

HSBC Customised Portfolio Management Service

Monthly Insight – Sterling – October 2009

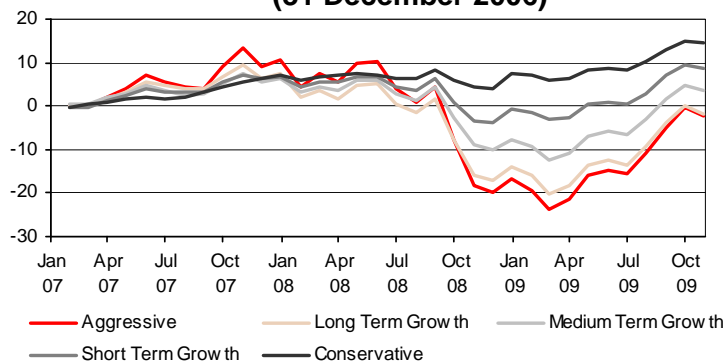
Service Profile

- ▶ 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

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Model Performance Since Inception (31 December 2006)



Performance Report

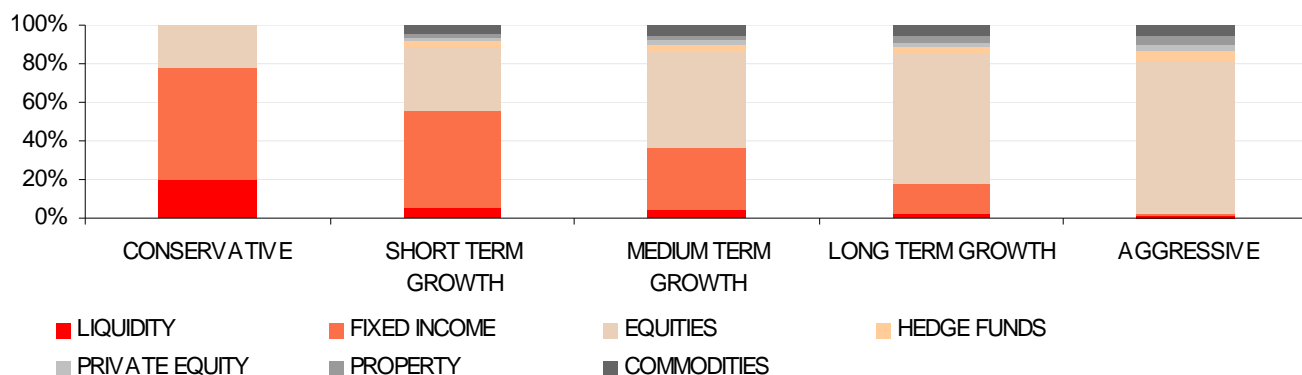
	1 Month	3 Months	6 Months	Year to Date	12 Months	Since Inception 31st Dec 2006
Aggressive Model	-1.94	9.59	16.27	17.50	19.67	-2.35
Benchmark	-2.54	8.10	15.32	13.50	18.99	-5.00
Long Term Growth Model	-1.73	8.24	13.71	14.00	16.59	-1.80
Benchmark	-1.96	7.36	13.36	11.92	17.28	-0.87
Medium Term Growth Model	-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.

Asset Allocation Breakdown



Customised Portfolio Management

Investment Team

- ▶ Alessandro Poli
- ▶ Sarah Green
- ▶ Tom Almond

The benchmark underlying the Customised Portfolio Management Service will be reviewed periodically and there may be changes to reflect our ongoing analysis of market conditions. The indicated benchmarks are owned by the applicable third party identified above. Neither the third party data owner nor HSBC guarantees the originality, accuracy and/or completeness of the underlying index or any data included therein. This information is issued by HSBC Private Bank (UK) Limited, trading as HSBC Global Asset Management. For the information of the addressee only and should not be reproduced and/or distributed to any other person. *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. The performance information shown refers to the past and cannot be taken as a guide to future returns. There are additional risks associated with specific alternative investments such as private equity, hedge funds and commodities within the portfolios; these investments may be less readily realisable than others and it may therefore be difficult to sell in a timely manner at a reasonable price or to obtain reliable information about their value; there may also be greater potential for significant price movements. The value of investments and any income from them can go down as well as up and you may not get back the amount originally invested. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in established markets. Where overseas investments are held the rate of exchange may cause the value of such investments to go down as well as up. The indicated benchmarks are owned by the applicable third party identified above. Neither the third party data owner nor HSBC guarantees the originality, accuracy and/or completeness of the underlying index or any data included therein. All Rights Reserved. HSBC Global Asset Management is a trading name of HSBC Global Asset Management (UK) Limited and HSBC Private Bank (UK) Limited. Both are registered in England at 8 Canada Square, London E14 5HQ and are authorised and regulated by the Financial Services Authority. Copyright © HSBC Global Asset Management Limited 2009. All rights reserved.

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