HSBC Customised Portfolio Management Service

Monthly Insight – Sterling – October 2009

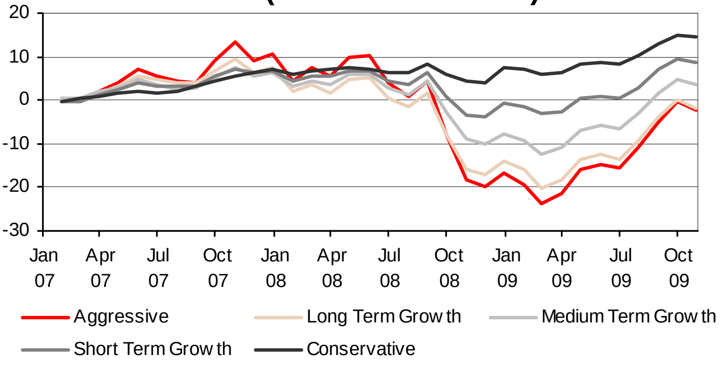
Service Profile

- A multi-asset portfolio service designed to correspond with specific risk requirements
- Combination of both conventional and alternative asset classes
- Active management of the portfolio assets
- Regular portfolio reviews to adjust and adapt the portfolio objectives to your needs

Enquiries

- Tel: +44 (0) 800 0856 418*
- Email: CPM.Enquiries@hsbc.com
- Web: www.assetmanagement.hsbc.com/cpm

Model Performance Since Inception (31 December 2006)



Performance Report

	1 Month	3 Months	6 Months	Year to Date	12 Months	Since Inception 31st Dec 2006
Aggressive Model	-1.94	9.59	16.27	17.50	19.67	-2.35
Benchmark	-2.54	8.10	15.32	13.50	18.99	-5.00
Long Term Growth Model	-1.73	8.24	13.71	14.00	16.59	-1.80
Benchmark	-1.96	7.36	13.36	11.92	17.28	-0.87
Medium Term Growth Model	-1.11	6.96	11.32	12.08	13.95	3.59
Benchmark	-1.24	6.10	10.52	9.78	14.71	4.60
Short Term Growth Model	-0.48	5.94	8.47	9.47	12.79	8.86
Benchmark	-0.67	4.76	7.46	6.92	11.46	9.02
Conservative Model†	-0.24	4.08	5.87	6.98	9.93	14.61
Benchmark	-0.26	3.69	5.55	5.99	10.48	15.05

Source: HSBC Global Asset Management. The above information relates to past performance, which should not be seen as an indicator of future returns. Performance is calculated gross of fees and charges from inception and reflects the performance of the model portfolio. Individual client portfolios may differ. Figures will be lower once deductions are made. Net income re-invested. The benchmark underlying the Customised Portfolio Management service will be reviewed periodically and may be changed to reflect our ongoing analysis of market conditions. †The performance figures used for the conservative model are calculated using the return of the model assets allocation. Performance information is up to 31st October 2009

Market Commentary & Portfolio Highlights

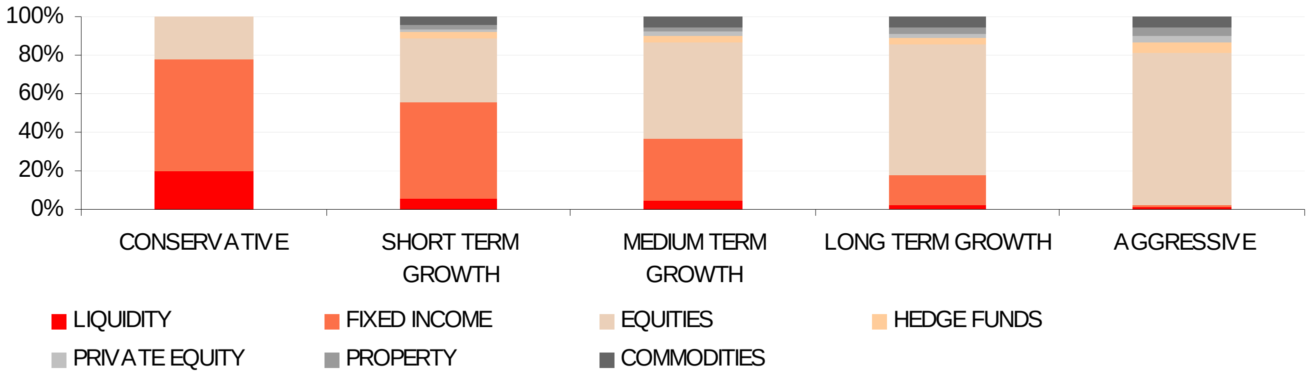
- Global equity markets finished the month weaker, as strong third quarter company results early in the month helped push markets higher, only for weaker than expected economic data later in the month to drag markets into negative territory for the month. In relative terms, the US was the strongest performer on the back of stronger than expected GDP figures, whilst Europe was the weakest as mounting concerns about possible EU commission action against state backed banks weighed on financials.

- Both Government and Corporate bonds saw some mild weakness during the month as yields rose marginally. Commodity markets continued their rally into October, on the back of continued strength in Chinese demand coupled with a weakening US Dollar.

- We continue to favour risk assets over cash and government bonds as the macro-economic picture continues to improve.

HSBC Global Asset Management

Asset Allocation Breakdown



Customised Portfolio Management Investment Team

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