

Fund Highlights

- ▶ **The fund offers investors access to the worlds fastest growing economy through a well-diversified portfolio of Chinese shares**
- ▶ **The portfolio, which currently ranks among the largest Chinese equity funds globally, is predominantly invested in large companies although stock selection is conducted across a range of market capitalisations**
- ▶ **It is managed by a very experienced team who seek to deliver performance through a sophisticated valuation-driven approach coupled with disciplined risk management**

Investment Aim

The sub-fund seeks long-term capital growth by investing primarily 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 greater part of their business activities in China.

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

Fund Statistics (26/02/2010)

Fund size in millions (USD)	3,246.06
Portfolio Turnover *	1.49
Volatility **	39.90
Tracking Error **	4.00
Information Ratio **	-1.66

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

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

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

Fund Manager - Richard Wong

Investment Director, Equities, Halbis Capital Management (HK) Ltd.

Richard Wong is Investment Director, Equities, of Halbis (HK) Ltd and has been working in the industry since 1990. Prior to joining Halbis in 1997, Richard was employed by Nikko Capital Management (HK) as Senior Portfolio Manager. Richard holds an MBS in Finance from New York University.



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

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

Performance in USD (% Change) *

Rolling time period	31/12/2008 - 31/12/2009	31/12/2007 - 31/12/2008	31/12/2006 - 31/12/2007	31/12/2005 - 31/12/2006	31/12/2004 - 31/12/2005
HSBC GIF CHINESE EQUITY	57.1	-53.8	55.3	82.8	12.1

Rolling time period	1 month	3 months	6 months	1 year	3 years	5 years	2010	2009	2008	2007
Fund	1.9	-7.6	6.5	65.0	12.1	102.9	-7.7	57.1	-53.8	55.4
Morningstar mean	1.9	-5.0	7.5	70.0	28.0	139.3	-6.2	70.9	-52.7	69.4
Benchmark	2.1	-6.3	7.4	77.1	36.5	152.4	-6.7	68.4	-50.8	66.2
Fund rank	51/103	76/102	59/97	53/88	39/53	27/38	70/103	66/89	42/84	40/60
Quartile rank	2	3	3	3	3	3	3	3	3	3

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

Source: Morningstar, bid to bid, gross income reinvested. Performance information is up to 26/02/2010. The Benchmark was the Peregrine Greater China before January 1998 and was changed to the CLSA China World until 2005. It was then changed to MSCI China until February 2009 and since then, has changed to MSCI China 10/40 Capped Net. The change will ensure that the fund's performance is measured against a benchmark more suited to the fund's strategy. Please note quartile rank is a term widely used in financial services to denote performance of a fund within its sector. For example a ranking of 1 denotes a Fund in the top 25% of its peer group sector, with a ranking of 4 denoting a fund in the bottom 25% of its peer group sector. Total return, sector median performance and ranks - Data Source - © Copyright 2010 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

Fund details

- ▶ **Annual charge** 1.50%
- ▶ **Maximum initial charge** 5.54%
- ▶ **Dealing** daily by 10:00am (CET)
- ▶ **Valuation** daily at 5:00pm (CET)
- ▶ **Minimum initial investment** (USD) 5,000 *
- ▶ **Financial year end** 31st March
- ▶ **Benchmark** MSCI CHINA 10/40 Capped Net **
- ▶ **Management Company** HSBC Investment Funds (Luxembourg) S.A.
- ▶ **Investment Advisor** Halbis Capital Management (Hong-Kong) Limited
- ▶ **Dividends** annual (July)
- ▶ **Regular savings scheme** not available
- ▶ **Start date** 25/06/1992
- ▶ **Launch price** (in USD) 10
- ▶ **ISIN code** LU0039217434
- ▶ **Total number of holdings** 69

* or equivalent. ** Source: MSCI. The MSCI information may only be used for your internal use, 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 it may make or permit to be made of this information. Neither MSCI, any of its affiliates or any other person involved in or related to compiling, computing or creating the MSCI information (collectively, the 'MSCI Parties') makes any express or implied warranties or representations with respect to such information or the results to be obtained by the use thereof, and the MSCI Parties hereby expressly disclaim all warranties (including, without limitation, all warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential or any other damages (including, without limitation, lost profits) even if notified of, or if it might otherwise have anticipated, the possibility of such damages.

Top 10 holdings (26/02/2010)

Stock	Weight	Industry Sector
1 China Mobile (HK) Ltd	9.66%	Mobile Telecommunications
2 China Construction Bank (939)	8.64%	Banks
3 China Life Insurance Co (2628)	6.93%	Life Insurance
4 CNOOC Ltd (883) (China)	4.74%	Oil & Gas Producers
5 Bank of China (3988)	4.40%	Banks
6 Industrial And Commercial Bank O	3.79%	Banks
7 China Petroleum and Chem (386)	3.10%	Oil & Gas Producers
8 Tencent Holdings Ltd (700)	3.07%	Software & Computer Services
9 China Yurun Food Group Ltd. (Chi	2.83%	Food Producers
10 China Shipping Dev Co (1138)	2.72%	Industrial Transportation
	49.88%	

Portfolio composition (26/02/2010)

Sector	Fund
Financials	29.79%
Industrials	12.83%
Oil & Gas	11.93%
Telecommunications	10.53%
Consumer Goods	10.25%
Basic Materials	9.25%
Technology	5.37%
Consumer Services	4.83%
Others	1.73%
Cash	3.50%
	100.00%

Contact

Further information about HSBC Global Asset Management, details of our individual funds can be found at www.assetmanagement.hsbc.com/MENA

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