In certain circumstances set out in Appendix 2, the Net Asset Value per Share determinations may be suspended and during any such period of suspension no Shares relating to the sub-fund to which the suspension applies may be issued or allocated (other than those already allotted), converted or repurchased. Full details of the Net Asset Value per Share calculations are set out below.

Offer Price

The Offer Price for Shares of each Class of each sub-fund is based on the Net Asset Value per Share and includes a sales charge of up to 5.54 % of the Net Asset Value per Share. Offer Prices are quoted to three decimal places.

The Company and Share Distributors reserve the right to waive the whole or part of the sales charge in respect of any particular application.

For Class S Shares, further charges as detailed in the section 1.5 Share Class Information may be added to the Offer Price.

Redemption Price

The Redemption Price of Shares of each Class of each sub-fund is equal to the Net Asset Value per Share of the relevant Class on which the application for redemption has been received by the Registrar.

Redemption Prices are quoted to three decimal places.

For Class S Shares, further charges as detailed in the section 1.5 Share Class Information may be deducted from the Redemption Price.

Publication of prices

The Offer and Redemption Prices of all sub-funds for each Dealing Day are available at the offices of the Company, the distributors, and at the office of the UK Representative of the Company.

The previous Dealing Day's Offer and Redemption Prices are available from the Company, the distributors and the UK Representative. The Redemption Price is published daily in the relevant currencies as determined from time to time by the Board of Directors in the Financial Times and any other newspapers as the Board of Directors may determine.

NAV Calculation Principles

The valuation principles of the assets of the Company detailed in article 23 of the Articles of Incorporation are summarised below:

1. The assets of each Class within each sub-fund are valued as at 11.00 a.m. (Luxembourg time) on each Dealing Day.

If after such valuation there has been a material change in the quoted prices on the markets on which a substantial portion of the investments of the Company attributable to a particular sub-fund is dealt or quoted the Company may, in order to safeguard the interests of the Shareholders and the Company, cancel the first valuation and carry out a second valuation. In the case of such a second valuation, all issues, conversions or redemptions of Shares dealt with by the sub-fund on such a Dealing Day must be made in accordance with this second valuation.

2. The Net Asset Value per Share of each Class within each sub-fund is determined by aggregating the value of securities and other permitted assets of the Company allocated to that Class and

deducting the liabilities of the Company allocated to that Class.

The Net Asset Value per Share of each Class is determined by dividing the net asset value of the Class concerned by the number of Shares of that Class outstanding and by rounding the resulting amount up or down to three decimal points. Any roundings will be borne by or credited to the relevant Class of Shares.

3. Portfolio securities and/or financial derivative instruments which are listed on an official stock exchange are valued at the last available price on the principal market on which such securities are traded. Securities traded on other organised markets are valued at the last available price or yield equivalents obtained from one or more dealers in such organised markets at the time of valuation. If such prices are not representative of their fair value, all such securities and all other permitted assets will be valued at their fair value at which it is expected they may be resold as determined in good faith by or under the direction of the Board of Directors.

The financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in a reliable and verifiable manner on a daily basis, in accordance with market practice. Shares or units in underlying open-ended investment funds shall be valued at their last available net asset value reduced by any applicable charges.

Any asset or liabilities expressed in terms of currencies other than the relevant currency of the sub-fund or Class concerned are translated into such currency at the prevailing market rates as obtained from one or more banks or dealers.

The consolidated accounts of the Company for the purpose of its financial reports shall be expressed in US dollars.

If the Company acquires shares or units of funds that are managed directly or indirectly by the Management Company itself or a company with which it is linked by way of common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes no management fee may be charged to the Company's assets in respect of such investments.

Moreover, the Management Company may not charge to the sub-funds any issuing or redemption commissions of the associated target funds as defined above.

2.7. Dividends

The Board of Directors has resolved to issue Distribution and Capital-Accumulation Shares in different Classes of the sub-funds.

- i) Capital-Accumulation Shares are identifiable by a "C" following the sub-fund and Class names and do not pay any dividends.
- ii) Distribution Shares are identifiable by a "D" following the sub-fund and Class names. The distribution policy of the Distribution Shares can be summarised as follows:

Dividends will be declared separately in respect of each Distribution Class of each sub-fund by the meeting of Shareholders of the relevant Class of Shares of the relevant sub-fund at the end of each financial year. The Board of Directors may declare interim dividends in respect of certain sub-funds.

Dividends will be announced in the financial press. Payment of dividends will be made within six weeks of such declaration to holders of Shares in the respective sub-funds at the dividend record date as stated in such resolution.

Payment and Reinvestment of Dividends

Holders of Registered Shares may, by written request to the Transfer Agent or by completion of the relevant section of the Application Form, elect to have dividends relating to any Distribution Class of any

sub-fund paid out to them. Otherwise dividends will be reinvested automatically in the acquisition of further Shares relating to that sub-fund. Such Shares will be purchased no later than on the next Dealing Day after the date of payment of the dividend. Shares allocated as a result of such reinvestment will not be subject to any sales charge.

Fractions of Registered Shares will be issued (as necessary) to three decimal points.

Dividends below USD 50, Euro 50, JPY 5,000 or GBP 30 will in any case be automatically reinvested in accordance with the provisions set out above.

2.8. Charges and Expenses

1. Explanation of the Charging Structure

Investment in the Company is generally offered via charging structures, as represented by the A, E, I, J, L, M, P, W, Y and Z Classes of Shares.

The Management Company is entitled, in respect of each Class of Shares, to a management fee to cover all investment management, investment advisory and distribution services provided in relation to the relevant Class (see 2. "Management Fee" below).

In addition, the Company pays to the Management Company a fee to cover operating administrative and servicing expenses. To preserve Shareholders from fluctuations in a sub-fund's operating, administrative and servicing expenses, the Company has agreed with the Management Company that the fee charged to cover such operating, administrative and servicing expenses is fixed at an annual rate ("Operating, Administrative and Servicing Expenses"). The excess of such expenses above such annual rate will be borne directly by the Management Company (see 4. "Operating, Administrative and Servicing Expenses" below).

For so long as a Share Class of a sub-fund is authorised by the Securities and Futures Commission in Hong Kong in the event of any increase in the current level of the Management Fee or the Operating, Administrative and Servicing Expenses up to the maximum permitted rate, at least three months prior notice will be given to affected Shareholders. Any increase in the maximum permitted rate is subject to the prior approval of affected Shareholders of the relevant Share Class of the relevant sub-fund.

The Company will use any interest income in preference to other income to pay charges and expenses. To the extent that such charges and expenses are greater than the interest or other income of that sub-fund or Share Class the excess will be taken from the assets of that sub-fund or Share Class.

2. Management Fee

The Company pays to the Management Company an annual management fee calculated as a percentage of the net asset value of each sub-fund or Share Class ("Management Fee"), except otherwise provided hereinafter. The Management Fee is accrued daily and payable monthly in arrears at the rates specified in the table below.

The maximum rate for Class E, I, J, L and M Shares is 3.5%.

The maximum rate for Class A, P, Y and Z Shares is as stated in the tables in Section 1.4.

No management fee is charged for Class W Shares.

The Management Fee covers management and distribution services provided in relation to the relevant sub-fund of the Company by the Management Company, the Investment Advisers and the Share Distributor. The Management Company is responsible for discharging, out of such fee, the fees of the Investment Advisers and the Share

Distributor and may pay part of such fee to recognised intermediaries or such other person as the Management Company may determine, at its discretion.

The Management Company may instruct the Company to pay a portion of the Management Fee directly out of the assets of the Company to any of such service providers. In such case the Management Fee due to the Management Company is reduced accordingly.

3. Performance fees

For sub-funds issuing Classes J Shares, L Shares and M Shares, the Management Company is also entitled to a Performance Fee, payable annually in arrears after the end of each twelve months period (financial year for Class M1 Shares of Global Emerging Markets Equity Freestyle).

Each Dealing Day, the Performance Fee accrual will be calculated as 20% (10% in the case of Global Equity Freestyle) of the difference between the change in the Net Asset Value per Share of the relevant Class of the sub-fund since the previous Dealing Day (net of all other fees and expenses and excluding the effect of subscriptions and redemptions) and the simple daily equivalent of the percentage defined below for the relevant sub-funds (hereafter the "Percentage") provided that on such Dealing Day the Net Asset Value per Share of the relevant Class of the sub-fund is higher than the Low Tide Mark (as defined below).

On a Dealing Day when the Net Asset Value exceeds the Low Tide Mark but immediately follows a Dealing Day when the NAV per Share was below the Low Tide Mark, no accrual is made.

On the first issue of the relevant Class of Shares in a sub-fund, the Low Tide Mark will equal the initial offer price of the relevant Class of Shares of the sub-fund. The Low Tide Mark will not be set at a level below the initial offer price of the relevant Class of Shares of the sub-fund.

The cumulative Performance Fee accruals from the beginning of the twelve months period (financial year for Class M1 Shares of Global Emerging Markets Equity Freestyle) will be included in the calculation of the Net Asset Value per Share. In the event of any change in the Net Asset Value per Share of the relevant Class of the sub-fund being less than the simple daily equivalent of the Percentage, the daily Performance Fee accrual will be negative and will reduce the cumulative Performance Fee accrual until the accrual reaches a minimum level of zero. If the cumulative Performance Fee accrual reaches zero, the Net Asset Value per Share on the previous day will be set as the 'Low Tide Mark'. No further daily Performance Fee accruals will be made until the Net Asset Value per Share exceeds the Low Tide Mark.

At the end of the twelve months period (financial year for Class M1 Shares of Global Emerging Markets Equity Freestyle) the positive balance (if any) of the Performance Fee accrual will become payable to the Management Company and the Performance Fee accrual in the Net Asset Value per Share of the relevant Class of Shares will be reset to zero and the Net Asset Value per Share on that day will be set as the Low Tide Mark. When there is a positive Performance Fee accrual during a period of significant new subscriptions into a sub-fund with the relevant Class of Shares, followed by a period of negative performance, all Shareholders will participate (in proportion with their shareholding) in the reduction in the cumulative Performance Fee accrual, regardless of their actual contribution to the cumulative Performance Fee accrual. Also, if the Net Asset Value per Share is rising but is still below the Low Tide Mark, the Management Company will not benefit from any Performance Fee accruals on any relevant Class of Shares of the sub-fund, including Shares that are newly issued and which only experience positive performance.

The Board of Directors therefore reserves the right to immediately close the relevant Class for new subscriptions, although redemptions will continue to be allowed as usual. Shares in a new relevant Class will then become available for subscription with a Low Tide Mark set at the Net Asset Value per Share of that Class. Class J Series, Class L Series and Class M Series or Class J Series will be designated in numerical sequence beginning with "J1", "L1" or "M1", respectively.

At the end of twelve months period (financial year for Class M1 Shares of Global Emerging Markets Equity Freestyle) in which a Performance Fee accrual becomes payable on certain Class Series, the Board of Directors reserves the right to consolidate these relevant Class Series into a single Series. The Board of Directors will give due consideration to the operational and taxation impact of such a Share consolidation and all impacted Shareholders will be informed accordingly of their revised Share allocation. If no Performance Fee accrual is payable, the Low Tide Mark remains unchanged, hence the Low Tide Mark will never be lower than the previous Low Tide Mark and the Net Asset Value per Share on which the Performance Fee was last calculated and paid.

Shares will be subscribed or redeemed during a twelve month period (financial year for Class M1 Shares of Global Emerging Markets Equity Freestyle) based on the Net Asset Value per Share (taking into account any positive balance of performance fee accruals as calculated in accordance with the above) and there is no adjustment on each Share individually. The price at which investors subscribe or redeem Shares at different times during a twelve month period will be affected by the performance of the relevant sub-fund and its level of subscriptions and redemptions, which could have a positive or negative effect on the performance fee borne by them.

The following Percentages apply:

Sub-Funds	Percentage
BRIC Freestyle	5% per annum growth in the Net Asset Value per Share of Class M of BRIC Freestyle 5% per annum growth in the Net Asset Value per Share of Class J of BRIC Freestyle
Euroland Value Creation	average (as at 11 a.m. C.E.T.) of the following two total returns indices (MSCI Euro* and DJ Eurostoxx**)
Global Emerging Markets Equity Freestyle	5% per annum growth in the Net Asset Value per Share of Class M of Global Emerging Markets Equity Freestyle 5% per annum growth in the Net Asset Value per Share of Class J of Global Emerging Markets Equity Freestyle
Global Equity Freestyle	5% per annum growth in the Net Asset Value per Share of Class M of Global Equity Freestyle
Halbis Global Macro	Performance (as at 11 a.m. CET) of the 1-month EURIBOR index
Indian Equity Smaller Companies	5% per annum growth in the Net Asset Value per Share of Class L of Indian Equity Smaller Companies

Sub-Funds	Percentage
Latin American Freestyle	5% per annum growth in the Net Asset Value per Share of Class M of Latin American Freestyle
New World Income Fund	5% per annum growth in the Net Asset Value per Share of Class M of New World Income Fund
Sustainability Leaders	Performance (as at 11 a.m. CET) of the MSCI Europe total return index (with net dividends)
UK Freestyle	5% per annum growth in the Net Asset Value per Share of Class M of UK Freestyle

If any Shares are redeemed or converted to Shares in another sub-fund on a Dealing Day during the twelve months period (financial year for Class M1 Shares of Global Emerging Markets Equity Freestyle), the cumulative Performance Fee accrued during the twelve months period (financial year for Class M1 Shares of Global Emerging Markets Equity Freestyle) in respect of those Shares shall be crystallised and become payable to the Management Company.

* The MSCI information may not be reproduced or disseminated in any form and may not be used to create any financial instruments or products or any indices. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information.

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** STOXX and Dow Jones have no relationship to HSBC Global Investment Funds, other than the licensing of the Dow Jones EURO STOXX ® and the related trademarks for use in connection with the Euroland Value Creation sub-fund.

STOXX and Dow Jones do not:

- sponsor, endorse, sell or promote the Euroland Value Creation sub-fund;
- recommend that any person invest in the Euroland Value Creation sub-fund or any other securities;
- have any responsibility or liability for or make any decisions about the timing, amount or pricing of Euroland Value Creation sub-fund;
- have any responsibility or liability for the administration, management or marketing of the Euroland Value Creation sub-fund; and
- consider the needs of the Euroland Value Creation sub-fund or the owners of the Euroland Value Creation sub-fund in determining, composing or calculating the Dow Jones EURO STOXX or have any obligation to do so.

STOXX and Dow Jones will not have any liability in connection with the Euroland Value Creation sub-fund. Specifically, STOXX and Dow Jones do not make any warranty, express or implied and disclaim any and all warranty about:

- f) the results to be obtained by the Euroland Value Creation sub-fund, the owner of the Euroland Value Creation sub-fund or any other person in connection with the use of the Dow Jones EURO STOXX and the data included in the Dow Jones EURO STOXX®;
- g) the accuracy or completeness of the Dow Jones EURO STOXX and its data;
- h) the merchantability and the fitness for a particular purpose or use of the Dow Jones EURO STOXX ® and its data;
- i) STOXX and Dow Jones will have no liability for any errors, omissions or interruptions in the Dow Jones EURO STOXX® or its data; and
- j) under no circumstances will STOXX or Dow Jones be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if STOXX or Dow Jones knows that they might occur.

The licensing agreement between HSBC Global Investment Funds and STOXX is solely for their benefit and not for the benefit of the owners of the Euroland Value Creation sub-fund or any other third parties.

The Management Company may instruct the Company to pay a portion of the aforesaid Performance Fee directly out of the assets of the Company to any of the relevant service providers. In such case the Performance Fee due to the Management Company is reduced accordingly.

4. Operating, Administrative and Servicing Expenses

The Company pays to the Management Company a fee to cover certain Operating, Administrative and Servicing Expenses. The Management Company is responsible for discharging out of this fee, the expenses described below, inter alia, payable to the Custodian, the Administrative Agent and the Registrar and Transfer Agent.

This fee is set, for each sub-fund and/or Class, at a fixed percentage of the net asset value of the relevant sub-fund or Class specified in the table below. Such fee is accrued daily and payable monthly in arrears at the rates specified in the table below.

No Operating, Administrative and Servicing Expenses will be charged to Class W Shares. All the fees and charges allocated to such Class of Shares will be paid directly by a member or an affiliated entity of the HSBC Group.

The maximum rate for Class A, E, I, J, L, M, P, Y and Z Shares is 1.0%. However, the Board of Directors reserves the right to amend the fixed level of the Operating, Administrative and Servicing Expenses applicable to each Class of Shares. In the event of an increase of such expenses, the concerned Shareholders will be given at least three months prior notice of such increase. During this three months notice, such Shareholders may request the redemption of their Shares, free of charge.

Operating, Administrative and Servicing Expenses cover the ongoing custody fees and safekeeping charges payable to the Custodian and its correspondent banks, fees for fund accounting and administration services (including domiciliary services) payable to the Administrative Agent and transfer agency fees for registrar and transfer agency services payable to the Registrar and Transfer Agent.

Operating, Administrative and Servicing Expenses also cover expenses relating to the creation of new sub-funds; the costs of the Subsidiary (see below); the Luxembourg asset-based *taxe d'abonnement*, at the rate referred to under "Taxation" below; attendance fees and reasonable out-of-pocket expenses incurred by the Company's Board of Directors; legal and auditing fees and expenses; ongoing registration and listing fees, including translation expenses; the costs and expenses of preparing, printing, and

distributing the Company's Prospectus, simplified prospectuses, financial reports, statements and other documents made available directly or through intermediaries to its Shareholders.

The Management Company may instruct the Company to pay a portion of the aforesaid fee directly out of the assets of the Company to any of the aforementioned service providers. In such case the fee due to the Management Company is reduced accordingly.

Charges and Expenses of the Subsidiary

Under the Administration Agreement between the Subsidiary and Cross Border Financial Services Limited, Multiconsult Limited will be entitled to a fee payable by the Subsidiary, for the provision of administration services to the Subsidiary. In addition, certain operating expenses are borne by the Subsidiary which shall comprise fees and expenses payable to the members of the Board of Directors, Investment Advisers, Management Company, Managers or Administration Agent, Custodian and any other agents employed by the Subsidiary, fees for legal and auditing services, costs of legal publications, financial reports and other documents available to Shareholders, insurance premiums, costs of obtaining or maintaining any registration with or authorisation from governmental or other competent authorities, taxes or governmental charges and all other operating expenses including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and telex. In determining the amount of such liabilities, the Subsidiary may take into account all administrative and other expenses of a regular or periodical nature on an estimate figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period.

Sub-Fund – Operating, Administrative and Servicing Expenses	Class A, E, M, P	Class I, J, L, Y, Z
RESERVE SUB-FUNDS		
Euro Reserve	0.15%	0.10%
US Dollar Reserve	0.15%	0.10%
BOND SUB-FUNDS		
Asian Bond	0.35%	0.25%
Asian Currencies Bond	0.35%	0.25%
Brazil Bond	0.35%	0.25%
Euro Core Bond	0.25%	0.15%
Euro Core Credit Bond	0.35%	0.25%
Euro High Yield Bond	0.35%	0.25%
Euro Strategic Credit Bond	0.35%	0.25%
European Government Bond	0.25%	0.15%
Global Core Plus Bond ^a	0.25%	0.15%
Global Emerging Markets Bond	0.35%	0.25%
Global Emerging Markets Local Debt Fund	0.35%	0.25%
Global High Yield Bond	0.35%	0.25%
US Dollar Core Plus Bond ^a	0.25%	0.15%
US Dollar High Yield Bond	0.35%	0.25%
EQUITY SUB-FUNDS		
a) International and Regional sub-funds		
Asia ex Japan Equity	0.35%	0.25%
Asia ex Japan Equity Smaller Companies	0.35%	0.25%
Asia Pacific ex Japan Equity High Dividend	0.35%	0.25%
BRIC Markets	-	0.25%
BRIC Markets Equity	0.35%	0.25%
Emerging Europe Equity	0.40%	0.30%
Euroland Equity	0.35%	0.25%
Euroland Equity Smaller Companies	0.35%	0.25%
Euroland Value Creation	0.35%	-
Europe ex UK Equity	0.35%	0.25%
Global Emerging Markets Elite Fund	-	0.25%
Global Emerging Markets Equity	0.40%	0.30%
Global Equity	0.35%	0.25%
Global Equity SRI	0.35%	0.25%
Global Equity Technology	0.35%	0.25%
Global ex Euroland Equity	0.35%	0.25%
Global Power Equity	0.35%	0.25%
Greater China Equity	0.40%	0.30%

Sub-Fund – Operating, Administrative and Servicing Expenses	Class A, E, M, P	Class I, J, L, Y, Z
Pan-European Equity	0.35%	0.25%
Pan-European Equity High Dividend	0.35%	0.25%
Pan-European Equity Mid-Cap	0.35%	0.25%
Sustainability Leaders	0.30%	0.20%
b) Market Specific sub-funds		
Brazil Equity	0.40%	0.30%
Chinese Equity	0.40%	0.30%
Hong Kong Equity	0.35%	0.25%
Indian Equity	0.40%	0.30%
Indian Equity Smaller Companies	-	0.30%
Japanese Equity	0.35%	0.25%
Korean Equity	0.40%	0.30%
Mexican Equity	0.40%	0.30%
Singapore Equity	0.40%	0.30%
Taiwan Equity	0.40%	0.30%
Thai Equity	0.35%	0.25%
UK Equity	0.31%	0.25%
US Equity	0.35%	0.25%
US Index	0.25%	0.15%
FREESTYLE SUB-FUNDS		
Asia Freestyle	0.40%	0.30%
BRIC Freestyle	0.40%	0.30%
Global Emerging Markets Equity Freestyle	0.40%	0.30%
Global Equity Freestyle	0.40%	-
Latin American Freestyle	0.40%	-
UK Freestyle	0.35%	-
OTHER SUB-FUNDS		
Halbis Global Macro	0.30%	0.20%
New World Income Fund	0.35%	-
Turkish Convergence	0.35%	0.25%

¹Until 21 May 2007, the name of the sub-fund is "Global Investment Grade Bond".

²Until 21 May 2007, the name of the sub-fund is "US Dollar Investment Grade Bond".

Other Charges

Each sub-fund bears the costs and expenses of buying and selling portfolio securities and financial instruments, brokerage fees and commissions, interest or taxes payable, and other transaction related expenses. These transaction fees are accounted for on a cash basis and are paid when incurred or invoiced from the net assets of the sub-fund to which they are attributable. Transaction fees are allocated across each sub-fund's Share Classes.

The Company bears any extraordinary expenses including, without limitation, litigation expenses and the full amount of any tax, levy, duty or similar charge and any unforeseen charges imposed on the Company or its assets.

2.9. Management Company and Investment Advice

The Board of Directors is responsible for the overall investment policy, objectives and management of the Company and its sub-funds.

The Board of Directors has appointed HSBC Investment Funds (Luxembourg) S.A. as Management Company to be responsible on a day to day basis under the supervision of the Board of Directors, for providing administration, marketing, investment management and advice services in respect of all sub-funds. The Management Company has delegated the administration functions to the Administration Agent and registrar and transfer functions to the Transfer Agent. The Management Company has delegated the marketing functions to the Share Distributors and the investment management services to the Investment Advisers as listed below.

The Management Company was incorporated on 26 September 1988 as "société anonyme" under the laws of the Grand Duchy of Luxembourg and its articles of incorporation are deposited with the Luxembourg *Registre de Commerce et des Sociétés*. The

Management Company is approved as management company regulated by chapter 13 of the 2002 Law.

The share capital of the Management Company is GBP 1,675,000.00 and will be increased to comply at all times with article 78 of the 2002 Law.

In addition to the Company, the Management Company also manages HSBC International Select Fund and HSBC Amanah Funds.

The Management Company and the Investment Advisers are members of HSBC Group Investment Businesses comprising wholly owned subsidiaries of HSBC Holdings Plc one of the largest and most successful banking and financial services organisations in the world. The HSBC Group has operations in HSBC's international network comprises about 9,500 offices in 76 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa.

The Management Company shall ensure compliance of the Company with the investment instructions and oversee the implementation of the Company's strategies and investment policy. The Management Company shall send reports to the Board of Directors on a quarterly basis and inform each member of the Board of Directors without delay of any non-compliance of the Company with the investment restrictions.

The Management Company will receive periodic reports from the Investment Advisers detailing the sub-funds' performance and analysing their investment. The Management Company will receive similar reports from the other services providers in relation to the services which they provide.

Investment Advisers

HSBC Investments FCP (France)
Immeuble Ile de France
4, place de la Pyramide
La Défense 9, 92800 Puteaux, France

Euro Reserve

Sinopia Asset Management (UK) Limited
8 Canada Square, London E14 5HQ, United Kingdom

As from 21st May 2007

BRIC Markets¹
Global Equity SRI
US Index

Until 21st May 2007 these three sub-funds are managed by HSBC Investments (UK) Limited.

Halbis Capital Management (UK) Limited
8 Canada Square, London E14 5HQ, United Kingdom

BRIC Freestyle²
Europe ex UK Equity
Global Emerging Markets Elite Fund
Global Emerging Markets Equity
Global Emerging Markets Equity Freestyle
Global Equity
Global Equity Freestyle
Global Equity Technology
Latin American Freestyle
Mexican Equity
Pan-European Equity
UK Equity
UK Freestyle

¹The Investment Adviser has an arrangement with Halbis Capital Management (UK) Limited to provide non-binding investment advice in respect of these sub-funds.

²The Investment Adviser has an arrangement with Hermitage Capital Management Limited and HSBC Bank Brasil S.A. – Banco Multiplo to provide non-binding investment advice in respect of this sub-fund's Russian and Brazilian investments respectively. The Investment Adviser also has an arrangement with Halbis Capital Management (Hong Kong) Limited to provide discretionary investment management services in respect of this sub-fund's Chinese investments. As from 21st May 2007, the Investment Adviser has also an arrangement with HSBC Investments (Singapore) Limited to provide discretionary management services in respect of this sub-fund's Indian investments

Halbis Capital Management (France)
Immeuble Ile de France
4, place de la Pyramide
La Défense 9, 92800 Puteaux, France

Euro Core Credit Bond
 Euro Core Bond
 Euroland Equity
 Euroland Equity Smaller Companies
 Euroland Value Creation
 Euro High Yield Bond
 European Government Bond
 Global ex Euroland Equity
 Halbis Global Macro
 Pan-European Equity High Dividend
 Sustainability Leaders

Halbis Capital Management (Hong Kong) Limited
HSBC Main Building, 1 Queen's Road Central, Hong Kong

Asian Bond
 Asian Currencies Bond
 Asia ex Japan Equity
 Asia ex Japan Equity Smaller Companies
 Asia Freestyle
 Asia Pacific ex Japan Equity High Dividend
 Chinese Equity
 Greater China Equity
 Hong Kong Equity
 Indian Equity Smaller Companies
 Korean Equity
 Taiwan Equity

As from 21st May 2007 HSBC Investments (Singapore) Limited
21 Collyer Quay, #13-02 HSBC Building, Singapore 049320, Singapore

Indian Equity
 Singapore Equity
 Thai Equity

Until 21st May 2007 these sub-funds are managed by Halbis Capital Management (Hong Kong) Limited.

HSBC Investments (USA) Inc.
452 Fifth Avenue, 18th Floor, New York, NY 10018, USA

US Dollar Reserve

Halbis Capital Management (USA) Inc.
452 Fifth Avenue, 18th Floor, New York, NY 10018, USA

Global Emerging Markets Bond
 Global Emerging Markets Local Debt Fund
 Global Core Plus Bond
 New World Income Fund
 US Dollar Core Plus Bond
 US Dollar High Yield Bond

HSBC Bank Brazil S.A. – Banco Multiplo
Travessa Oliveira Belo, 11-B
80020-030-Curitiba, Brazil

Brazil Equity
 Brazil Bond

HSBC Investments Deutschland GmbH
Königsallee 21/23
40212 Düsseldorf, Germany

Emerging Europe Equity
 Euro Strategic Credit Bond
 Turkish Convergence

Sinopia Asset Management
4, place de la Pyramide
La Défense 9, 92800 Puteaux, France

BRIC Markets Equity
 Global Power Equity
 Japanese Equity
 US Equity

The Investment Advisers, in accordance with the investment objectives and investment and borrowing restrictions of the Company, make and implement asset management and portfolio selection recommendations in connection with the investment and reinvestment of the assets of the Company in the relevant sub-funds.

³Until 21 May 2007, the name of the sub-fund is "Global Investment Grade Bond".

⁴Until 21 May 2007, the name of the sub-fund is "US Dollar Investment Grade Bond".

2.10. Custodian and Paying Agent

Dexia Banque Internationale à Luxembourg, 69, route d'Esch, L-2953 Luxembourg, had been appointed custodian of the Company's assets pursuant to an agreement, which may be terminated by a notice given not less than ninety days in advance by either party to the other.

Effective as of 1 June 2006, Dexia Banque Internationale à Luxembourg, *société anonyme*, with registered office at 69 route d'Esch, L-2953 Luxembourg, has assigned its function as Custodian and Paying Agent in Luxembourg of the Company to RBC Dexia Investor Services Bank S.A. with registered office at 14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg.

RBC Dexia Investor Services Bank S.A. has been incorporated in 1994 under the name "First European Transfer Agent". It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector and specialises in custody, fund administration and related services.

RBC Dexia Investor Services Bank S.A. is fully owned by RBC Dexia Investor Services Limited, a company under the laws of England and Wales that is controlled by Dexia Banque Internationale à Luxembourg, *société anonyme*, Luxembourg, Grand Duchy of Luxembourg, and Royal Bank of Canada, Toronto, Canada.

The Custodian Agreement provides that all securities and other permitted assets in any of the sub-funds are to be held by or to the order of the Custodian. The Custodian will also be responsible for the collection of principal and income on, and the payment for, and collection of proceeds from the purchase and sale of securities by the Company. Under the Luxembourg 2002 Law the Custodian must ensure that settlement of transactions is made promptly in accordance with normal practice and that the Company's income is applied in accordance with its Articles of Incorporation. The Custodian must moreover ensure that the sale, issue, repurchase and cancellation of

Shares effected by or on behalf of the Company are carried out in accordance with the 2002 Law and the Articles of Incorporation.

2.11. Administration

Administration Agent

Dexia Banque Internationale à Luxembourg had also been appointed as Administration Agent for the Company pursuant to an agreement with the Management Company (the "Administrative Agency Agreement"). In such capacity the Administration Agent provides the Company with certain administrative and clerical services. The Administrative Agency Agreement may be terminated, by either party in writing, at 90 days' notice.

Effective as of 1 June 2006, Dexia Banque Internationale à Luxembourg has assigned its function as Administration Agent to RBC Dexia Investor Services Bank S.A.

The Administration Agent may, under its responsibility, delegate part or all of its functions to a Luxembourg third party service provider.

Transfer Agent

RBC Dexia Investor Services Bank S.A. also acts as registrar and transfer Agent for the Company, pursuant to an agreement with the Management Company, which can be terminated by either party in writing, at three months' notice.

2.12. Distribution of Shares

The Management Company has appointed HSBC Investments (UK) Limited as its main distributor. The Share Distributor is entitled to receive any applicable sales charges and conversion charges on all Shares handled by it. The Share Distributor may reallocate such charges at its absolute discretion.

Hong Kong Representative and Share Distributor

HSBC Investment Funds (Hong Kong) Limited has been appointed as its Representative and Share Distributor of the Company in Hong Kong, to receive requests for purchase, redemption and conversion of Shares and to provide information to investors including its latest financial reports and current Prospectus.

Representative in the United Kingdom

HSBC Investments (UK) Limited has been appointed pursuant to the Financial Services and Markets Act 2000 (the "Act") as Representative of the Company in the United Kingdom by an agreement concluded for an unlimited period of time, which may be terminated by either party upon giving three months' notice. The UK Representative is required to maintain certain facilities in the United Kingdom on behalf of the Company, as a recognised collective investment scheme. Copies of the Articles of Incorporation and any amending resolutions, the latest current Prospectus, the latest current simplified prospectuses of the sub-funds and the most recently prepared annual and half-yearly report and accounts may be obtained or inspected free of charge during normal business hours at the offices of HSBC Investments (UK) Limited whose address and telephone number is given in Appendix 6. This Prospectus meets the Scheme Particulars requirements for a recognised collective investment scheme in the United Kingdom. The UK Representative also makes available details of the Offer and Redemption prices and provides facilities for bearer certificate Shareholders to obtain free of charge the most recently prepared annual and half-yearly reports, notices issued to Shareholders and for payment of dividends declared.

Requests for purchases, redemptions and conversions of Shares by UK residents may be made through the UK Representative who will send to the Company forthwith such requests and any complaints in connection with matters arising from dealings in the Company's Shares.

HSBC Investments (UK) Limited is authorised and regulated in the United Kingdom by the Financial Services Authority.

Information relating to distribution in Switzerland

Representative, Distribution, place of payment and jurisdiction

HSBC Private Bank (Suisse) S.A. has been appointed as the representative of the Company in Switzerland.

For Shares distributed in Switzerland, the Paying Agency, the place of performance and the jurisdiction are located at the registered office of the Representative of the Company in Switzerland at:

HSBC Private Bank (Suisse) S.A.
Quai du Général Guisan 2
Case postale 3580
CH-1211 Geneva 3
Switzerland
Tel: +41 (0) 58 705 5555
Fax: +41 (0) 58 705 5151

The Articles of Incorporation, the Prospectus, the simplified prospectuses, the Semi-Annual and Annual Reports are available without charge at the registered office of the Representative of the Company in Switzerland.

Only the prospectus and simplified prospectus for Switzerland as they have been submitted to the Federal Banking Commission in their French versions are valid in the legal relation between the Management Company and Swiss investors.

Publications and issue prices

Publications relating to the sub-funds distributed in Switzerland will be made in the "Feuille Officielle Suisse du Commerce" and in the "AGEFI".

The Net Asset Value per Share (plus commissions) will be published at the time of each issue and redemption of Shares but at least twice a month in the "AGEFI". Moreover, these prices will be regularly displayed by Telekurs, Bloomberg and Reuters.

Global Exposure

The overall risk exposure of a sub-fund may not exceed 210% of the net assets of a sub-fund (comprising the use of financial derivative instruments and temporary borrowing).

Singapore Representative and Share Distributor

HSBC Investments (Singapore) Limited has been appointed as Representative and Share Distributor of the Company in Singapore, to receive requests for purchase, redemption and conversion of Shares and to provide information to investors including its latest financial reports and current Prospectus.

2.13. Meetings and Reports

The annual general meeting of Shareholders of the Company (the "Annual General Meeting") is held at the registered office of the Company or such other place as may be specified in the notice of meeting in Luxembourg at 11.00 a.m. on the last Friday in July in each year (or, if such day is not a Business Day, on the next following Business Day).

Other general meetings of Shareholders will be held at such time and place as are indicated in the notices of such meetings.

Notices of general meetings are given in accordance with Luxembourg law (if required) by publication in the *Mémorial* and the *d'Wort* in Luxembourg and in such other newspapers as the Board of Directors may determine. Notices will specify the place and time of the meetings, the conditions of admission, the agenda, the quorum and

the voting requirements. The requirements as to attendance, quorum and majorities at all general meetings will be those laid down in the Articles of Incorporation.

Financial periods of the Company end on 31 March in each year. The annual report containing the audited consolidated financial accounts of the Company expressed in US dollars in respect of the preceding financial period and with details of each sub-fund in the relevant Base Currency is sent to holders of Registered Shares at their address shown in the Company's register of Shareholders, and made available at the Company's registered office, at least 15 days before the Annual General Meeting.

In addition, an unaudited half-yearly report containing similar information is sent to holders of Registered Shares within two months of the end of the half-yearly period ending on 30 September. Copies of all reports are available at the registered office of the Company, and at the offices of the Hong Kong Representative, the Singapore Representative, the Swiss Representative and of the UK Representative.

Information relating to a sub-fund's portfolio, at each month end, is available to Shareholders, an appropriate time after that month end. Shareholders should contact their usual HSBC distributor for such information. A small charge may be levied for the provision of this information.

2.14. Conflicts of Interest

The Management Company and any specific sub-fund Investment Adviser, the sales agents, the Administration Agent, the Transfer Agent and the Custodian may from time to time act as management company, investment manager or adviser, sales agent, administrator, registrar or custodian in relation to, or be otherwise involved in, other funds or collective investment schemes which have similar investment objectives to those of the Company or any sub-fund. It is therefore possible that any of them may, in the due course of their business, have potential conflicts of interest with the Company or any sub-fund. In such event, each will at all times have regard to its obligations under any agreements to which it is party or by which it is bound in relation to the Company or any sub-fund. In particular, but without limitation to its obligations to act in the best interests of the Shareholders when undertaking any dealings or investments where conflicts of interest may arise, each will respectively endeavour to ensure that such conflicts are resolved fairly.

There is no prohibition on the Company entering into any transactions with the Management Company or any specific sub-fund Investment Adviser, the sales agents, the Administration Agent, the Transfer Agent or the Custodian or with any of their affiliates, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length. The Investment Advisers or any affiliates acting in a fiduciary capacity with respect to client accounts may recommend to or direct clients to buy and sell Shares of the Company. If a client defaults on its obligation to repay indebtedness to the HSBC Group that is secured by Shares in the Company, and the HSBC Group forecloses on such interest, the HSBC Group would become a Shareholder of the Company. As a consequence, the HSBC Group and its affiliates could hold a relatively large proportion of Shares and voting rights in the Company.

Affiliates of the HSBC Group act as counterparties for certain forward foreign exchange and financial futures contracts.

2.15. Taxation

Taxation of the Company

The following summary is based on the Company's understanding of the law and practice currently in force in the Grand Duchy of Luxembourg and in other jurisdictions and is subject to changes therein.

Belgium

The Belgian government has enacted a law which charges an annual net asset value tax on foreign investment funds registered with the Belgian Banking and Finance Commission. An annual tax of 0.08% is charged on the net outstanding amounts of sub-funds placed in Belgium through Belgian financial intermediaries, or where that figure is not substantially documented, the tax authorities may calculate the tax on the total assets of those sub-funds.

To date as the amounts are small, the Management Company has paid this tax cost on behalf of the Company out of the Operating, Administrative and Servicing Expenses it receives. However, should the cost become substantial or long term the Management Company may require the sub-funds concerned to bear that tax charge for future periods.

India

On the basis that it is a Mauritian tax resident, the Subsidiary will benefit from the tax advantages available to it under the India-Mauritius double taxation treaty, which became effective on 1 July 1983. The Subsidiary will file, through its Custodian, a declaration of Mauritian residency with the registrar of each Indian company in which it invests. Capital gains resulting from the purchase and sale by the Subsidiary of stocks on the Indian stock exchanges will be exempt from tax on the basis that the Subsidiary is able to benefit from the provisions of the India-Mauritius double taxation treaty.

Interest on certain notified securities and bonds and on deposits in foreign currency with scheduled banks is exempt from income tax. The sale and purchase of stocks and securities is exempt from Indian sales tax.

The above-stated tax treatment under the India-Mauritius tax treaty will be available provided that the Subsidiary does not have a permanent establishment or its effective management and control in India. No guarantee or warranty can be given or should be assumed that the tax benefits of the treaty will continue to be available to the Indian Equity sub-fund in future periods due to, among others, changes in the regulatory environment in Mauritius, India or the European Union.

The Indian Central Board of Direct Taxes has confirmed the availability of the treaty benefits to companies holding a certificate of Mauritian tax residence. The Supreme Court of India confirmed on 7 October 2003 the validity of this position.

Luxembourg

The Company is not liable to any Luxembourg tax on profits or income. The Company is, however, liable in Luxembourg to a tax of 0.05% per annum of its net asset value, such tax being payable quarterly on the basis of the value of the net assets of the Company at the end of the relevant calendar quarter. The tax rate is reduced to 0.01% per annum for the US Dollar Reserve and Euro Reserve sub-funds and Classes J Share, L Share, W Share and Z Share in the relevant sub-funds. No stamp duty or other tax is payable in Luxembourg on the issue of Shares.

The Classes/sub-funds may be exempted from this 0.01% tax if they comply with the requirements of the Luxembourg law of 19

December 2003 which are the following: (i) the Shares of the Class/sub-fund must be reserved to institutional investors in the meaning of article 129 of the 2002 Law; (ii) the exclusive object of the Class/sub-fund's portfolio must be the investment in money market instruments and/or deposits with credit institutions; (iii) the remaining average maturity of the Class/sub-fund's portfolio must be less than 90 days and (iv) the Class/sub-fund must benefit from the highest possible rating of a recognised rating agency.

No Luxembourg tax is payable on the realised or unrealised capital appreciation of the assets of the Company.

The Company paid a tax of EUR 1,239.46 on its incorporation.

Mauritius

The Subsidiary is registered with the Mauritius Offshore Business Activities Authority as an offshore company. As a result it is subject to a reduced rate of Mauritian income tax on its income. In addition, no Mauritian capital gains tax will be payable in respect of the Subsidiary investments in India and any dividends and redemption proceeds paid by the Subsidiary to the Indian Equity sub-fund will be exempt from Mauritian withholding tax. A certificate of Mauritian tax residence has been granted to the Subsidiary by the Commissioner of Income Tax in Mauritius. On the basis that it is Mauritian tax resident, the Subsidiary will qualify for certain reliefs from Indian tax as set out in the Indian tax section above.

Thailand

Where possible Thai stocks of the Thai Equity sub-fund are held through custody arrangements in London which enables the Company to benefit from the United Kingdom-Thailand double tax treaty and therefore gains realised by the sub-fund are currently not liable to tax in Thailand. Although the Company will seek to maintain this favourable position, no guarantee or warranty can be given or should be assumed that the tax benefits of the treaty will continue to be available to the sub-fund in future periods. Should the sub-fund become subject to Thai tax on its gains this will have an adverse effect on investment returns and a possible impact on the net asset value.

United Kingdom

It is the intention of the Board of Directors to conduct the affairs of the Company so that it does not become resident in the United Kingdom. On the basis that the Company is not resident in the United Kingdom for tax purposes it should not be subject to United Kingdom corporation tax on its income and capital gains.

The Company has received certification as a distributing fund under Schedule 27 of the Income and Corporation Taxes Act 1988.

General

Dividends and interest received by the Company on its investments are generally subject to non-recoverable withholding taxes in the countries of origin. Investors and potential investors should note the paragraph concerning Emerging Markets in the "Risk Factors" section of this Prospectus.

Taxation of Shareholders

Prospective investors should ascertain from their professional advisers the consequences to them of acquiring, holding, redeeming, transferring, selling or converting Shares under the relevant laws of the jurisdictions to which they are subject, including the tax consequences and any exchange control requirements. These consequences will vary with the law and practice of a Shareholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances. Prospective

investors also should bear in mind that levels and bases of taxation may change.

EU Tax Considerations for individuals resident in the EU or in certain third countries or dependent or associated territories

The Council of the EU has adopted on 3 June 2003 Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (defined as Savings Directive).

Under the Savings Directive, Member States of the EU will be required to provide the tax authorities of another EU Member State with information on payments of interest or other similar income paid by a paying agent (as defined by the Savings Directive) within its jurisdiction to an individual resident in that other EU Member State. Austria, Belgium and Luxembourg have opted instead for a tax withholding system for a transitional period in relation to such payments. Switzerland, Monaco, Liechtenstein, Andorra and San Marino, the Channel Islands, the Isle of Man and the dependent or associated territories in the Caribbean have also introduced measures equivalent to information reporting or, during the above transitional period, withholding tax.

The Savings Directive has been implemented in Luxembourg by a law dated 21 June 2005 (the "Law").

Dividends distributed by a sub-fund of the Company will be subject to the Savings Directive and the Law if more than 15% of such sub-fund's assets are invested in debt claims (as defined in the Law) and proceeds realised by Shareholders on the redemption or sale of Shares will be subject to the Savings Directive and the Law if more than 40% of such sub-fund's assets are invested in debt claims (such funds, hereafter "Affected Sub-Funds").

Consequently, if in relation to an Affected Sub-Fund a Luxembourg paying agent makes a payment of dividends or redemption proceeds directly to a Shareholder who is an individual resident or deemed resident for tax purposes in another EU Member State or certain of the above mentioned dependent or associated territories, such payment will, subject to the next paragraph below, be subject to withholding tax at the rate indicated below.

No withholding tax will be withheld by the Luxembourg paying agent if the relevant individual either (i) has expressly authorised the paying agent to report information to the tax authorities in accordance with the provisions of the Law or (ii) has provided the paying agent with a certificate drawn up in the format required by the Law by the competent authorities of his State of residence for tax purposes.

The applicable withholding tax will be at a rate of 15% from 1 July 2005 until 30 June 2008, 20% from 1 July 2008 until 30 June 2011, and 35% from 1 July 2011 onwards.

The Company reserves the right to reject any application for Shares if the information provided by any prospective investor does not meet the standards required by the Law as a result of this Savings Directive.

The foregoing is only a summary of the implications of the Savings Directive and the Law, is based on the current interpretation thereof and does not purport to be complete in all respects. It does not constitute investment or tax advice and investors should therefore seek advice from their financial or tax adviser on the full implications for themselves of the Savings Directive and the Law.

Luxembourg

Subject to the provisions of the Law, Shareholders are not subject to any capital gains, income, withholding, gift, estate, inheritance or

other tax in Luxembourg (except for Shareholders domiciled, resident or having a permanent establishment in Luxembourg and except for certain former residents of Luxembourg if owning more than 10% of the Shares).

United Kingdom

Clearance has been obtained from the Board of Inland Revenue of the United Kingdom that the provisions of what is now Section 703 of the Income and Corporation Taxes Act 1988 (the 1988 Act) (cancellation of tax advantages from certain transactions in securities) will not apply to the issue, redemption or conversion of Shares, the purchase of Shares from or their sale to the Management Company.

Dividends, whether or not (automatically) reinvested under the procedure described under section 2.7 entitled "Dividends", will comprise income for the purposes of UK taxation.

Shareholders (other than those holding Shares as dealing stock, who are subject to separate rules) who are resident or ordinarily resident in the United Kingdom or carrying out business in the United Kingdom through an establishment with which their investment is connected may, depending on their circumstances and subject as mentioned below, be liable to United Kingdom tax in respect of gains realised on the disposal or conversion of their Shares in the Company.

Chapter V of Part XVII of the 1988 Act contains provisions affecting gains on disposal of material interests in offshore funds by United Kingdom Shareholders as mentioned in the immediately preceding paragraph.

Such gains if derived from Shares in an offshore fund which has not been certified by the Inland Revenue to be a Distributing Fund for any accounting period during which the Shares were held will be liable to tax as income, rather than as capital gains. Changes have been made to the conditions that need to be satisfied for a Share Class of a sub-fund to be certified as an interest in a Distributing Fund by the UK Inland Revenue. These changes enable several Share Classes of the Company to obtain such certification. As a result of these legislative changes, the Company will, where possible, apply for UK distributor status in respect of any Class of Distribution Shares identified by a "D" following the sub-fund and Class names. Shareholders and potential Shareholders should not assume that any Share Class of the Company has been or will be certified by the UK Inland Revenue as an interest in a Distributing Fund.

The Company applied for and received UK distributor status for the Share Classes indicated above for the year ended 31 March 2005 and intends to apply for those Share Classes for subsequent years. Although the Company intends to manage its affairs so as to enable, where possible, those Share Classes, indicated above, to obtain UK distributor status, no assurance can be given as to whether such status will, in practice, be obtained for any particular accounting period. Whether UK distributor status is obtained for a particular Share Class for a particular period may be subject to changes in HM Revenue and Customs' practice or other matters outside of the Company's control.

United Kingdom resident companies having an interest in the Company, such that 25% or more of the Company's profit for an accounting period could be apportioned to them, may become liable to United Kingdom corporation tax in respect of their share of the Company's undistributed profits, if any, in accordance with the

provisions of Chapter IV of Part XVII of the 1988 Act relating to Controlled Foreign Companies.

The attention of individuals ordinarily resident in the United Kingdom is drawn to Sections 739 and 740 of the 1988 Act which contain provisions for preventing avoidance of income tax by transactions resulting in the transfer of income to persons (including companies) abroad and may render them liable to taxation in respect of any undistributed income and profits of the Company.

United Kingdom residents will be liable to UK taxation on the income distributed. For this purpose income distributed but immediately reinvested in Shares of the Company is similarly liable to United Kingdom taxation. Dividends declared in respect of Shares in the Company will be regarded as foreign for the purposes of United Kingdom taxation. Similarly the Shares will be foreign for the purposes of United Kingdom capital gains tax. Therefore persons resident but not domiciled in the United Kingdom for tax purposes will be liable to tax only to the extent that dividends and gains are remitted to the United Kingdom. Shares in the Company will be classified as foreign assets for the purposes of United Kingdom inheritance tax, however Bearer Shares, if held in the United Kingdom, will be UK assets for UK inheritance tax purposes.

2.16. Liquidation of the Company/Termination of Sub-Funds

Liquidation of the Company and Amalgamation of Sub-Funds

With the consent of the Shareholders expressed in the manner provided for by Articles 67-1 and 142 of the 1915 Law, the Company may be liquidated and the liquidator authorised subject to a one month's prior notice to the Shareholders and upon a decision by majority vote of two thirds of the Company to transfer all assets and liabilities of the Company to a Luxembourg UCITS having substantially the same characteristics as the Company in exchange for the issue to Shareholders in the Company of Shares of such corporation or fund proportionate to their shareholdings in the Company.

If at any time the value at their respective net asset values of all outstanding Shares falls below two thirds of the minimum capital for the time being prescribed by Luxembourg law, the Board of Directors must submit the question of dissolution of the Company to a General Meeting acting, without minimum quorum requirements, by a simple majority decision of the Shares represented at the Meeting.

If at any time the value at their respective net asset values of all outstanding Shares is less than one quarter of the minimum capital for the time being required by Luxembourg law, the Board of Directors must submit the question of dissolution of the Company to a General Meeting, acting without minimum quorum requirements and a decision to dissolve the Company may be taken by the Shareholders owning one quarter of the Shares represented at the Meeting.

Termination and Amalgamation of Sub-Funds

The Board of Directors may decide to liquidate one sub-fund if the net assets of such sub-fund fall below US\$ 10 million, or if a change in the economical or political situation relating to the sub-fund concerned would justify such liquidation. The decision of the liquidation will be published by the Company prior to the effective date of the liquidation and the publication will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Board of Directors otherwise decides in the interests of, or to keep equal treatment between, the Shareholders, the Shareholders of the sub-fund concerned may continue to request redemption or conversion of their Shares. Assets which could not be distributed to

their beneficiaries upon the close of the liquidation of the sub-fund concerned will be deposited with the custodian for a period of six months after the close of liquidation. After such time, the assets will be deposited with the Caisse de Consignation on behalf of their beneficiaries.

Under the same circumstances as provided in the preceding paragraph, the Board of Directors may decide to close down one sub-fund by contribution into another sub-fund. In addition, such merger may be decided by the Board of Directors if required by the interests of the Shareholders of the relevant sub-funds. Such decision will be published in the same manner as described in the preceding paragraph and, in addition, the publication will contain information in relation to the new sub-fund. Such publication will be made within one month before the date on which the merger becomes effective in order to enable Shareholders to request redemption of their Shares, free of charge, before the operation involving contribution into another sub-fund becomes effective.

The Board of Directors may also, under the same circumstances as provided above, decide to close down one sub-fund of shares by contribution into another collective investment undertaking governed by the laws of the Grand Duchy of Luxembourg. In addition, such merger may be decided by the Board of Directors if required by the interests of the Shareholders of the relevant sub-fund. Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the other collective investment undertaking. Such publication will be made within one month before the date on which the merger becomes effective in order to enable Shareholders to request redemption of their Shares, free of charge, before the operation involving contribution into another collective investment undertaking becomes effective. In case of contribution to a collective investment fund ("FCP"), the merger will be binding only on Shareholders of the relevant sub-fund who will expressly agree to the merger.

In the event that the Board of Directors determines that it is required by the interests of the Shareholders of the relevant sub-fund or that a change in the economical or political situation relating to the sub-fund concerned has occurred which would justify it, the reorganisation of one sub-fund, by means of a division into sub-funds, may be decided by the Board of Directors. Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the two or more new sub-funds. Such publication will be made within one month before the date on which the reorganisation becomes effective in order to enable the Shareholders to request redemption of their Shares, free of charge before the operation involving division into two or more sub-funds becomes effective.

Where the Board of Directors does not have the authority to do so or where the Board of Directors determines that the decision should be put for Shareholders' approval, the decision to liquidate, to merge or to reorganise a sub-fund may be taken at a meeting of Shareholders of the sub-fund to be liquidated, merged or reorganised instead of being taken by the Board of Directors. At such Class meeting, no quorum shall be required and the decision to liquidate, merge or reorganise must be approved by Shareholders holding at least a simple majority of the Shares present or represented. The decision of the meeting will be notified and/or published by the Company no later than one month before the effective date of the liquidation, merger or reorganisation of the sub-fund in order to enable Shareholders to request redemption or switching of their Shares, free of charge, before the liquidation, merger or reorganisation of the sub-fund becomes effective. In case

of contribution to another collective investment undertaking of the mutual fund type, the merger will be binding only on Shareholders of the relevant sub-fund who will expressly agree to the merger.

The general meeting of Shareholders of a sub-fund, resolving with a simple majority of the Shares represented, may consolidate or split the Shares of such sub-fund.

Appendices

Appendix 1 Glossary

2002 Law	Luxembourg law of 20 December 2002 on undertakings for collective investment, as amended		
Administration Agent	RBC Dexia Investor Services Bank S.A.	Distributor	HSBC Investment (UK) Limited
Application Form	the application form available from Share Distributors and the Transfer Agent	Eligible State	any Member State of the EU or any other state in Eastern and Western Europe, Asia, Africa, Australia, North America, South America and Oceania
Articles of Incorporation	the articles of incorporation of the Company	Emerging Markets	Emerging Markets are those markets in countries that are not amongst the following groups of industrialised countries: United States and Canada, Switzerland and Members of the European Economic Area, Japan, Australia and New Zealand, and may include those countries in the preceding groups that do not have fully developed financial markets
Board of Directors	the board of directors of the Company	EU	European Union
BRIC	Brazil, Russia, India and China (including Hong Kong SAR)	EUR	Euro
Business Day	a day on which banks are open for normal banking business in Luxembourg	FATF	Financial Action Task Force
CAD	Canadian Dollar	GBP	Pound Sterling
Class(es) of Shares/Share Class(es)/ Class(es)	pursuant to the Articles of Incorporation, the Board of Directors may decide to issue, within each sub-fund, separate classes of Shares (hereinafter referred to as a "Share Class" or "Class of Shares" or "Class", as appropriate) whose assets will be commonly invested but where a specific initial or redemption charge structure, fee structure, minimum subscription amount, currency, dividend policy or other feature may be applied. If different Classes are issued within a sub-fund, the details of each Class are described under section "1.5. Share Class Information".	Hong Kong SAR	Hong Kong Special Administrative Region
Company	HSBC Global Investment Funds	Investment Grade	Fixed income securities that are at least rated Baa3/BBB- by Moody's, Standard & Poor's, or another recognised credit rating agency
Connected Person	in relation to a company means: <ul style="list-style-type: none"> - any person or company beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of that company or able to exercise directly or indirectly, 20% or more of the total votes in that company; or - any person or company controlled by a person who or which meets one or both of the descriptions given in (a); or - any member of the group of which that company forms part; or - any director or officer of that company or of any of its connected persons as defined in (a), (b) or (c) 	JPY	Japanese Yen
Custodian	RBC Dexia Investor Services Bank S.A.	Management Company	HSBC Investment Funds (Luxembourg) S.A.
Dealing Day	any Business Day (other than days during a period of suspension of dealing in Shares) and which is also for each sub-fund (other than those materially invested in North or South America), a day where stock exchanges and regulated markets in countries where the sub-fund is materially invested are open for normal trading. The Business Days which are not Dealing Days will be listed in the annual report and semi-annual reports and available at the registered office of the Company. Any amendments to such lists are also available at the registered office of the Company. For sub-funds materially invested in North or South	money market instruments	shall mean instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time
		Net Asset Value(s) per Share	in relation to any Shares of any Class, the value per Share determined in accordance with the relevant provisions described under the heading "NAV Calculation Principles" under section "2.6. Prices of Shares and Publication of Prices and NAV"
		Non-Investment Grade	Fixed income securities that are rated Ba1/BB+ or lower by Moody's, Standard & Poor's or another recognised credit rating agency
		Qualifying Day	any day which is a Dealing Day for both sub-funds involved in a conversion
		OECD	Organisation for Economic Co-operation and Development
		Regulated Market	a market within the meaning of Article 1.13 of directive 93/22/EEC (or any repealing directive) and any other market which is regulated, operates regularly and is recognised and open to the public in an Eligible State
		Savings Directive	directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments
		SGD	Singapore Dollar
		Shares	shares in the Company
		Share Distributors	entities listed in Appendix 6 "Directory"

SRI	socially responsible investment
Subsidiary	Mauritian company wholly-owned by the Company in which a sub-fund intends to invest part or all of the net proceeds of the issue of Shares, as further detailed in the relevant investment policy.
Transfer Agent	RBC Dexia Investor Services Bank S.A.
transferable securities	shall mean: <ul style="list-style-type: none"> - shares and other securities equivalent to shares, - bonds and other debt instruments, - any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, excluding techniques and instruments relating to transferable securities and money market instruments.
UCITS	an Undertaking for Collective Investment in Transferable Securities authorised pursuant to directive 85/611/EEC, as amended
other UCI	an Undertaking for Collective Investment within the meaning of the first and second indents of Article 1(2) of directive 85/611/EEC, as amended
USD	United States Dollar

Appendix 2 Other Information

1) Shares

Registered Shares

Ownership of Registered Shares is evidenced by entry in the Company's register of Shareholders and is represented by confirmation(s) of ownership. A confirmation of ownership will be posted to the Shareholder (or the first named of joint Shareholders) or his/her agent, as directed, at his/her own risk normally within 21 days of receipt by the Transfer Agent of a properly completed Application Form or registration slip, provided cleared monies have then been received by the Company or to its order.

Registered Shares in book form can be delivered into the Clearstream or Euroclear platforms.

Certificates or Share Confirmations

Registered Shares with a confirmation of ownership being issued (normally in computerised form) by the Transfer Agent have the advantage that they may be converted or redeemed solely on written instructions to the Transfer Agent. Bearer Shares will require in addition the return of the relevant Share Certificate(s). All Registered Shareholders are sent a statement twice a year confirming the number and value of Registered Shares held by them in each sub-fund.

Bearer Shares

Ownership of Bearer Shares is not evidenced by an entry in the Company's register of Shareholders, but Bearer Certificates. The Company does not issue further Bearer Shares.

At general meetings each Shareholder has the right to one vote for each whole Share of which he is the holder.

The Company may register Registered Shares jointly in the names of not more than four holders should they so require. In such case the rights attaching to such a Share must be exercised jointly by all those parties in whose names it is registered unless they appoint in writing one or more persons to do so. The Company may require that such single representative be appointed by all joint holders.

Shares have no preferential or preemption rights and are freely transferable, save as referred to below.

The Board of Directors may impose restrictions on any Shares or Class (other than any restriction on transfer but including the requirement that Shares be issued only in Registered Form) (but not necessarily on all the Classes within the same sub-fund), and if necessary requires transfer of Shares, as it may think necessary to ensure that Shares are neither acquired nor held by or on behalf of any person in breach of the law or requirements of any country or governmental or regulatory authority, or which might have adverse taxation or other pecuniary consequences for the Company, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority. The Board of Directors may in this connection require a Shareholder to provide such information as it may consider necessary to establish whether he is the beneficial owner of the Shares which he holds.

The rights attached to the Shares relating to any Class (subject to the terms of issue) may only be varied with the sanction of a resolution passed at a separate general meeting of holders of Shares relating to that Class by a majority of two-thirds of the votes cast. The provisions of the Articles of Incorporation relating to General Meetings shall mutatis mutandis apply to every separate general meeting of holders of Shares of a Class or a sub-fund save that the quorum shall be the holders of not less than one half of the issued Shares relating to that Class or sub-fund, or, at an adjourned

Meeting, any one person holding Shares relating to that Class or sub-fund (or in either case the proxies of such persons). Two or more Classes or sub-funds may be treated as a single Class or sub-fund if such Classes or sub-funds would be affected in the same way by the proposals requiring the approval of holders of Shares relating to the separate Classes or sub-funds.

2) Suspension of the Calculation of the Net Asset Value and Issue, Allocation, Conversion, Redemption and Repurchase of Shares

The Company may suspend the issue allocation and the redemption and repurchase of Shares relating to any sub-fund as well as the right to convert Shares relating to a Class in a sub-fund into those relating to the same or a different Class (as per Section 2.5) in another sub-fund and the calculation of the Net Asset Value per Share relating to any Class:

- a) during any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of the investments of the relevant sub-fund for the time being are quoted, is closed, or during which dealings are substantially restricted or suspended;
- b) during the existence of any state of affairs which constitutes an emergency as a result of which disposal of investments of the relevant sub-fund by the Company is not possible;
- c) during any breakdown in the means of communication normally employed in determining the price of any of the relevant sub-fund's investments or the current prices on any market or stock exchange;
- d) during any period when remittance of monies which will or may be involved in the realisation of, or in the repayment for any of the relevant sub-fund's investments is not possible;
- e) if the Company is being or may be wound up on, or following the date on which notice is given of the General Meeting of Shareholders at which a resolution to wind up the Company is to be proposed; or
- f) during any period when in the opinion of the Board of Directors of the Company there exist circumstances outside the control of the Company where it would be impracticable or unfair towards the Shareholders to continue dealing in Shares of any sub-fund of the Company.

The Company may cease the issue, allocation, conversion, redemption and repurchase of the Shares forthwith upon the occurrence of an event causing it to enter into liquidation or upon the order of the Luxembourg supervisory authority.

Shareholders who have requested conversion, redemption or repurchase of their Shares will be promptly notified in writing of any such suspension and of the termination thereof.

3) Availability of Documents:

Copies of the following documents are available for inspection during usual business hours on any weekday (Saturdays and public holidays excepted) at the registered office of the Company and the offices of the Hong Kong Representative, and at the offices of the UK Representative:

- a) the Articles of Incorporation of the Company;
- b) the material contracts

Copies of the Articles of Incorporation of the Company, the most recent Prospectus, the most recent simplified prospectuses of the sub-funds and the latest financial reports may be obtained free of charge upon request at the registered office of the Company.

Appendix 3 General Investment Restrictions

- I. (1) The Company may invest in:
- a) transferable securities and money market instruments admitted to or dealt in on a Regulated Market;
 - b) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market and such admission is secured within one year of the issue;
 - c) units of UCITS and/or other UCIs, whether situated in an EU Member State or not, provided that:
 - such other UCIs have been authorised under the laws which provide that they are subject to supervision considered by the Luxembourg supervisory authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured,
 - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of directive 85/611/EEC, as amended,
 - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
 - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;
 - d) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is an EU Member State or if the registered office of the credit institution is situated in a non-EU Member State provided that it is subject to prudential rules considered by the Luxembourg supervisory authority as equivalent to those laid down in Community law;
 - e) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
 - the underlying consists of instruments covered by this section (I) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the sub-fund may invest according to its investment objective;
 - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;
 - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;
- and/or
- f) money market instruments other than those dealt in on a Regulated Market and defined in Appendix 1 above, if the issuer or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
 - issued or guaranteed by a central, regional or local authority or by a central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong, or
 - issued by an undertaking any securities of which are dealt in on Regulated Markets, or
 - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by the Community law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg supervisory authority to be at least as stringent as those laid down by Community law, or
 - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (Euro 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- (2) In addition, the Company may invest a maximum of 10% of the net assets of any sub-fund in transferable securities and money market instruments other than those referred to under (1) above.
- II. The Company may hold ancillary liquid assets.
- III. a) (i) The Company will invest no more than 10% of the net assets of any sub-fund in transferable securities or money market instruments issued by the same issuing body.
- (ii) The Company may not invest more than 20% of the net assets of any sub-fund in deposits made with the same body. The risk exposure of a sub-fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. (1) d) above or 5% of its net assets in other cases.
- b) Moreover, where the Company holds on behalf of a sub-fund investments in transferable securities and money market instruments of issuing bodies which individually exceed 5% of the net assets of such sub-fund, the total of all such investments must not account for more than 40% of the total net assets of such sub-fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph a), the Company may not combine for each sub-fund:

- investments in transferable securities or money market instruments issued by a single body;
- deposits made with the same body and/or;
- exposure arising from OTC derivative transactions undertaken with the same body

in excess of 20% of its net assets.

c) The limit of 10% laid down in sub-paragraph a) (i) above is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by an EU Member State, its local authorities, or by another Eligible State or by public international bodies of which one or more EU Member States are members.

d) The limit of 10% laid down in sub-paragraph a) (i) is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State of the EU and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If a sub-fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the net assets of the sub-fund.

e) The transferable securities and money market instruments referred to in paragraphs c) and d) shall not be included in the calculation of the limit of 40% in paragraph b).

The limits set out in paragraphs a), b), c) and d) may not be aggregated and, accordingly, investments in transferable securities or money market instruments issued by the same issuing body, in deposits or in derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any sub-fund's net assets;

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III).

The Company may cumulatively invest up to 20% of the net assets of a sub-fund in transferable securities and money market instruments within the same group.

f) **Notwithstanding the above provisions, the Company is authorised to invest up to 100% of the net assets of any sub-fund, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by a Member State of the EU, by its local authorities or agencies, or by another member State of the OECD or by public international bodies of which one or more Member States of the EU are members, provided that such sub-fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such sub-fund.**

IV. a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares an/or bonds issued by the same issuing body if the aim of the investment policy of a sub-fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant sub-fund's investment policy.

b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

V. a) The Company may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

b) The Company may acquire no more than:

- 10% of the non-voting shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 10% of the money market instruments of the same issuer.

c) These limits under second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

The provisions of paragraph V. shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State of the EU or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States of the EU are members.

These provisions are also waived as regards shares held by the Company in the capital of a company incorporated in a non-Member State of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Company can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the non-Member State of the EU complies with the limits laid down in paragraph III., V. and VI. a), b), and c).

VI. a) The Company may acquire units of the UCITS and/or other UCIs referred to in paragraph I) (1) c), provided that no more than 10% of a sub-fund's net assets be invested in the units of UCITS or other UCIs or in one single such UCITS or other UCI.

b) The underlying investments held by the UCITS or other UCIs in which the Company invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.

c) When the Company invests in the units of UCITS and/or other UCIs that are managed, directly or by delegation, by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding, the Management Company or other company

cannot charge subscription, redemption or management fees on account of the Company's investment in the units of such other UCITS and/or UCIs.

If any sub-fund's investments in UCITS and other UCIs constitute a substantial proportion of the sub-fund's assets, the total management fee (excluding any performance fee, if any) charged both to such sub-fund itself and the other UCITS and/or other UCIs concerned shall not exceed 3.00% of the relevant assets. The Company will indicate in its annual report the total management fees charged both to the relevant sub-fund and to the UCITS and other UCIs in which such sub-fund has invested during the relevant period.

- d) The Company may acquire no more than 25% of the units of the same UCITS or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS or other UCI concerned, all compartments combined.

VII. The Company shall ensure for each sub-fund that the global exposure relating to derivative instruments does not exceed the net assets of the relevant sub-fund.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

If the Company invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III above. When the Company invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph III.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph VII.

- VIII. a) The Company may not borrow for the account of any sub-fund amounts in excess of 10% of the net assets of that sub-fund, any such borrowings to be from banks and to be effected only on a temporary basis, provided that the Company may acquire foreign currencies by means of back to back loans;
- b) The Company may not grant loans to or act as guarantor on behalf of third parties.
This restriction shall not prevent the Company from (i) acquiring transferable securities, money market instruments or other financial instruments referred to in I. (1) c), e) and f) which are not fully paid, and (ii) performing permitted securities lending activities, that shall not be deemed to constitute the making of a loan.
- c) The Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments.
- d) The Company may not acquire movable or immovable property.
- e) The Company may not acquire either precious metals or certificates representing them.

- IX. a) The Company need not comply with the limits laid down in the above mentioned investment restrictions when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created sub-funds may derogate from paragraphs III., IV. and VI. a), b) and c) for a period of six months following the date of their creation.
- b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its Shareholders.
- c) To the extent that an issuer is a legal entity with multiple compartments where the assets of the compartment are exclusively reserved to the investors in such compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that compartment, each compartment is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraphs III., IV. and VI.

Risk-Management Process

The Management Company, on behalf of the Company, will employ a risk-management process which enables it with the Investment Adviser of the relevant sub-fund to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each sub-fund. The Management Company or the Investment Adviser of the relevant sub-fund, on behalf of the Company, will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

Upon request of an investor, the Management Company will provide supplementary information relating to the quantitative limits that apply in the risk management of each sub-fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments.

Appendix 4 Restrictions on the use of financial derivative instruments

Financial derivative instruments may be used for investment, hedging and efficient portfolio management purposes. Securities lending and repurchase agreements under a) and b) below may be used for efficient portfolio management purposes. Additional restrictions or derogations for certain sub-funds will be disclosed in Section 1 of the Prospectus in relation to the relevant sub-fund.

If disclosed in Section 1 of the Prospectus, certain sub-funds may apply a Value-at-Risk (VaR) approach to calculate their global exposure.

The global exposure of each sub-fund relating to derivative instruments may not exceed the net assets of the relevant sub-fund.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the next two subparagraphs.

If the Company invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in item III. a) to e) of Appendix 3 above. When the Company invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in item III. a) to e) of Appendix 3 above.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements set out in the preceding subparagraph.

- a) The Company may engage in securities lending transactions only subject to the following conditions and restrictions:
- i. the Company may only participate in securities lending transactions within a standardised lending system organised by a recognised securities clearing institution or by a highly rated financial institution specialised in that type of transaction;

- ii. the Company must receive collateral in cash and/or in the form of securities issued or guaranteed by Member States of the OECD or by their local authorities or by supranational institutions and organisations with EU, regional or worldwide scope which is blocked in favour of the Company until termination of the lending contract and the value of which must be at least equal to the value of the global valuation of the securities lent;
 - iii. lending transactions may not be carried out on more than 50 % of the aggregate market value of the securities in the portfolio of each sub-fund provided however that this limitation is not applicable where the Company has the right to terminate the contract at any time and obtain restitution of the securities lent; and
 - iv. lending transactions may not extend beyond a period of 30 days.
- b) The Company may enter, either as purchaser or seller, into repurchase agreements with highly rated financial institutions specialised in this type of transaction. During the lifetime of the repurchase agreements, the Company may not sell the securities which are the object of the agreement (i) either before the repurchase of the securities by the counterparty has been carried out or (ii) the repurchase period has expired. The Company must ensure it restricts the value of purchased securities subject to repurchase obligation at such a level that it is able, at all times, to meet its obligations to redeem its own Shares. Repurchase agreements will only be entered into on an ancillary basis unless otherwise provided for a sub-fund in the description of its investment policy.

Appendix 5 Additional restrictions

- I. Although the Company is now authorised in Luxembourg as a UCITS under the 2002 Law and the Prospectus has been updated to incorporate new investment restrictions, for as long as the Company and the sub-funds remain authorised by the Securities and Futures Commission "SFC" in Hong Kong and unless otherwise approved by the SFC, the Management Company confirms its intention to operate the sub-funds authorised in Hong Kong (other than the sub-funds exercising the full derivatives powers for which the global exposure is calculated by the VaR approach as mentioned in the investment policies) in accordance with the investment principles of chapter 7 of the Hong Kong code on unit trusts and mutual funds and to comply with any other requirements or conditions imposed by the SFC in respect of the relevant sub-funds.
- II. In order for the following sub-funds to claim eligibility to the French "*Plan d'Epargne en Actions*", as long as they are registered with the *Autorité des Marchés Financiers* in France, the additional restriction, that for each sub-fund, the total amount invested in Equity or Equity equivalent securities (as defined by art. L-221-31 of the French Monetary and Financial Code, § I-1°, a, b and c), which have their registered office in a country member of:
- the EU or
 - the European Economic Area provided that the said country has concluded with France a bilateral tax cooperation agreement with a clause of administrative assistance aiming at fighting against tax fraud or evasion; will be not less than 75% at any point in time:
 - Euroland Equity;
 - Euroland Equity Smaller Companies;
 - Europe ex UK Equity;
 - Pan-European Equity;
 - Pan-European Equity High Dividend;
 - Sustainability Leaders;
 - UK Equity;
 - UK Freestyle.

The annual and semi-annual reports of the Company will mention the actual percentage invested in the above mentioned securities for those sub-funds.

Appendix 6 Directory

REGISTERED OFFICE

40, avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg

BOARD OF DIRECTORS OF THE COMPANY

- Simeon Brown, Chief Operating Officer, HSBC Investments (Hong Kong) Limited, HSBC Main Building, 1 Queen's Road Central, Hong Kong
- Thies Clemenz, Chief Operating Officer, HSBC Investments Deutschland GmbH, Königsallee 21/23, D-40212 Düsseldorf, Germany
- Didier Deleage, Chief Operating Officer, HSBC Investments (France), Immeuble Ile de France, 4, Place de la Pyramide, La Défense 9, 92800 Puteaux, France
- Deshmukh-Rao Dhondee, Assistant Manager, Offshore Banking Unit, Hongkong and Shanghai Banking Corporation Limited, Les Cascades, 5th Floor, Edith Cavell Street, Port Luis, Mauritius
- David Dibben, Chief Operating Officer, HSBC Group Investment Businesses Limited, 8 Canada Square, London E14 5HQ, United Kingdom
- George Efthimiou, Global Chief Operating Officer, HSBC Group Investment Businesses Limited, 8 Canada Square, London E14 5HQ, United Kingdom
- Bryan Greener, Head of Product Management – Global Products, HSBC Group Investment Businesses Limited, 8 Canada Square, London E14 5HQ, United Kingdom
- Sylvie Vigneaux, Head of Regulatory and Savings, HSBC Investments (France), Immeuble Ile de France, 4, Place de la Pyramide, La Défense 9, 92800 Puteaux, France

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

- Simeon Brown, Chief Operating Officer, HSBC Investments (Hong Kong) Limited, HSBC Main Building, 1 Queen's Road Central, Hong Kong
- Thies Clemenz, Chief Operating Officer, HSBC Investments Deutschland GmbH, Königsallee 21/23, D-40212 Düsseldorf, Germany
- Didier Deleage, Chief Operating Officer, HSBC Investments (France), Immeuble Ile de France, 4, Place de la Pyramide, La Défense 9, 92800 Puteaux, France
- Michael Kay, Global Head of Finance, HSBC Group Investment Businesses Limited, 8 Canada Square, London E14 5HQ, United Kingdom
- Richard Long, Head of Global Funds Services, HSBC Group Investment Businesses Limited, 8 Canada Square, London E14 5HQ, United Kingdom
- Steve Thatcher, Senior Operations Manager, HSBC Investment Funds (Luxembourg) SA, 40, avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg

CUSTODIAN AND ADMINISTRATION AGENT

RBC Dexia Investor Services Bank S.A.
14, Porte de France
L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg

TRANSFER AGENT

RBC Dexia Investor Services Bank S.A.
14, Porte de France
L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg

MANAGEMENT COMPANY

HSBC Investment Funds (Luxembourg) S.A.
40, avenue Monterey
L-2163 Luxembourg, Grand Duchy of Luxembourg

INVESTMENT ADVISERS

- Halbis Capital Management (Hong Kong) Limited, HSBC Main Building, 1, Queen's Road, Central, Hong Kong
- HSBC Investments (Singapore) Limited, 21 Collyer Quay, #13-02 HSBC Building, Singapore 049320, Singapore
- HSBC Investments (USA) Inc., 452 Fifth Avenue, 18th Floor, New York, NY 10018, USA
- Halbis Capital Management (USA) Inc., 452 Fifth Avenue, 18th Floor, New York, NY 10018, USA
- Halbis Capital Management (France) Immeuble Ile de France, 4, place de la Pyramide, La Défense 9, 92800 Puteaux, France
- Sinopia Asset Management (UK) Limited, 8 Canada Square, London E14 5HQ, United Kingdom
- Halbis Capital Management (UK) Limited, 8 Canada Square, London E14 5HQ, United Kingdom
- HSBC Investments FCP (France), Immeuble Ile de France, 4, Place de la Pyramide, La Défense 9, 92800 Puteaux, France
- HSBC Bank Brazil S.A. – Banco Múltiplo, Travessa Oliviera Belo, 11-B, 80020-030 Curitiba, Brazil
- HSBC Investments Deutschland GmbH, Königsallee 21/23, D-40212 Düsseldorf, Germany
- Sinopia Asset Management, 4, place de la Pyramide, La Défense 9, 92800 Puteaux, France

SHARE DISTRIBUTORS**Global Distributor**

HSBC Investment Funds (Luxembourg) S.A.
40, avenue Monterey
L-2163 Luxembourg, Grand Duchy of Luxembourg

Austria and Germany Share Distributor

HSBC Trinkaus & Burkhardt KGaA
Königsallee 21/23
D-40212, Düsseldorf, Germany

Hong Kong Representative and Share Distributor

HSBC Investment Funds (Hong Kong) Limited
HSBC Main Building
1 Queen's Road Central, Hong Kong
Tel: (+852) 2284 1111
Fax: (+852) 2845 0226

United Kingdom Representative and Share Distributor

HSBC Investments (UK) Limited
8 Canada Square
London E14 5HQ, United Kingdom

Republic of Ireland Representative

HSBC Securities Services (Ireland) Limited
HSBC House, Harcourt Centre
Harcourt Street, Dublin 2, Ireland

Jersey Representative

HSBC Funds Nominee (Jersey) Limited
HSBC House, Esplanade
St Helier, Jersey, JE1 1HS Channel Islands

Singapore Representative and Share Distributor

HSBC Investments (Singapore) Limited
21 Collyer Quay, #13-02 HSBC Building
Singapore 049320, Singapore

Swiss Representative

HSBC Private Bank (Suisse) S.A.
Quai du Général Guisan 2, Case postale 3580
CH-1211 Geneva 3, Switzerland

Korea Representative and Share Distributor

HSBC Korea Ltd
HSBC Building #25, 1-Ka, Bongrae-Dong
Chung-Ku, Seoul, Korea

Share Distributor for Continental Europe

HSBC Investments (France)
Immeuble Ile de France, 4, Place de la Pyramide,
La Défense 9, 92800 Puteaux, France

CENTRAL PAYING AGENT

RBC Dexia Investor Services Bank S.A.
14, Porte de France
L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg


PAYING AGENT HONG KONG

The Hongkong and Shanghai Banking Corporation Limited
HSBC Main Building,
1 Queen's Road, Central, Hong Kong

AUDITORS

KPMG Audit, Réviseurs d'Entreprises
31, allée Scheffer
L-2520 Luxembourg, Grand Duchy of Luxembourg

Application terms and conditions

- (a) By completing and delivering an Application form or otherwise making an application for shares as described in the Prospectus of HSBC Global Investment Funds, dated April 2007, you as the applicant(s):-
- (i) offer to invest the amount specified in your application (or such smaller amount for which the application is accepted), on and subject to these Terms and Conditions and subject to the Articles of Incorporation of HSBC Global Investment Funds (the "Company");
 - (ii) authorise HSBC Funds Nominee (Jersey) Limited to register shares in its name on your behalf and to send a Confirmation of Ownership document for the number of shares for which your application is accepted (lump sum investments only), and/or a payment for any money returnable by post, at the risk of the person(s) entitled thereto, to the address of the agent (if any) whose stamp appears on the form or (if no stamp appears thereon), to your address (or that of the first named applicant) as set out in the Application form;
 - (iii) agree that all applications, acceptance of applications and contracts resulting therefrom with HSBC Funds Nominee (Jersey) Limited shall be governed by and construed in accordance with the law of Jersey;
 - (iv) warrant that you are of full age (18 years) and if you sign the Application form on behalf of somebody else, warrant that you have due authority to do so;
 - (v) agree that you shall not be entitled at any time after acceptance of your application to exercise any remedy of rescission for innocent misrepresentation;
 - (vi) confirm that in making such application you are not relying on any information or representation in relation to the Company other than those contained in the Brochure, Important notes, the Prospectus, these terms and conditions and the Nominee Service Agreement and any other document authorised by the Company and accordingly agree that no person responsible solely or jointly for the Brochure, Important notes, the Prospectus, these terms and conditions and the Nominee Service Agreement or any part thereof should have any liability for any such other information or representations;
 - (vii) agree to continue making a regular monthly contribution until a minimum of US\$2,000, £2,000 or €2,000 has been received, if you are a Monthly Investment Plan investor;
 - (viii) accept that HSBC Funds Nominee (Jersey) Limited reserves the right to charge you for any associated costs, should your investment be cancelled.
- (b) Acceptance of lump sum applications will be effected by the issue of a Sale Contract Note (lump sum investment only).
- (c) If you sign the Application form on behalf of a corporate body, warrant that you have due authority to do so. A corporation should sign under the hand of two duly authorised official(s) whose representative capacity should be stated. The company seal should also be affixed where one exists.
- (d) Where there are joint applicants for shares, the first named applicant will be their representative.
- (e) In order to process an application for shares, a fully completed Application form must be received by HSBC Funds Nominee (Jersey) Limited, which will require the ORIGINAL signatures of ALL applicants. In addition, certified copies of identification documents (please see Section 6 of the Application form) for each applicant must be provided. If this Application form is not completed correctly and/or all the identity verification documents are not supplied, the application will not be accepted.
- (f) Shares may not be registered in the name of a Trust, but may be registered in the name(s) of up to four of the Trustees. Shares may not be registered in the name of an individual under 18 years of age (a minor), but the investment may be designated with the name of a minor (see Section 1).
- (g) The customer's personal circumstances may lead to HSBC Funds Nominee (Jersey) Limited setting a higher minimum investment threshold at its complete discretion. HSBC Funds Nominee (Jersey) Limited reserves the right to refuse any application.
- (h) **Dividends**
- (i) **Lump Sums**
- Dividends will be reinvested automatically at no initial charge. Lump sum investors who do not wish to avail themselves of this service should advise HSBC Funds Nominee (Jersey) Limited accordingly.
- If dividends are requested in payment and not reinvested they will be paid to the first named applicant.
- Only dividends in excess of US\$50, €50 or £50 can be requested in payment. Dividends below this amount will be automatically reinvested. As cheques are no longer issued, where requested, all payments will be made by telegraphic transfer.
- (ii) **Monthly Investment Plan**
- Dividends will be automatically reinvested at no initial charge.
- (h) DATA PROTECTION**
-  Your Information**
- This section explains how we will use your data once you have applied for this product.
- (i) **Confidentiality**
- Information we hold about you will not be disclosed to anyone (including other members of the HSBC Group), other than where:
- we are legally required to disclose, or
 - we have a public duty to disclose, or
 - our interests require disclosure, or
 - the disclosure is made with your consent, or
 - set out in the terms below.
- (ii) **Crime Prevention**
- To prevent crime and to verify your identity we may exchange information (both within the Channel Islands or the Isle of Man, the UK and, where appropriate, overseas) with other members of the HSBC Group, and, where appropriate, with fraud prevention agencies and other organisations.
- If you provide false or inaccurate information and we suspect fraud, we will record this.
- Information held by fraud prevention agencies may be used by lenders and insurers when making decisions about you or others at your address(es) to prevent fraud and money laundering.

(iii) Data Processing

The HSBC Group may record, exchange, analyse and use relevant information about you and your relationships with the HSBC Group (including the nature of your transactions) for market research and administrative purposes. This may include information provided by you, or someone acting on your behalf.

Relevant information may also be exchanged with members of the HSBC Group and others, for audit purposes and if required by appropriate governmental and non-governmental regulators or ombudsmen.

We aim to keep your information up-to-date, please advise us of any changes.

We may use other HSBC Group companies and/or third parties to process information and provide services on our behalf. Information about you may be transferred and/or processed in the Channel Islands, the Isle of Man, the UK or overseas, inside or outside the European Economic Area. Whether it is processed in the Channel Islands, the Isle of Man, the UK or overseas, inside or outside the European Economic Area, your information will be protected, in accordance with data protection legislation, by a strict code of secrecy and security which all members of the HSBC Group, their staff and any third parties are subject to and will only be used in accordance with our instructions.

(iv) Information about Products and Services

With your permission, the HSBC Group may exchange, analyse and use relevant information about you and your relationships with the HSBC Group, (including the nature of your transactions) to give you information (including promotions) about products and services (including mortgages), available from HSBC Group companies and those of selected third parties which may interest you by telephone, post and other means.

If you do not want us to contact you about such products and services, please let us know.

(v) Miscellaneous

Under data protection legislation, you can make a written request for a copy of certain personal records we hold about you. The current fee is £10.00 per request from each individual.

Personal information will be stored in line with our current documentation retention policy and local legislation. Details can be obtained by calling us on 01534 606389 (international code +44 1534).

Details of the fraud prevention agencies we use can be obtained by calling us on 01534 606389 (international code +44 1534).

To ensure that we carry out your instructions accurately, to help us to continually improve our service and in the interests of security, we may monitor and/or record your telephone calls with us. Any recordings remain our sole property.

We may need to make and retain photocopies of passports, driving licences or other identification evidence that you provide.

To comply with our money laundering prevention obligations, we will be required to provide details such as your name, address and account number to the receiving bank or other financial institution if you use money transmission services such as SWIFT.

We may use any contact details you provide to us for service related reasons. You should only give us your eMail address, home, work or mobile telephone number, if you are happy for us

to contact you in these ways. If you do not want us to contact you in these ways, please let us know.

(j) Telephone, fax or internet instructions

You authorise HSBC Fund Administration (Jersey) Limited and HSBC Funds Nominee (Jersey) Limited to accept and act upon telephone, or fax instructions or instructions given through the computer and telecommunications network known as the internet whether by way of email or otherwise (internet instructions) from you, on the condition that any faxes are signed or purport to be signed by you, any internet communication is sent by or purports to have been sent by you, and any telephone instructions are made by you, or purports to be from you. At our discretion, we may undertake further security measures to ensure, as far as possible, that the instruction has been made by you.

You agree and irrevocably undertake to indemnify us and keep us indemnified against all losses, claims, action, proceedings, demands, damages, costs and expenses incurred or sustained by us of whatever nature and howsoever arising out of or in connection with such telephone, fax or internet instructions. All telephone and internet instructions (with the exception of instructions via the HSBC Bank International Limited Internet Banking Service) will require written confirmation in original format, in order to complete the relevant transaction.

(k) Restrictions on sale and issue

Neither the Prospectus nor this Application form constitutes an offer to sell or invitation to purchase shares to any person or in any territory where the making of such an offer or invitation would be unlawful. Persons wishing to make an application hereunder must satisfy themselves as to full observance of the laws of any relevant territory in connection herewith obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in any such territory. In particular, neither the Prospectus nor the Application form constitutes an invitation or a solicitation to the general public of an offer to invest in the Company to Australian, Canadian, Hong Kong, Malaysian, New Zealand or USA residents.

Explanatory Memorandum in respect of the Nominee Service

HSBC Funds Nominee (Jersey) Limited (the "Nominee"), will provide a free nominee service (the "Nominee Service") in respect of shares held in HSBC Global Investment Funds. This service will be available to persons who wish to use the service to hold an investment. The minimum investment amount for investors using the Nominee Service is US\$5,000, £5,000 or €5,000 for lump sum investments and US\$200, £200 or €200 per month for the Monthly Investment Plan.

For all investors using the Nominee Service the effect will be that whilst the beneficial interest in the shares lies with the particular investor, the legal title to those shares will be vested in the Nominee.

This arrangement (which is free of charge) allows you to deal direct with Jersey, on any related issue, giving you a speedier and more efficient administration of your holdings.

In addition, investors using the Nominee Service will receive half-yearly valuations of their holdings. The detailed terms upon which the Nominee Service is supplied is set out in the section headed "Nominee Service Agreement" on page 54.

No certificates or bearer shares are available to investors using the Nominee Service.

Nominee service agreement

HSBC Global Investment Funds ("HGIF")

HGIF issues shares of different funds (the "Shares") in registered form:

Clients will maintain their shareholdings under a nominee name in the share register of HGIF and the Nominee agrees to provide a free nominee service (the "Nominee Service") for Clients purchasing Shares.

IT IS AGREED THAT:

1. Clients' Subscription

- 1.1 Clients' orders for the purchase of Shares under the Nominee Service can be accepted only on the basis of US dollar, sterling or euro amounts to be invested or for a number of Shares.
- 1.2 The Nominee will create the relevant sub-accounting records and will issue a contract note in respect of the applications for Shares received from Clients.
- 1.3 The Nominee will remit payment to the Register and Transfer Agent where upon the Shares will be registered in the name of the Nominee and forward a contract note to the Nominee.
- 1.4 The Nominee will issue a confirmation of ownership document to the Client(s) recording the Shares which are held to the Client(s) order by the Nominee. No share certificates will be issued in respect of Shares held via the Nominee.

A confirmation of ownership document is not issued for Monthly Investment Plan investments.

2. Redemptions

- 2.1 If a Client wishes to redeem part or all of a holding of Shares instructions are to be sent to the Nominee.
- 2.2 Client's instructions are to be received by the nominee by close of business on the business day immediately preceding to the next dealing day.
- 2.3 The Nominee will forward a contract note to the Client(s) and remit payment to the Client(s) in accordance with instructions received.

Note: Instructions to pay to a third party will not be accepted.

3. Switches

- 3.1 If a Client(s) wishes to switch part or all of a holding of Shares, instructions are to be sent to the Nominee.
- 3.2 Client's instructions are to be received by the nominee by close of business on the business day immediately preceding the next dealing day.
- 3.3 The Nominee will forward contract notes to the Client.

4. Shareholders' Notices and Voting Rights

The nominee will forward to Clients all documents that are issued to HGIF Client(s) with the exception of annual and half-yearly reports, which are available on request. You will also receive half-yearly indicative valuations from the Nominee.

Copies of the following documents are available, free of charge, upon request to the Nominee's registered office shown below:

- Prospectus and any supplements
- Annual and half-yearly reports

5. Money Laundering

By law, HGIF and the Nominee are bound to abide by specific legal and regulatory provisions aimed at the prevention of the laundering of money representing the proceeds of criminal activity. Under such provisions the Nominee may delegate the verification of the identity of investors dealing in shares to foreign agents only if and to the extent these are bound to abide in their country by the rules on the prevention of the laundering of the proceeds of criminal activity equivalent to those applying in Jersey and the foreign agents concerned are properly and professionally authorised to assume these duties.

6. Modification

The provisions of this agreement may be altered or modified by the Nominee and advised in writing to all Clients in the Nominee's records at that time.

7. Termination

The Nominee may terminate this agreement by 30 days notice in writing to the Clients.

8. Applicable Law and Jurisdiction

This agreement shall be governed and construed in accordance with the laws of the Island of Jersey.

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 Channel Islands
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