

HSBC Absolute Return Fund – A Class

Monthly Insight – Dollar – as at 28 October 2009

Investment profile

- ▶ Focused on the preservation of capital while offering the potential for capital gain
- ▶ Unbenchmark approach leads to conviction investing
- ▶ Not capital guaranteed

Investment team

- ▶ Charles Morris, Will Bartleet

Enquiries

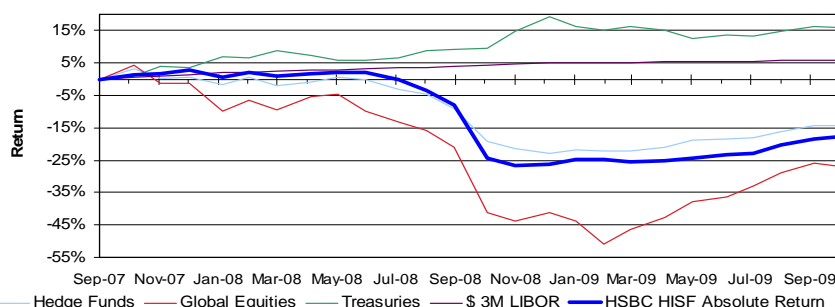
Stephen Doran +44 (0)20 7024 0558
stephen.d.doran@hsbc.com

www.assetmanagement.hsbc.com/absolute

Commentary

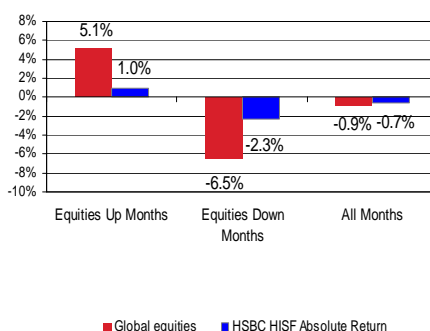
- ▶ **Purchases:** Agricultural commodities were purchased to benefit from the supply demand imbalance in grains and soft commodities. Merrill Lynch BlueTrend UCITS fund was purchased to benefit from strong trends in markets.
- ▶ **Sales:** US Treasury bonds were sold following their strong performance. Aviva Global Convertible Fund was sold following the strong recovery.
- ▶ **Outlook:** Equity markets are likely to continue to consolidate their gains following the sharp rise; government bonds are likely to remain range bound whilst gold looks set to make new highs.

Fund performance since inception (26 September 2007)

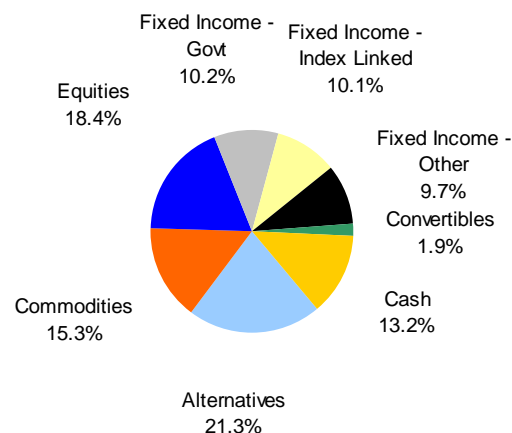


The above information relates to past performance and should not be seen as an indication of future returns

Average monthly returns since inception (26 September 2007)



Asset allocation breakdown (as at 28 October 2009)



Comparative performance since inception (26 September 2007)

	1 Month	3 Months	6 Months	YTD	12 Months	Since Inception	Annualised Return*	Annualised Volatility*	Sharpe Ratio*
HSIF Absolute USD (A Class)	1.2%	6.9%	10.2%	12.0%	9.2%	-17.5%	-8.8%	13.7%	N/A
3-Month LIBOR \$	0.0%	0.1%	0.3%	0.8%	1.4%	5.7%	2.7%	0.6%	-
Global equities \$	-1.5%	8.9%	26.9%	23.7%	23.8%	-27.2%	-14.1%	26.0%	N/A
US Treasuries \$	-0.3%	2.3%	0.6%	-2.8%	5.7%	15.9%	7.3%	6.2%	N/A
HFR Hedge Fund Index	-0.2%	4.3%	8.5%	10.8%	6.1%	-14.4%	-7.2%	10.3%	N/A

Libor – BBA US Cash Indices LIBOR TR Global Equities – MSCI World, Index in USD TR US Gilts – Bloomberg/EFF Govt Bond Index All > 1 yr TR Composite Hedge Fund Index – HFR Global Hedge Fund Index. Source: HSBC and Bloomberg. *Sharpe Ratio – the excess return over the risk free rate for each unit of risk taken. Annualised Volatility – a measure of the deviation of returns from the average, adjusted to show on an equivalent annual basis. Annualised Return – the return since inception, adjusted to show returns on an equivalent annual basis. The information above relates to past performance and should not be taken as a guide to future returns. Where overseas investments are held, the rate of exchange may cause the value of investments to go down as well as up. All figures are gross of fees and charges and would be lower once deductions are made. 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. There are additional risks associated with commodities and specific alternative investments such as private equity and hedge funds 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. These factors may affect the Fund's performance. You should read the Simplified Prospectus in full to understand the features and risks associated with this Fund. The Absolute Return (GBP) Fund, the Absolute Return (EUR) Fund and the Absolute Return (USD) Fund are sub-funds of the HSBC International Select Fund, a Luxembourg domiciled SICAV, UCITS III fund. All applications are made on the basis of the current HSBC International Select Fund Prospectus, simplified prospectus and the most recent annual and semi-annual reports, which can be obtained upon request free of charge from HSBC Global Asset Management (UK) Limited, 8 Canada Square, Canary Wharf, London, E14 5HQ, or the local distributors. Investors and potential investors should read and note the risk warnings in the prospectus. This document is issued by HSBC Global Asset Management. 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 2009. All Rights Reserved. 17188 – HSB1412e/PC/Dollar/1009 FP09-1292

AC Class USD

Launch date:	26 September 2007
ISIN Code:	LU0312225245
Sedol Code:	B27ZRY4
Bloomberg Ticker:	HSARUAU LX
Minimum Investment:	\$5,000
Minimum Subsequent Investment:	\$1,000
Initial Charge:	up to 5.25%
AMC:	1.25%
Types of share available:	Reinvestment
Fund size:	\$38.6m
Number of holdings:	22
Price at launch:	\$10
Price as at 28 October 2009:	\$8.2474

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