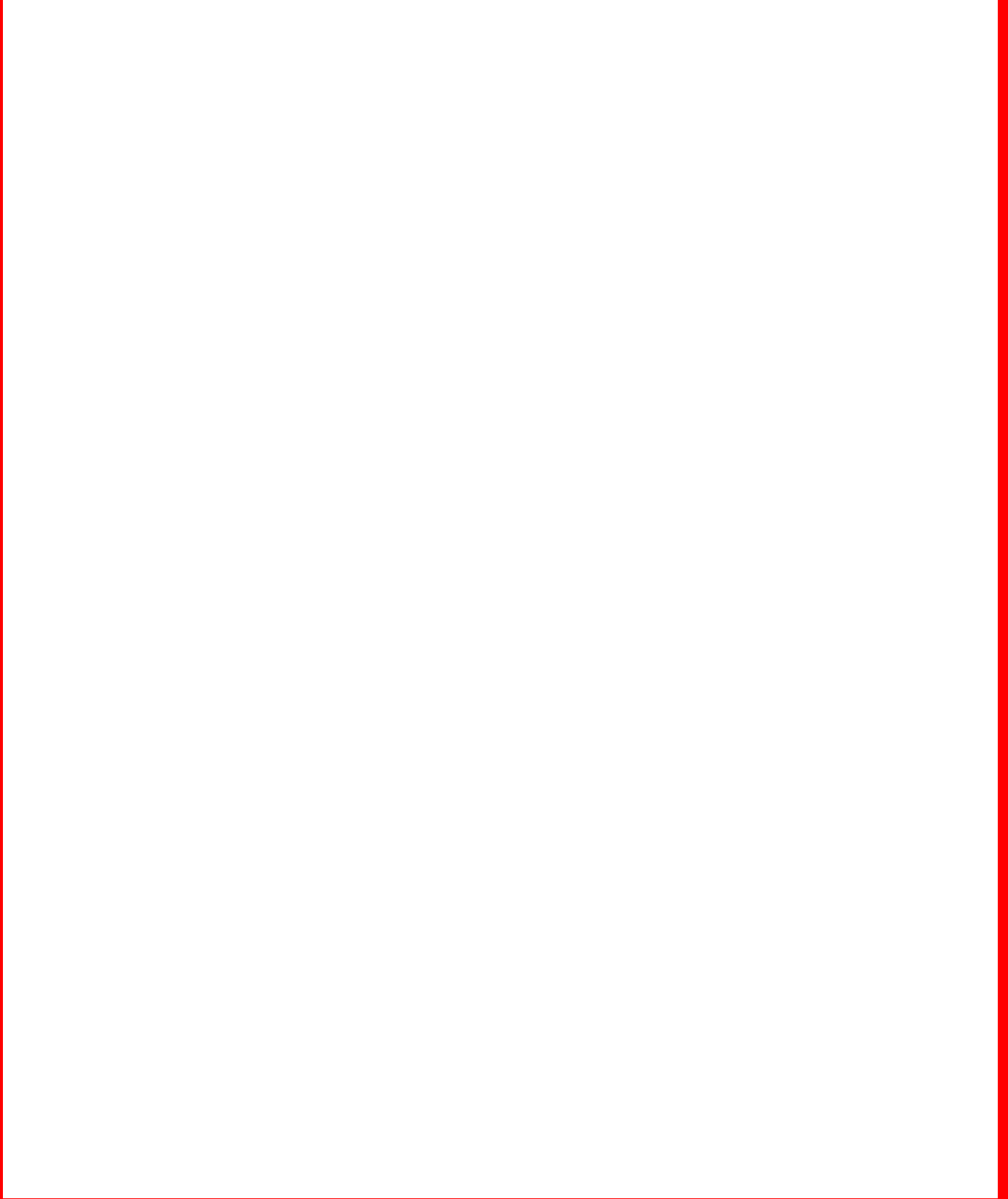


JULY 2008

HSBC INTERNATIONAL SELECT FUND Prospectus



HSBC INTERNATIONAL SELECT FUND

investment company with variable capital incorporated in Luxembourg

PROSPECTUS

JULY 2008

IMPORTANT INFORMATION	3
SECTION 1 GENERAL INFORMATION	4
1.1. INVESTMENT OBJECTIVES AND POLICIES OF THE COMPANY	4
1.2. SHARE CLASS INFORMATION	4
1.3. GENERAL RISK CONSIDERATIONS	5
SECTION 2 COMPANY DETAILS	7
2.1. SUMMARY OF PRINCIPAL FEATURES	7
2.2. HOW TO BUY SHARES	7
2.3. HOW TO SELL SHARES	9
2.4. FOREIGN EXCHANGE TRANSACTIONS	10
2.5. HOW TO CONVERT BETWEEN SUB-FUNDS	11
2.6. PRICE OF SHARES, PUBLICATION OF PRICES AND NAV	11
2.7. DIVIDENDS	12
2.8. CHARGES AND EXPENSES	12
(1) <i>Explanation of the charging structure</i>	<i>12</i>
(2) <i>Management fee</i>	<i>12</i>
2.9. MANAGEMENT COMPANY AND INVESTMENT ADVICE	13
2.10. CUSTODIAN AND PAYING AGENT	14
2.11. ADMINISTRATION	14
(1) <i>Administration agent</i>	<i>14</i>
(2) <i>Transfer Agent</i>	<i>14</i>
(3) <i>Corporate and Domiciliary Agent</i>	<i>14</i>
2.12. CONFLICTS OF INTEREST	14
2.13. DISTRIBUTION OF SHARES	15
2.14. MEETINGS AND REPORTS	15
2.15. TAXATION	15
2.16. LIQUIDATION OF THE COMPANY / TERMINATION AND AMALGAMATION OF SUB-FUNDS	17
SECTION 3 – SUB-FUND INFORMATION	19
3.1 LIST OF THE SUB-FUNDS AVAILABLE	19
3.2 SUB-FUNDS DETAILS	20
3.3. SUB-FUND SPECIFIC RISK CONSIDERATIONS	35
APPENDICES	37
APPENDIX 1 GLOSSARY	37
APPENDIX 2 OTHER INFORMATION	39
APPENDIX 3 GENERAL INVESTMENT RESTRICTIONS	41
APPENDIX 4 INVESTMENT TECHNIQUES AND INSTRUMENTS	45
APPENDIX 5 ADDITIONAL RESTRICTIONS	46
APPENDIX 6 DIRECTORY	47

IMPORTANT INFORMATION

THE INFORMATION IN THIS PROSPECTUS IS BASED ON THE DIRECTORS' UNDERSTANDING OF CURRENT LAW AND PRACTICE (INCLUDING AS TO TAXATION) AT THE DATE HEREOF. BOTH LAW AND PRACTICE MAY BE SUBJECT TO CHANGE. 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 OR, IF YOU ARE IN THE UK, A PERSON AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 WHO SPECIALISES IN ADVISING ON THE ACQUISITION OF SHARES AND OTHER SECURITIES.

HSBC INTERNATIONAL SELECT FUND (the "Company") 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 complying with the provisions of Part I of the 2002 Law.

It should be remembered that the price of shares of the Company and income from them can go down as well as up and that investors may not receive back the amount they originally invested.

Shares are available for issue on the basis of the information and representations contained in this Prospectus. Any further information given or representations made by any person with respect to any shares must be regarded as unauthorised.

The Directors have 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 Directors accept responsibility accordingly.

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 prospectus of the sub-funds, the latest annual report of the Company, containing its audited accounts and the 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.

It is intended to list the Company's shares on the Luxembourg Stock Exchange, as detailed in Section 3.2.

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 the 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 GENERAL 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 3.2.

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 International Select Fund preceding them.

1.1. Investment objectives and policies of the Company

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 to emphasise income or capital conservation and/or a capital growth.

In carrying out the investment objectives of the Company, the 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 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 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 detailed in Section 3.2, subject however to these conforming to the UCITS status of the Company.

1.2. Share class information

The Directors have authority to issue different classes of shares in one or several sub-funds. Details of the characteristics of such share classes, if and when offered, by one or several sub-funds will be determined by the Directors. In case of the creation of additional classes of shares and issue of shares within a sub-fund, this Prospectus will be updated.

As at the date of this Prospectus, the Company has the following share classes available:

Class	Description
Class A	A shares are available to all investors.
Class E	E shares are available in certain countries, subject to the relevant regulatory approval, through specific distributors selected by the Distributor.
Class I	I shares are available to all investors.
Class X	X shares are available to institutional investors within the meaning of article 129 of the 2002 Law.
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 Distributor provided that such investors qualify as institutional investors within the meaning of article 129 of the 2002 Law.

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.

In each share class of sub-funds, a separate class suffixed "H" can be issued in respect of which the Directors may engage in currency hedging transactions in order to preserve a different target currency value of the corresponding portion of the portfolio of the share class.

It should be understood that class "H" will be hedged whether the Base Currency is declining or increasing in value relative to the target currency. 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 distributors.

The subscription proceeds of all shares in a sub-fund are invested in one common underlying portfolio of investments. The allocation of the assets and liabilities of the Company to each sub-fund is described in the Articles of Incorporation. All shares of the same class have equal rights and privileges. Each share is, upon issue, entitled to participate equally in assets 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.

Where share classes are issued only in different Dealing Currencies, the underlying portfolio remains exposed to the currencies of the underlying holdings. No hedging is undertaken for those share classes.

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 Directors for each class, the 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.

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

1.3. 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.

Specific risk considerations are defined in Section 3.3.

Conflicts

There are potential conflicts of interest which may arise between the Company and those persons and entities which are involved as managers of Investment Funds. Managers normally manage assets of other clients that make investments similar to those made on behalf of the Company and such clients could thus compete for the same trades or investments. Whilst available investments or opportunities are generally allocated to each client in a manner believed to be equitable, some of those allocation procedures may adversely affect the price paid or received for investments or the size of positions obtained or disposed of. Conflicts may also arise as a result of other services provided by the affiliates of the HSBC Group which may provide advisory, custodial or other services to other clients and to some of the Investment Funds in which the Company invests.

The Company may also invest in other Investment Funds which are managed by the Management Company or Investment Advisers of the Company. The directors of the Management Company may also be directors of Investment Funds and the interest of such Investment Funds and of the Company could result in conflicts. Generally there may be conflicts between the best interests of the Company and the interests of affiliates of the Management Company in connection with the fees, commissions and other revenues derived from the Company or Investment Funds. In the event that such a conflict arises, the directors of the Management Company will endeavour to ensure that it is resolved in a fair manner.

The Company will only invest in Investment Funds managed by the Management Company or its Connected Persons, if all fees or costs on account of the transactions relating to the units/shares in such Investment Funds are waived (either on purchase, transfer or redemption).

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 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.

SECTION 2 COMPANY DETAILS

2.1. Summary of principal features

Legal structure:	Open-ended investment company with multiple sub-funds incorporated as a <i>société anonyme</i> qualifying as a <i>société d'investissement à capital variable</i> with an initial capital of USD 30,000. Each sub-fund corresponds to a distinct part of assets and liabilities. It exists for an unlimited period. Following an extraordinary general meeting of shareholders of 1 April 2004, the Company qualifies as an undertaking for collective investment in transferable securities under the Part I of the 2002 Law implementing directive 85/611/EEC (as amended by directives 2001/107/EC and 2001/108/EC in particular) into Luxembourg law.
Incorporation date:	26 October 2001.
Registered number:	B 84 174 at the <i>Registre de Commerce et des Sociétés</i> of Luxembourg.
Articles of Incorporation:	Published in the <i>Mémorial</i> on 19 November 2001 and the latest amendment was published in the <i>Mémorial</i> on 28 April 2004.
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 Directors may declare interim dividends in respect of certain sub-funds.
Taxation:	The Company is 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. This tax rate is reduced to 0.01% per annum for classes X and Z shares in the relevant sub-funds (for details see Section 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 distributors or the registered office of the Company. Generally available in various publications (for details see Section 2.6. "Prices of shares, publication of prices and NAV").
Current sales charge:	Up to 5.54% of the Net Asset Value per share.
Base currency:	USD.
Year End:	31 March.

2.2. How to buy Shares

(1) 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, by prior agreement, by telephone. The latter may require confirmation in writing.

Applications for shares of any sub-fund made to a distributor 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.

(2) Dealing cut-off times at place of issue of orders

The dealing cut-off times are indicated in Section 3.2 for each sub-fund.

Applications received after the relevant cut-off times will normally be dealt on the next following Dealing Day.

Sub-fund	Due date for receipt of cleared monies
Funds of funds and Absolute Return funds	Shareholders should normally allow up to five Business Days before further switching or redeeming their shares after purchase or subscription to allow cleared funds to be received by the Company.
Manager of managers funds	Shareholders should normally allow up to four Business Days before further switching or redeeming their shares after purchase or subscription to allow cleared funds to be received by the Company.

Investors and shareholders dealing through distributors (including those offering nominee services) shall be entitled to deal until the relevant dealing cut-off times. The distributors/nominees shall transmit the amalgamated orders to the Company within a reasonable timeframe as agreed from time to time with the Board of Directors.

(3) 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.

(4) 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:

- a) 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;
- b) 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.

(5) 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.

In Kind

The 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.

(6) 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 distributors or the Transfer Agent for the account of, and at the expense of, the applicant at prevailing exchange rates on the relevant Dealing Day.

(7) 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 in Section 3.2.

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.

(8) 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 distributors. Shareholders are allocated a personal account number as stated in the Contract Note which should be quoted on all further correspondence.

(9) Form of shares

Shares are only 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 by prior agreement.

(10) 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 15 of the Financial Services Authority's New 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 recognised by the Financial Services Authority as a collective investment scheme in the UK, pursuant to Section 264 of the Act.

2.3. How to sell shares

(1) Request

Redemption requests should be made to the Company either directly or through the distributors. Redemption requests may be made by letter, fax or, by prior agreement, by 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.

Valid instructions to redeem shares of any sub-fund received prior to the appropriate dealing cut-off times as described in Section 3.2 for each sub-fund 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.

(2) 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 dates defined in Section 3.2.

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 a redemption in kind subject to a special report from the Company's Luxembourg 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.

(3) Contract note

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

(4) 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 3. "Sub-Fund Information", the Company may decide to compulsorily redeem the shareholder's entire holding in respect of that sub-fund.

(5) 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 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 1.3. "General Risk Considerations").

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.

(6) 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.

(7) 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 the Administration 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.

If the Board of Directors decides that it is applicable, then the provisions in Appendix 2 "Other Information", paragraph 6) headed "Suspension of the Calculation of the Net Asset Value and Issue, Allocation, Conversion, Redemption and Repurchase of Shares" may apply 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 different Dealing Currencies as detailed in Section 3.2. 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 distributors 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

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 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, where available, 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.

2.6. Price of shares, publication of prices and NAV

(1) Valuation points

Details of Dealing Prices for shares of the sub-funds can be found in Section 3.2. Dealing Prices are calculated by reference to the Net Asset Value of the relevant class of shares of the relevant sub-fund in its relevant currencies.

The cash and other assets of each sub-fund are valued at the latest available prices on the relevant markets. Cash is valued at its face value.

(2) Calculation of Net Asset Value

The Net Asset Value of each class within each sub-fund (expressed in the currency of denomination of the 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.

Portfolio securities 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 Directors.

Shares in an Investment Fund will be valued at the last available net asset value computed for such securities. If the last available Net Asset Value of shares in any Investment Fund is not available as at 5.00 p.m. Luxembourg time for Multimanager Premium sub-fund, the relevant Investment Adviser will value such shares by an estimation carried out in accordance with the fair value adjustment methodology, the result of which will be provided to RBC Dexia Investor Services Bank S.A.

Any asset or liabilities expressed in terms of currencies other than the relevant currency of the sub-fund 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 USD.

(3) Temporary suspension

In certain circumstances 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 redeemed.

(4) Second valuation

If after the Net Asset Value per Share has been calculated, 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 class of a 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 for such a Dealing Day must be made in accordance with this second valuation.

(5) Offer prices

The Offer price for shares of each sub-fund is designated in the currency of denomination and the currencies of expression and includes a sales charge up to 5.54 % of the Net Asset Value per Share. The total may then be rounded upwards to the minimum

unit of the currency concerned. The sales charge and the rounding will be retained by the relevant distributor or will be paid to the Management Company who will remunerate intermediaries acting in the placing of the shares.

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

(6) Redemption price

The Redemption Price of shares of each sub-fund is the Dealing Price designated in the currency of denomination and the currencies of expression. This may be rounded downwards to the minimum unit of currency concerned. Full details of the Net Asset Value calculations are set out below.

(7) Information on prices

The Net Asset Value per share in each sub-fund is available at the registered office of the Company, at the distributors' offices and in various publications as determined from time to time by the Directors.

2.7. Dividends

Except for Adventurous, Balanced and Cautious sub-funds, the Directors have 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.

Holders of registered shares may, by written request to the Registrar and 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, CZK 1,000, SGD 50 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 sub-funds or A, E, I, X and Z Classes of Shares.

The Management Company is entitled, in respect of each class of shares, to a management fee (see paragraph (2) below).

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.

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 fees for investment management (except any applicable performance fees) 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 in the above paragraph.

(2) Management fee

For each sub-fund the Company pays a fee to the Management Company of a percentage of the net assets of the relevant sub-fund as indicated in Section 3.2. This fee is calculated daily and payable monthly in arrears.

For all sub-funds, in certain circumstances, the Management Company may instruct the Company to pay portion of the above fees and expenses directly out of the assets of the Company to any such service providers. In such case, the fees and expenses due to the Management Company are reduced accordingly.

(3) Operating, administrative and servicing expenses

For some of the sub-funds, the Company pays to the Management Company a fee to cover certain operating, administrative and servicing expenses as well as other expenses incurred in its operation, as indicated for the relevant sub-funds in Section 3. "Sub-Fund Information".

The operating, administrative and servicing expenses will not exceed the rates as stated for the relevant sub-funds in Section 3. Sub-Fund Information. Where such expenses do exceed the maximum permitted annual rate, the excess will be borne directly by the Management Company.

In certain circumstances, the Management Company may instruct the Company to pay portion of the above fees and expenses directly out of the assets of the Company to any such service providers. In such case, the fees and expenses due to the Management Company are reduced accordingly.

The Company pays all brokerage, taxes and governmental duties and charges payable by the Company, and fees and expenses involved in registering and maintaining the Luxembourg authorisation and the Luxembourg Stock Exchange listing of the Company's shares, the cost of publication of prices, the remuneration of the unaffiliated Directors, if any, and their reasonable out-of-pocket expenses and its other operating expenses such as accounting and pricing costs, litigation and other recurring or non-recurring expenses.

Where payable (as described in the Section 3.2 "Sub-funds details"), the amounts paid to the Management Company will be shown in the annual report of the Company.

For fund of funds and Absolute Return funds, it is the intention of the Directors to minimise the annual management charge payable at the level of the Investment Funds by negotiating a rebate.

(4) Soft commissions

The Management Company and any of its Connected Persons may effect transactions by or through the agency of another person with whom the Management Company and any of its Connected Persons have an arrangement under which that party will from time to time provide to or procure for the Management Company and any of its Connected Persons goods, services or other benefits (such as research and advisory services), comprising computer hardware associated with specialised software, performance measurement, etc. the nature of which is such that their provision can reasonably be expected to benefit the Company as a whole and may contribute to an improvement in the performance of the Company or of the Management Company or any of its Connected Persons in providing services to the Company and for which no direct payment is made but instead the Management Company and any of its Connected Persons undertake to place business with that party. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments.

The Management Company and any Connected Person shall not retain the benefit of any cash commission rebate (being repayment of a cash commission made by a broker or dealer to the Management Company and/or any Connected Person) paid or payable from any such broker or dealer in respect of any business placed with such broker or dealer by the Management Company or any Connected Person for or on behalf the Company. Any such cash commission rebate from any such broker or dealer will be held by the Management Company and any Connected Person for the account of the Company.

(5) Formation expenses

The costs and expenses incurred in connection with the formation and registration of the Company in Luxembourg and elsewhere are borne by the distributors. Any sub-funds created at a later stage will bear their own formation expenses.

(6) Company promotion and operation

The Company pays the expenses of its promotion and operation, either directly or via the Management Company.

2.9. Management company and investment advice

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

The Directors of the Company have appointed HSBC Investment Funds (Luxembourg) S.A. as the Management Company to be responsible on a day to day basis, under the supervision of the 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 Registrar and Transfer Agent. The Management Company has delegated the marketing functions to the distributors and the investment management and advisory functions to the Investment Advisers.

The Management Company was incorporated on 26 September 1988 as a *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.

As of date of the Prospectus, 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.

As of the date of the Prospectus, the Management Company has also been appointed to act as management company for other investments funds which will be mentioned in the financial reports of the Company.

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 banking and successful financial services

organisations in the world. The HSBC Group has operations in HSBC's international network comprises about 10,000 offices in 83 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 Directors on a quarterly basis and inform each Director 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.

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

The Investment Advisory Agreements may be terminated by the Management Company or the relevant Investment Adviser upon three months' prior written notice. The Investment Advisory Agreements contain provisions whereby the Management Company undertakes to exempt the relevant Investment Adviser from liability not due to the negligence of, or wilful breach of its duties by, the relevant Investment Adviser.

2.10. Custodian and Paying Agent

RBC Dexia Investor Services Bank S.A. has been appointed as Custodian and Paying Agent in Luxembourg of the Company pursuant to an agreement, which may be terminated by a written prior notice given not less than 90 days in advance by either party to the other.

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 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

(1) Administration agent

RBC Dexia Investor Services Bank S.A. has also been appointed as Administration Agent for the Company pursuant to an agreement with the Management Company which may be terminated by either party in writing, at 90 days' prior notice. In such capacity the Administration Agent provides the Company with certain administrative and clerical services.

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

(2) 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.

(3) Corporate and Domiciliary Agent

RBC Dexia Investor Services Bank S.A. has also been appointed by the Company as Corporate and Domiciliary Agent.

2.12. 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.

2.13. Distribution of shares

The Management Company, as Distributor has appointed different distributors. The distributors are entitled to receive any applicable sales charges and conversion charges on all shares handled by it. The distributors may reallocate such charges at their absolute discretion.

Representative in the United Kingdom

HSBC Global Asset Management (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 Prospectus, the latest simplified prospectuses of the sub-funds and the most recently prepared annual and half-yearly reports and accounts may be obtained or inspected free of charge during normal business hours at the offices of HSBC Global Asset Management (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.

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 Global Asset Management (UK) Limited is authorised and regulated in the United Kingdom by the Financial Services Authority.

2.14. 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 12.00 noon on the last Friday in June in each year (or, if such day is not a Business Day, on the next following Business Day in Luxembourg).

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 *Luxemburger 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 made available at the Company's registered office, at least 15 days before the Annual General Meeting.

Copies of all reports are available at the registered offices of the Company and/or of the distributors.

2.15. Taxation

(1) Taxation of the Company

The following summaries are based on the Company's understanding of the law and practice in force in the United Kingdom and Luxembourg at the date of this document. As shareholders will be resident for tax purposes in various jurisdictions, no attempt has been made in this Prospectus to summarise the tax consequences for every jurisdiction which may be applicable to investors subscribing for, purchasing, holding, exchanging, selling or redeeming shares. These consequences will vary in accordance with the law and practice in force in the relevant shareholder's country of citizenship, residence, domicile or incorporation and with his or her personal circumstances. Hence no shareholder should solely rely on the following guidance when determining the tax consequences of investing in the Company's shares.

It is the responsibility of shareholders or prospective shareholders to inform themselves of the possible tax consequences of subscribing for, purchasing, holding, exchanging, selling or redeeming shares in the light of the laws of the country relevant to their citizenship, residence or domicile and of their personal circumstances and to take appropriate professional advice regarding exchange control or other legal restrictions relating thereto. Shareholders and prospective investors also should bear in mind that levels and bases of taxation may change.

Luxembourg

The Company is not liable to any Luxembourg tax on profits or income, nor are dividends paid by the Company liable to any Luxembourg withholding tax. 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. This tax rate is reduced to 0.01% per annum for classes X and Z shares in the relevant sub-funds. No tax is

payable for investment into other Luxembourg collective investment undertakings. 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.

United Kingdom

It is the intention of the 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.

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 Section 3.3.

(2) Taxation of shareholders

European Union ("EU") Tax Considerations for individuals resident in the EU or in certain third countries or dependant or associated territories

The Council of the European Union on 3 June 2003 adopted Council Directive 2003/48/EC on taxation of savings income in the form of interest payments ('Savings Directive').

Under the Savings Directive, Member States of the EU are 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 and the Channel Islands, the Isle of Man and the dependant or associated territories in the Caribbean, have also introduced measures equivalent to information reporting or, during the 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 the relevant 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 in a sub-fund 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 sub-funds, hereafter "Affected Sub-Funds").

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

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 dependant or associated territories, such payment will, subject to the next paragraph below, be subject to withholding tax at the rate indicated above.

No withholding tax will be withheld by the Luxembourg paying agent if the relevant individual either (i) has expressly authorized 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 this State of residence for tax purposes.

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 a summary of the implications of the Savings Directive and the Law, is based on the current interpretation thereof and this section 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 Savings Directive and the Law, non-resident shareholders are not subject to any income, withholding, estate, inheritance or other taxes in Luxembourg.

Subject to the provisions of the Savings Directive and the Law, non-resident shareholders are also exempt from taxation of capital gains unless they hold 10% at least of the outstanding shares of the Company and, either (i) they are former residents of Luxembourg (i.e. they were residents of Luxembourg during 15 years and ceased to be resident less than 5 years before the taxable capital gain was realised) or (ii) their holding is sold within 6 months of acquisition.

If necessary, investors should consult their professional advisers on the possible tax or other consequences of buying, holding, transferring or selling the Company's shares under the laws of their countries of citizenship, residence or domicile.

United Kingdom

Holders of shares who are resident in the United Kingdom or carrying on a trade in the United Kingdom will, depending on their individual circumstances, be liable to United Kingdom Income Tax or Corporation Tax in respect of any income allocated or dividends paid to them whether directly or by way of reinvestment of income and on capital gains and such holders should include details of this income on an appropriate return to their local Inspector of Taxes. Shareholders should note that dividends paid by the Company comprise foreign dividends for UK tax purposes.

Chapter V of Part XVII (Offshore Funds) of ICTA 1988 contains provisions that affect United Kingdom Investors in offshore funds which are not certified by the United Kingdom HM Revenue & Customs as distributing offshore funds during the United Kingdom investor's entire period of ownership. The broad effect of which is that any United Kingdom Investor who realises a gain on the disposal of his investment in an offshore fund will normally be charged to United Kingdom Income Tax (or Corporation Tax) on the gain made rather than to United Kingdom Capital Gains Tax (Corporation Tax on chargeable gains in the case of corporate investors). The Directors intend to manage the affairs of the Company so that it is able to obtain certification from the United Kingdom HM Revenue & Customs as a distributing offshore fund for certain Distribution share classes identified by a "D" following the sub-fund and Class names in the interim. Shareholders should not assume that any share class of the Company has been, or will be certified by United Kingdom HM Revenue & Customs. Until such time, profits realised from the disposal of shares in the Company will be taxed as income and not as capital gains.

Any corporate shareholder that is resident in the United Kingdom or one which carries on a trade in the United Kingdom will be subject to tax under the loan relationship provisions of United Kingdom tax legislation during any accounting period of that shareholder when more than 60% of the investments of the Company comprise of (broadly) interest bearing investments (including interests in collective investment schemes which themselves have more than 60% of their investments as interest bearing assets). Under these provisions the change in value of the shares in the Company during the corporate's accounting period will be taxed as part of the corporate's income for that accounting period the change in value being assessed on a mark to market basis.

Shareholders resident or ordinary resident in the United Kingdom should note the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007. These provisions are directed at the prevention of avoidance of income tax through transactions resulting in the transfer of assets or incomes to persons (including companies) abroad and may render them liable to income received by those persons on their behalf.

Shares in the Company will be classified as foreign assets for the purposes of United Kingdom inheritance tax.

United Kingdom individuals resident but not domiciled in the United Kingdom and who claim the remittance basis of taxation.

Dividends paid by the Company will constitute 'relevant foreign income' for United Kingdom income tax purposes.

Subject to their personal circumstances, shareholders who are individuals resident or ordinary resident but not domiciled in the United Kingdom (and who claim the remittance basis) for taxation purposes will be liable to United Kingdom income tax in respect of dividends paid by the Company to the extent that those dividends are remitted or deemed to be remitted to the United Kingdom. The rate of tax for a United Kingdom higher rate tax payer on such dividend income (as remitted or deemed to be remitted) will be 40%.

Shares in the Company will constitute 'foreign assets' for United Kingdom capital gains purposes.

As referred to in the Section above, it is only intended to apply to the United Kingdom HM Revenue & Customs for certification of new share classes to be issued at a date in the future as "distributing offshore funds". Accordingly, any gains arising to shareholders on a sale, redemption or other disposal of shares, if they become taxable in the United Kingdom, will be taxed as offshore income gains rather than capital gains (unless shareholders are notified otherwise). The rate of tax for a United Kingdom higher rate tax payer on such gains will be 40%. However, shareholders who are individuals and are resident or ordinary resident in the United Kingdom, but not domiciled in the United Kingdom, are only liable to tax in relation to gains realised on the disposal of shares in the Company if (and at the time) proceeds from the disposal are remitted or deemed to be remitted to the United Kingdom.

The attention of individuals resident or ordinarily resident in the United Kingdom for taxation purposes is drawn to Chapter 2 of Part 13 of the Income Tax Act 2007, which may render them liable to income tax in respect of the undistributed income of the Company.

2.16. Liquidation of the Company / Termination and amalgamation of sub-funds

(1) Liquidation of the Company

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 UCI 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 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 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.

(2) Liquidation and amalgamation of sub-funds

The Directors may decide to liquidate one sub-fund if the net assets of such sub-fund fall below USD 20 million (or its equivalent) 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 Directors may decide to close down one sub-fund of shares by contribution into another sub-fund. In addition, such merger may be decided by the 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 Directors may also, under the same circumstances as provided above, decide to close down one sub-fund of shares by contribution into another undertaking for collective investment in transferable securities. In addition, such merger may be decided by the 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 another collective investment undertaking of the mutual fund type or to a foreign based collective investment undertaking, 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 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 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 Directors do not have the authority to do so or where the Directors determine 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 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 or to a foreign based collective investment undertaking, 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.

SECTION 3 – SUB-FUND INFORMATION

3.1 List of the sub-funds available

(1) Funds of funds

HSBC International Select Fund – Adventurous
HSBC International Select Fund – Balanced
HSBC International Select Fund – Cautious
HSBC International Select Fund – Multimanager Premium

(2) Absolute Return funds

HSBC International Select Fund – Absolute Return (EUR) Fund
HSBC International Select Fund – Absolute Return (GBP) Fund
HSBC International Select Fund – Absolute Return (USD) Fund

(3) Manager of managers sub-funds

HSBC International Select Fund – MultiAlpha Asia Pacific ex-Japan Equity¹
HSBC International Select Fund – MultiAlpha Europe Equity¹
HSBC International Select Fund – MultiAlpha Global Emerging Markets Equity¹
HSBC International Select Fund – MultiAlpha Global Equity¹
HSBC International Select Fund – MultiAlpha Japan Equity¹
HSBC International Select Fund – MultiAlpha North America Equity¹

¹ 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 Company. 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.

3.2 Sub-funds details

(1) Fund of funds

Each sub-fund's investment objective is to achieve long term capital appreciation through investments in open-ended Investment Funds unless otherwise provided for by a specific sub-fund. These Investment Funds will be invested primarily in global equity and bond markets. The sub-funds will seek diversification through investment in a range of equity and bond funds. This will be achieved through a broad spread across geographic regions, investment sectors and investment styles. The Investment Advisers will actively manage the portfolio risk exposure. Financial derivative instruments may be used for hedging and efficient portfolio management purposes.

Investments of the sub-funds may be made in Investment Funds which are UCITS or other UCIs as herein defined, to the extent permitted by the investment restrictions and the relevant investment policy.

HSBC International Select Fund - Adventurous

Base currency

USD

Investment objective

The objective of this sub-fund is to provide long term capital growth through investment in a diversified portfolio, consisting of Investment Funds investing primarily in equity securities of companies worldwide.

Profile of the typical investor

Individual investors looking for a managed and diversified investment and seeking a higher level of capital growth while willing to accept a greater degree of risk. Also suitable for long term investors who understand the volatility and associated risks of equity markets and the historical long term growth opportunities of equity investments.

Investment adviser

HSBC Global Asset Management (UK) Limited

Fees and expenses

Adventurous	
Management fee (%)**	1.25*

* of the net asset value.

** this fee covers all administration, management and marketing services provided to the Company by the Management Company or one of the delegated entities as the Administration Agent, the Registrar and Transfer Agent and the Investment Adviser. This fee also covers the fees of the Custodian and the Corporate, Domiciliary and Paying Agent for the provision of their services. The Management Company is also entitled to reimbursement of reasonable out-of-pocket expenses.

The sub-fund also pays some other fees including the reasonable out of pocket expenses incurred by the parties referred to in Section 2 and by the correspondent banks, the fees of its Auditors and legal advisers, the cost of printing and distributing the annual and half-yearly reports, the Prospectus and the costs incurred in relation to structures which may be required by law or regulations in the jurisdictions in which the shares are marketed.

The Company also pays all brokerage, taxes and governmental duties and charges payable by the Company, and fees and expenses involved in registering and maintaining the registration of the Company's shares, with any governmental agency or stock exchange, the cost of publication of prices, the remuneration of the unaffiliated Directors, if any, and their reasonable out-of-pocket expenses and its other operating expenses such as accounting and pricing costs, litigation and other recurring or non-recurring expenses.

Dealing and Valuation Cut-Off Times

Cut-off times	Rest of the world	Jersey	Poland
Dealing time	11.00 a.m. Luxembourg time on any Dealing Day	10.00 a.m. Jersey time on any Dealing Day	10.00 a.m. Poland time on any Dealing Day
Valuation time	9.00 a.m. Luxembourg time on the Business Day following the Dealing Day		

Applications to buy, sell or convert shares made to the Company before 11.00 a.m. Luxembourg time on any Dealing Day or to the distributor in Jersey before 10.00 a.m. Jersey time on any Dealing Day or to the distributor in Poland before 10.00 a.m. Poland time on any Dealing Day (the "Specified Times") will be allocated on that Dealing Day.

Shares are allocated at the Offer price per share calculated at 9.00 a.m. Luxembourg time on the following Business Day using the latest available prices of assets. Applications received after the Specified Times will normally be dealt on the next Dealing Day. Shares are normally dealt on each Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) and which is also for the sub-fund, a day where stock exchanges and regulated markets in countries where the sub-fund is materially invested are open for normal trading.

Settlement

Operation	Due date for receipt of cleared monies
Buying shares	Payment for shares has to be made within five Business Days after the Dealing Day to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate sub-fund into which settlement monies are paid.
Selling shares	On receipt of the relevant documents the Registrar and Transfer Agent will dispatch the redemption proceeds normally in the designated currency of the sub-fund to which the shares relate, within five Business Days after the

	day on which the Redemption Price is determined.
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Investment Minima

Dealing Currency *	USD	EUR	GBP	SGD	CZK
Minimum initial investment and minimum holding	5,000	5,000	5,000	5,000	150,000
Minimum subsequent investment	1,000	1,000	1,000	1,000	30,000

* Please refer to the Section "Foreign Exchange Transaction".

Listing of shares on the Luxembourg Stock Exchange

The shares of Adventurous are listed on the Luxembourg Stock Exchange.

HSBC International Select Fund - Balanced

Base Currency
USD

Investment Objective

The objective of this sub-fund is to provide long term capital growth through investment in a diversified portfolio, with a high percentage of Investment Funds investing primarily in equity securities of companies worldwide.

Profile of the Typical Investor

Investors looking for a managed and diversified investment and seeking a reasonable level of capital growth while willing to accept a certain degree of risk.

Investment Adviser

HSBC Global Asset Management (UK) Limited

Fees and Expenses

Balanced	
Management fee (%)**	1.25*

* of the net asset value.

** this fee covers all administration, management and marketing services provided to the Company by the Management Company or one of the delegated entities as the Administration Agent, the Registrar and Transfer Agent and the Investment Adviser. This fee also covers the fees of the Custodian and the Corporate, Domiciliary and Paying Agent for the provision of their services. The Management Company is also entitled to reimbursement of reasonable out-of-pocket expenses.

The sub-fund also pays some other fees including the reasonable out of pocket expenses incurred by the parties referred to in Section 2 and by the correspondent banks, the fees of its Auditors and legal advisers, the cost of printing and distributing the annual and half-yearly reports, the Prospectus and the costs incurred in relation to structures which may be required by law or regulations in the jurisdictions in which the shares are marketed.

The Company also pays all brokerage, taxes and governmental duties and charges payable by the Company, and fees and expenses involved in registering and maintaining the registration of the Company's shares, with any governmental agency or stock exchange, the cost of publication of prices, the remuneration of the unaffiliated Directors, if any, and their reasonable out-of-pocket expenses and its other operating expenses such as accounting and pricing costs, litigation and other recurring or non-recurring expenses.

Dealing and Valuation Cut-Off Times

Cut-off times	Rest of the world	Jersey	Poland
Dealing time	11.00 a.m. Luxembourg time on any Dealing Day	10.00 a.m. Jersey time on any Dealing Day	10.00 a.m. Poland time on any Dealing Day
Valuation time	9.00 a.m. Luxembourg time on the Business Day following the Dealing Day		

Applications to buy, sell or convert shares made to the Company before 11.00 a.m. Luxembourg time on any Dealing Day or to the distributor in Jersey before 10.00 a.m. Jersey time on any Dealing Day or to the distributor in Poland before 10.00 a.m. Poland time on any Dealing Day (the "Specified Times") will be allocated on that Dealing Day.

Shares are allocated at the Offer price per share calculated at 9.00 a.m. Luxembourg time on the following Business Day using the latest available prices of assets. Applications received after the Specified Times will normally be dealt on the next Dealing Day. Shares are normally dealt on each Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) and which is also for the sub-fund, a day where stock exchanges and regulated markets in countries where the sub-fund is materially invested are open for normal trading.

Settlement

Operation	Due date for receipt of cleared monies
Buying shares	Payment for shares has to be made within five Business Days after the Dealing Day to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate sub-fund into which settlement monies are paid.
Selling shares	On receipt of the relevant documents the Registrar and Transfer Agent will dispatch the redemption proceeds normally in the designated currency of the sub-fund to which the shares relate, within five Business Days after the day on which the Redemption Price is determined.

Investment Minima

Dealing Currency *	USD	EUR	GBP	SGD	CZK
Minimum initial investment and minimum holding	5,000	5,000	5,000	5,000	150,000
Minimum subsequent investment	1,000	1,000	1,000	1,000	30,000

*Please refer to the Section "Foreign Exchange Transactions".

Listing of shares on the Luxembourg Stock Exchange

The shares of Balanced are listed on the Luxembourg Stock Exchange.

HSBC International Select Fund - Cautious

Base Currency

USD

Investment Objective

The objective of this sub-fund is to provide long term capital growth through investment in a diversified portfolio with a high percentage of Investment Funds investing primarily in worldwide fixed interest securities denominated in a range of currencies.

Profile of the Typical Investor

Investors looking for a managed and diversified investment wanting to invest in lower risk.

Investment Adviser

HSBC Global Asset Management (UK) Limited

Fees and Expenses

Cautious	
Management fee (%)**	1.25*

* of the net asset value.

** this fee covers all administration, management and marketing services provided to the Company by the Management Company or one of the delegated entities as the Administration Agent, the Registrar and Transfer Agent and the Investment Adviser. This fee also covers the fees of the Custodian and the Corporate, Domiciliary and Paying Agent for the provision of their services. The Management Company is also entitled to reimbursement of reasonable out-of-pocket expenses.

The sub-fund also pays some other fees including the reasonable out of pocket expenses incurred by the parties referred to in Section 2 and by the correspondent banks, the fees of its Auditors and legal advisers, the cost of printing and distributing the annual and half-yearly reports, the Prospectus and the costs incurred in relation to structures which may be required by law or regulations in the jurisdictions in which the shares are marketed.

The Company also pays all brokerage, taxes and governmental duties and charges payable by the Company, and fees and expenses involved in registering and maintaining the registration of the Company's shares, with any governmental agency or stock exchange, the cost of publication of prices, the remuneration of the unaffiliated Directors, if any, and their reasonable out-of-pocket expenses and its other operating expenses such as accounting and pricing costs, litigation and other recurring or non-recurring expenses.

Dealing and Valuation Cut-Off Times

Cut-off times	Rest of the world	Jersey	Poland
Dealing time	11.00 a.m. Luxembourg time on any Dealing Day	10.00 a.m. Jersey time on any Dealing Day	10.00 a.m. Poland time on any Dealing Day
Valuation time	9.00 a.m. Luxembourg time on the Business Day following the Dealing Day		

Applications to buy, sell or convert shares made to the Company before 11.00 a.m. Luxembourg time on any Dealing Day or to the distributor in Jersey before 10.00 a.m. Jersey time on any Dealing Day or to the distributor in Poland before 10.00 a.m. Poland time on any Dealing Day (the "Specified Times") will be allocated on that Dealing Day.

Shares are allocated at the Offer price per share calculated at 9.00 a.m. Luxembourg time on the following Business Day using the latest available prices of assets. Applications received after the Specified Times will normally be dealt on the next Dealing Day. Shares are normally dealt on each Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) and which is also for the sub-fund, a day where stock exchanges and regulated markets in countries where the sub-fund is materially invested are open for normal trading.

Settlement

Operation	Due date for receipt of cleared monies
Buying shares	Payment for shares has to be made within five Business Days after the Dealing Day to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate sub-fund into which settlement monies are paid.
Selling shares	On receipt of the relevant documents the Registrar and Transfer Agent will dispatch the redemption proceeds normally in the designated currency of the sub-fund to which the shares relate, within five Business Days after the day on which the Redemption Price is determined.

Investment Minima

Dealing Currency *	USD	EUR	GBP	SGD	CZK
Minimum initial investment and minimum holding	5,000	5,000	5,000	5,000	150,000
Minimum subsequent investment	1,000	1,000	1,000	1,000	30,000

*Please refer to the Section "Foreign Exchange Transactions"

Listing of shares on the Luxembourg Stock Exchange

The shares of Cautious are listed on the Luxembourg Stock Exchange.

HSBC International Select Fund – Multimanager Premium

Base Currency

EUR

Investment Objective

The objective of the sub-fund is to achieve a total return over the medium term by investing in a well diversified portfolio of directional risks and non-directional strategies. Therefore, the sub-fund will invest at least 49% of its total non-cash assets in other Investment Funds which themselves invest primarily in equity and fixed income markets. In addition, the sub-fund may also, within the limits of the investment restrictions, invest in Investment Funds providing exposure to commodities, real estate and open-ended regulated hedge funds subject to an equivalent supervision. The investment adviser retains the right to invest in other asset classes as opportunities arise.

Diversification is reached via an efficient risk driven allocation of market risks: asset classes, geographic regions, and investment sectors. Absolute sources of performance are expected to arise from portable alpha (equity hedged with index futures), and absolute return investment funds.

The sub-fund will normally contain a high proportion of Euro denominated assets. Exposure to non-Euro assets will normally be hedged back in into Euro through the use of instruments such as currency forwards.

Profile of the Typical Investor

Investors looking for a managed and diversified investment and seeking a stable level of capital growth while willing to accept a controlled degree of risk.

Investment Adviser

HSBC Global Asset Management (France)

Fees and Expenses

Class of Shares	A Class	E Class	I Class
Maximum management fee (%)**	1.00*	1.30*	0.50*
Maximum operating, administrative and servicing expenses (%)***	0.30*	0.30*	0.25*

* of the net asset value.

** the Management fee covers all investment management, investment advisory and distribution services.

*** The operating, administrative and servicing expenses includes the reasonable out of pocket expenses incurred by the parties referred to in this paragraph and by the correspondent banks, the fees of its Auditors and legal advisers, the cost of printing and distributing the annual and half-yearly reports, the Prospectus, the costs and expenses incurred in connection with the registration of the Company in various jurisdictions, the costs incurred in relation to structures which may be required by law or regulations in the jurisdictions in which the shares are marketed. The Management Company is responsible for discharging out of this fee the expenses payable, inter alia, to the Custodian, the Administration Agent and the Registrar and Transfer Agent.

Dealing and Valuation Cut-Off Times

Cut-off times	Rest of the world	Jersey	Poland
Dealing time	9.00 a.m. Luxembourg time on any Dealing Day	3.00 p.m. Jersey time on the Business Day immediately preceding the Dealing Day	8.00 a.m. Poland time on any Dealing Day
Valuation time	5.00 p.m. Luxembourg time on the Business Day following the Dealing Day		

Applications to buy, sell or convert shares made to the company before 9.00 a.m. Luxembourg time on any Dealing Day or to the distributor in Jersey before 3.00 p.m. Jersey time on the Business Day immediately preceding the Dealing Day or to the distributor in Poland before 8.00 a.m. Poland time on any Dealing Day (the "Specified Times") will be allocated on that Dealing Day. Shares are allocated at the Offer price per share calculated at 5.00 p.m. Luxembourg time on the following Business Day using the latest available prices of assets. Applications received after the Specified Times will normally be dealt on the Business Day following the Dealing Day. Shares are normally dealt on each Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) and which is also for the sub-fund, a day where stock exchanges and regulated markets in countries where the sub-fund is materially invested are open for normal trading.

In case the prices of the Investment Funds are not available at 5.00 p.m. Luxembourg time on the Business Day following the relevant Dealing Day, the prices of the Investment Funds will be evaluated by an estimation provided by the Investment Adviser of the relevant sub-fund in accordance with a fair value adjustment methodology.

Such valuation will be communicated to RBC Dexia Investor Services Bank S.A. to determine the Dealing Prices for the shares of this sub-fund.

Settlement

Operation	Due date for receipt of cleared monies
Buying shares	Payment for shares has to be made within five Business Days after the Dealing Day to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate sub-fund into which settlement monies are paid.
Selling shares	On receipt of the relevant documents the Registrar and Transfer Agent will dispatch the redemption proceeds normally in the designated currency of the sub-fund to which the shares relate, within five Business Days after the day on which the Redemption Price is determined.

Investment Minima

Class of Shares / Dealing Currency*	A Class	E Class	I Class
Minimum initial investment and minimum holding	EUR 12,000 USD 12,000 GBP 12,000 SGD 12,000 CZK 360,000	EUR 5,000 USD 5,000 GBP 5,000 SGD 5,000 CZK 150,000	EUR 1,000,000 USD 1,000,000 GBP 1,000,000 SGD 1,000,000 CZK 30,000,000
Minimum subsequent investment	EUR 1,000 USD 1,000 GBP 1,000 SGD 1,000 CZK 30,000	EUR 1,000 USD 1,000 GBP 1,000 SGD 1,000 CZK 30,000	EUR 100,000 USD 100,000 GBP 100,000 SGD 100,000 CZK 3,000,000

*Please refer to the Section "Foreign Exchange Transactions".

Listing of shares on the Luxembourg Stock Exchange

The shares of Multimanager Premium are not listed on the Luxembourg Stock Exchange.

(2) Absolute Return funds

The Absolute Return sub-funds aim to achieve the objectives detailed below by investing in a diversified portfolio of Transferable Securities and Investment Funds across global markets. The sub-funds will seek diversification through exposure to a wide range of asset classes with different risk/return profiles, whilst maintaining the core objective of capital preservation.

Financial derivative instruments may be used for hedging and efficient portfolio management purposes.

Investments of the sub-funds may be made in Investment Funds to the extent permitted by the investment restrictions and the relevant investment policy.

HSBC International Select Fund – Absolute Return (EUR) Fund

Base Currency
EUR

Investment Objective

The sub-fund seeks to achieve stable absolute returns in excess of 1 Month EURO LIBID by investing in a diversified portfolio of Transferable Securities and Investment Funds across global markets. Transferable Securities will be listed on, or issued in, and traded on a Regulated Market and may not necessarily be denominated in EUR.

The sub-fund may invest in other Investment Funds which themselves invest primarily in other assets, as permitted by current UCITS regulation (including cash, money market, property, commodities, private equity and currencies worldwide), and which may be listed or unlisted.

Profile of the Typical Investor

Investors looking for a managed and diversified investment investing predominantly in EUR-denominated assets and seeking a stable and reliable level of capital growth while willing to accept a controlled degree of risk.

Investment Adviser

HSBC Global Asset Management (UK) Limited

Fees and Expenses

Class of Shares	A Class	E Class	X Class
Maximum management fee (%)**	1.25*	1.50*	0.50*
Maximum operating, administrative and servicing expenses (%)***	0.40*	0.40*	0.30*

* of the net asset value.

** The management fee covers all investment management, investment advisory and distribution services.

*** The operating, administrative and servicing expenses includes the reasonable out of pocket expenses incurred by the parties referred to in this paragraph and by the correspondent banks, the fees of its Auditors and legal advisers, the cost of printing and distributing the annual and half-yearly reports, the Prospectus, the costs and expenses incurred in connection with the registration of the Company in various jurisdictions, the costs incurred in relation to structures which may be required by law or regulations in the jurisdictions in which the shares are marketed. The Management Company is responsible for discharging out of this fee the expenses payable, inter alia, to the Custodian, the Administration Agent and the Registrar and Transfer Agent.

Dealing and Valuation Cut-Off Times

Cut-off times	Rest of the world	Jersey	Poland
Dealing time	5.00 p.m. Luxembourg time on any Dealing Day	3.00 p.m. Jersey time on any Dealing Day	4.00 p.m. Poland time on any Dealing Day
Valuation time	12.01 a.m. Luxembourg time on the Business Day following the Dealing Day		

Applications to buy, sell or convert shares made to the Company before 5.00 p.m. Luxembourg time on any Dealing Day or to the distributor in Jersey before 3.00 p.m. Jersey time on any Dealing Day or to the distributor in Poland before 4.00 p.m. Poland time on any Dealing Day (the "Specified Times") will be allocated on that Dealing Day.

Shares are allocated at the Offer price per share calculated at 12.01 a.m. Luxembourg time on the Business Day following the Dealing Day using the latest available prices of assets. Applications received after the Specified Times will normally be dealt on the next Dealing Day.

Shares are normally dealt on Wednesdays, or on the next following Business Day if Wednesday is not a Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension).

Settlement

Operation	Due date for receipt of cleared monies
Buying shares	Payment for shares has to be made within five Business Days after the Dealing Day to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate sub-fund into which settlement monies are paid.
Selling shares	On receipt of the relevant documents the Registrar and Transfer Agent will dispatch the redemption proceeds normally in the designated currency of the sub-fund to which the shares relate, within five Business Days after the day on which the Redemption Price is determined.

Investment Minima

Class of Shares / Dealing Currency*	A Class	E Class	X Class
Minimum initial investment and minimum holding	EUR 5,000 USD 5,000 GBP 5,000	EUR 5,000 USD 5,000 GBP 5,000	EUR 1,000,000 USD 1,000,000 GBP 1,000,000
Minimum subsequent investment	EUR 1,000 USD 1,000 GBP 1,000	EUR 1,000 USD 1,000 GBP 1,000	EUR 100,000 USD 100,000 GBP 100,000

*Please refer to the Section "Foreign Exchange Transactions".

Listing of shares on the Luxembourg Stock Exchange

The shares of Absolute Return (EUR) Fund are not listed on the Luxembourg Stock Exchange.

HSBC International Select Fund – Absolute Return (GBP) Fund

Base Currency

GBP

Investment Objective

The sub-fund seeks to achieve stable absolute returns in excess of 1 Month GBP LIBID by investing in a diversified portfolio of Transferable Securities and Investment Funds across global markets. Transferable Securities will be listed on, or issued in, and traded on a Regulated Market, and may not necessarily be denominated in GBP.

The sub-fund may invest in other Investment Funds which themselves invest primarily in other assets, as permitted by current UCITS regulation (including cash, money market, property, commodities, private equity and currencies worldwide), and which may be listed or unlisted.

Profile of the Typical Investor

Investors looking for a managed and diversified investment investing in predominantly GBP-denominated assets and seeking a stable and reliable level of capital growth while willing to accept a controlled degree of risk.

Investment Adviser

HSBC Global Asset Management (UK) Limited

Fees and Expenses

Cut-off times	A Class	E Class	X Class
Maximum management fee (%)**	1.25*	1.50*	0.50*
Maximum operating, administrative and servicing expenses (%)***	0.40*	0.40*	0.30*

* of the net asset value.

** The management fee covers all investment management, investment advisory and distribution services.

*** The operating, administrative and servicing expenses includes the reasonable out of pocket expenses incurred by the parties referred to in this paragraph and by the correspondent banks, the fees of its Auditors and legal advisers, the cost of printing and distributing the annual and half-yearly reports, the Prospectus, the costs and expenses incurred in connection with the registration of the Company in various jurisdictions, the costs incurred in relation to structures which may be required by law or regulations in the jurisdictions in which the shares are marketed. The Management Company is responsible for discharging out of this fee the expenses payable, inter alia, to the Custodian, the Administration Agent and the Registrar and Transfer Agent.

Dealing and Valuation Cut-Off Times

Cut-off times	Rest of the world	Jersey	Poland
Dealing time	5.00 p.m. Luxembourg time on any Dealing Day	3.00 p.m. Jersey time on any Dealing Day	4.00 p.m. Poland time on any Dealing Day
Valuation time	12.01 a.m. Luxembourg time on the Business Day following the Dealing Day		

Applications to buy, sell or convert shares made to the Company before 5.00 p.m. Luxembourg time on any Dealing Day or to the distributor in Jersey before 3.00 p.m. Jersey time on any Dealing Day or to the distributor in Poland before 4.00 p.m. Poland time on any Dealing Day (the "Specified Times") will be allocated on that Dealing Day.

Shares are allocated at the Offer price per share calculated at 12.01 a.m. Luxembourg time on the Business Day following the Dealing Day using the latest available prices of assets. Applications received after the Specified Times will normally be dealt on the next Dealing Day. Shares are normally dealt on Wednesdays, or on the next following Business Day if Wednesday is not a Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension).

Settlement

Operation	Due date for receipt of cleared monies
Buying shares	Payment for shares has to be made within five Business Days after the Dealing Day to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate sub-fund into which settlement monies are paid.
Selling shares	On receipt of the relevant documents the Registrar and Transfer Agent will dispatch the redemption proceeds normally in the designated currency of the sub-fund to which the shares relate, within five Business Days after the day on which the Redemption Price is determined.

Investment Minima

Class of Shares / Dealing Currency*	A Class	E Class	X Class
Minimum initial investment and minimum holding	EUR 5,000	EUR 5,000	EUR 1,000,000
	USD 5,000	USD 5,000	USD 1,000,000
	GBP 5,000	GBP 5,000	GBP 1,000,000
Minimum subsequent investment	EUR 1,000	EUR 1,000	EUR 100,000
	USD 1,000	USD 1,000	USD 100,000
	GBP 1,000	GBP 1,000	GBP 100,000

*Please refer to the Section "Foreign Exchange Transactions".

Listing of shares on the Luxembourg Stock Exchange

Shares of Class AC of Absolute Return (GBP) Fund are listed on the Luxembourg Stock Exchange.

HSBC International Select Fund – Absolute Return (USD) Fund

Base Currency

USD

Investment Objective

The sub-fund seeks to achieve stable absolute returns in excess of 1 Month USD LIBID by investing in a diversified predominantly USD denominated portfolio of Transferable Securities and Investment Funds across global markets. Transferable Securities will be listed on, or issued in, and traded on a Regulated Market, and may not necessarily be denominated in USD.

The sub-fund may invest in other Investment Funds which themselves invest primarily in other assets, as permitted by current UCITS regulation (including cash, money market, property, commodities, private equity and currencies worldwide), and which may be listed or unlisted.

Profile of the Typical Investor

Investors looking for a managed and diversified investment investing in predominantly USD-denominated assets and seeking a stable and reliable level of capital growth while willing to accept a controlled degree of risk.

Investment Adviser

HSBC Global Asset Management (UK) Limited

Fees and Expenses

Class of Shares	A Class	E Class	X Class
Maximum management fee (%)	1.25*	1.50*	0.50*
Maximum operating, administrative and servicing expenses (%)***	0.40*	0.40*	0.30*

*of the net asset value

** The management fee covers all investment management, investment advisory and distribution services.

*** The operating, administrative and servicing expenses includes the reasonable out of pocket expenses incurred by the parties referred to in this paragraph and by the correspondent banks, the fees of its Auditors and legal advisers, the cost of printing and distributing the annual and half-yearly reports, the Prospectus, the costs and expenses incurred in connection with the registration of the Company in various jurisdictions, the costs incurred in relation to structures which may be required by law or regulations in the jurisdictions in which the shares are marketed. The Management Company is responsible for discharging out of this fee the expenses payable, inter alia, to the Custodian, the Administration Agent and the Registrar and Transfer Agent.

Dealing and Valuation Cut-Off Times

Cut-off times	Rest of the world	Jersey	Poland
Dealing time	5.00 p.m. Luxembourg time on any Dealing Day	3.00 p.m. Jersey time on any Dealing Day	4.00 p.m. Poland time on any Dealing Day
Valuation time	12.01 a.m. Luxembourg time on the Business Day following the Dealing Day		

Applications to buy, sell or convert shares made to the Company before 5.00 p.m. Luxembourg time on any Dealing Day or to the distributor in Jersey before 3.00 p.m. Jersey time on any Dealing Day or to the distributor in Poland before 4.00 p.m. Poland time on any Dealing Day (the "Specified Times") will be allocated on that Dealing Day.

Shares are allocated at the Offer price per share calculated at 12.01 a.m. Luxembourg time on the Business Day following the Dealing Day using the latest available prices of assets. Applications received after the Specified Times will normally be dealt on the next Dealing Day. Shares are normally dealt on Wednesdays, or on the next following Business Day if Wednesday is not a Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension).

Settlement

Operation	Due date for receipt of cleared monies
Buying shares	Payment for shares has to be made within five Business Days after the Dealing Day to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate sub-fund into which settlement monies are paid.
Selling shares	On receipt of the relevant documents the Registrar and Transfer Agent will dispatch the redemption proceeds normally in the designated currency of the sub-fund to which the shares relate, within five Business Days after the day on which the Redemption Price is determined.

Investment Minima

Class of Shares / Dealing Currency*	A Class	E Class	X Class
Minimum initial investment and minimum holding	EUR 5,000 USD 5,000 GBP 5,000	EUR 5,000 USD 5,000 GBP 5,000	EUR 1,000,000 USD 1,000,000 GBP 1,000,000
Minimum subsequent investment	EUR 1,000 USD 1,000 GBP 1,000	EUR 1,000 USD 1,000 GBP 1,000	EUR 100,000 USD 100,000 GBP 100,000

* Please refer to the Section "Foreign Exchange Transactions".

Listing of shares on the Luxembourg Stock Exchange

The shares of Absolute Return (USD) Fund are not listed on the Luxembourg Stock Exchange.

(3) Manager of managers sub-funds

The MultiAlpha sub-funds aim to achieve the objectives detailed below through the careful selection of one or more investment sub-advisers by the investment adviser. Such investment sub-adviser(s) may or may not be part of the HSBC Group. The investment adviser may also from time to time take part in managing the assets of the sub-fund.

The investment adviser will be responsible for the selection and appointment of one or more investment sub-advisers in respect of the sub-fund to delegate all or part of the day-to-day conduct of its investment management responsibilities and investment advisory services in respect of some or all of the assets of the sub-fund. If more than one investment sub-adviser is appointed in respect of the sub-fund, the investment adviser shall allocate the assets of the sub-fund between the investment sub-advisers in such proportions as it shall, at its discretion, determine. The investment adviser may determine to allocate the whole of the assets of the sub-fund to one of the investment sub-advisers.

The investment adviser will monitor the performance of the investment sub-adviser(s) in respect of the sub-fund in order to assess the need, if any, to make changes/replacements. The investment adviser may appoint or replace investment sub-advisers in respect of the sub-fund at any time in accordance with any applicable regulations or notice periods.

The investment adviser is responsible for the selection of the sub-investment adviser(s), the monitoring of the performance of the sub-investment adviser(s) and the monitoring of the risk management process implemented at the level of each sub-investment advisers. The sub-investment advisers may be replaced without prior notice to the shareholders. The list of the sub-investment advisers having acted for these sub-funds during the period under review is disclosed in the semi-annual and annual reports of the Company. The list of sub-investment adviser(s) effectively managing the sub-funds may be obtained at any time free of charge at the registered office of the Company.

HSBC International Select Fund – MultiAlpha Asia Pacific ex Japan Equity

Base Currency

USD

Investment Objective

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 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).

The sub-fund uses a multi-manager approach, relying upon one or more sub-advisers to manage portions of the sub-fund's portfolio. The sub-fund may invest no more than 10% in total in other UCITS and UCIs. Financial derivative instruments may be used for hedging and efficient portfolio management purposes.

Profile of the Typical Investor

The sub-fund is suitable for investors with a medium to long term investment horizon. A high proportion of the assets may be invested in equity, or equity-related securities which may be subject to higher volatility of return.

Investment Adviser

HSBC Global Asset Management (France)

Fees and Expenses

Class of Shares	A	E	I	X	Z
Management fee (%)*	1.50	2.00	0.75	0.75	0.00
Operating, administrative and servicing expenses (%)*	0.50	0.50	0.40	0.35**	0.35**

* of the net asset value.

** the operating, administrative and servicing expenses for these Share Classes will be capped at the rates quoted.

Dealing and Valuation Cut-Off Times

Cut-off times	Rest of the world	Poland
Dealing time	5.00 p.m. Luxembourg time on any Dealing Day	4.00 p.m. Poland time on any Dealing Day
Valuation time	11.00 a.m. Luxembourg time on the Business Day following the Dealing Day	

Applications to buy, sell or convert shares made to the Company before 5.00 p.m. Luxembourg time on any Dealing Day or to the distributor in Poland before 4.00 p.m. Poland time on any Dealing Day (the "Specified Times") will be allocated on that Dealing Day.

Shares are allocated at the Offer Price per share calculated at 11.00 a.m. Luxembourg time on the Business Day following the Dealing Day using the latest available prices of assets. Applications received after the Specified Times will normally be dealt on the next Dealing Day. Shares are normally dealt on each Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) and which is also for the sub-fund, a day where stock exchanges and regulated markets in countries where the sub-fund is materially invested are open for normal trading.

Settlement

Sub-fund	Due date for receipt of cleared monies
Buying shares	Payment for shares has to be made within four Business Days after the Dealing day to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate sub-fund into which settlement monies are paid.
Selling shares	On receipt of the relevant documents the Registrar and Transfer Agent will dispatch the redemption proceeds normally in the designated currency of the sub-fund to which the shares relate, within four Business Days after the day on which the Redemption Price is determined.

Investment Minima

Class of Shares*	A	E	I	X	Z
Minimum initial investment and minimum holding	USD 5,000	USD 5,000	USD 1,000,000	USD 2,000,000	USD 1,000,000

* Dealing Currency: EUR, GBP, USD. Please refer to the Section "Foreign Exchange Transactions".

Listing of shares on the Luxembourg Stock Exchange

The shares of MultiAlpha Asia Pacific ex Japan Equity are not listed on the Luxembourg Stock Exchange.

HSBC International Select Fund – MultiAlpha Europe Equity

Base Currency

EUR

Investment Objective

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, as well as companies which carry out a preponderant part of their economic activities in Europe.

The sub-fund uses a multi-manager approach, relying upon one or more sub-advisers to manage portions of the sub-fund's portfolio. The sub-fund may invest no more than 10% in total in other UCITS and UCIs. Financial derivative instruments may be used for hedging and efficient portfolio management purposes.

Profile of the Typical Investor

The sub-fund is suitable for investors with a medium to long term investment horizon. A high proportion of the assets may be invested in equity, or equity-related securities which may be subject to higher volatility of return.

Investment Adviser

HSBC Global Asset Management (France)

Fees and Expenses

Class of Shares	A	E	I	X	Z
Management fee (%)*	1.50	2.00	0.75	0.75	0.00
Operating, administrative and servicing expenses (%)*	0.40	0.40	0.25	0.20**	0.20**

* of the net asset value.

** the operating, administrative and servicing expenses for these Share Classes will be capped at the rates quoted.

Dealing and Valuation Cut-Off Times

Cut-off times	Rest of the world	Poland
Dealing time	1.00 p.m. Luxembourg time on any Dealing Day	12.00 p.m. Poland time on any Dealing Day
Valuation time	6.00 p.m. Luxembourg time on any Dealing Day	

Applications to buy, sell or convert shares made to the Company before 1.00 p.m. Luxembourg time on any Dealing Day or to the distributor in Poland before 12.00 p.m. Poland time on any Dealing Day (the "Specified Times") will be allocated on that Dealing Day.

Shares are allocated at the Offer Price per share calculated at 6.00 p.m. Luxembourg time on the Dealing Day using the latest available prices of assets. Applications received after the Specified Times will normally be dealt on the next Dealing Day. Shares are normally dealt on each Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) and which is also for the sub-fund, a day where stock exchanges and regulated markets in countries where the sub-fund is materially invested are open for normal trading.

Settlement

Sub-fund	Due date for receipt of cleared monies
Buying Shares	Payment for shares has to be made within four Business Days after the Dealing Day to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate sub-fund into which settlement monies are paid.
Selling Shares	On receipt of the relevant documents the Registrar and Transfer Agent will dispatch the redemption proceeds normally in the designated currency of the sub-fund to which the shares relate, within four Business Days after the day on which the Redemption Price is determined.

Investment Minima

Class of Shares*	A	E	I	X	Z
Minimum initial investment and minimum holding	USD 5,000	USD 5,000	USD 1,000,000	USD 2,000,000	USD 1,000,000

* Dealing Currency: EUR, GBP, USD. Please refer to the Section "Foreign Exchange Transactions".

Listing of Shares on the Luxembourg Stock Exchange

The shares of MultiAlpha Europe Equity are not listed on the Luxembourg Stock Exchange.

HSBC International Select Fund – MultiAlpha Global Emerging Markets Equity

Base Currency

USD

Investment Objective

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 uses a multi-manager approach, relying upon one or more sub-advisers to manage portions of the sub-fund's portfolio. The sub-fund may invest no more than 10% in total in other UCITS and UCIs. Financial derivative instruments may be used for hedging and efficient portfolio management purposes.

Profile of the Typical Investor

The sub-fund is suitable for investors with a long term investment horizon. It is intended to provide additional exposure for more experienced investors within a portfolio where a high proportion of the assets may be invested in Emerging Markets and smaller capitalisation securities, which may restrict liquidity and increase the volatility of return.

Investment Adviser

HSBC Global Asset Management (France)

Fees and Expenses

Class of Shares	A	E	I	X	Z
Management fee (%)*	1.50	2.00	0.75	0.75	0.00
Operating, administrative and servicing expenses (%)*	0.50	0.50	0.40	0.35**	0.35**

* of the net asset value.

** the operating, administrative and servicing expenses for these Share Classes will be capped at the rates quoted.

Dealing and Valuation Cut-Off Times

Cut-off times	Rest of the world	Poland
Dealing time	1.00 p.m. Luxembourg time on any Dealing Day	12.00 p.m. Poland time on any Dealing Day
Valuation time	12.00 a.m. (24.00) Luxembourg time on any Dealing Day	

Applications to buy, sell or convert shares made to the Company before 1.00 p.m. Luxembourg time on any Dealing Day or to the distributor in Poland before 12.00 p.m. Poland time any Dealing Day (the "Specified Times") will be allocated on that Dealing Day.

Shares are allocated at the Offer Price per share calculated at 12.00 a.m.(24.00) Luxembourg time on the Dealing Day using the latest available prices of assets. Applications received after the Specified Times will normally be dealt on the next Dealing Day. Shares are normally dealt on each Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) and which is also for the sub-fund, a day where stock exchanges and regulated markets in countries where the sub-fund is materially invested are open for normal trading.

Settlement

Sub-fund	Due date for receipt of cleared monies
Buying Shares	Payment for shares has to be made within four Business Days after the Dealing Day to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate sub-fund into which settlement monies are paid.
Selling Shares	On receipt of the relevant documents the Registrar and Transfer Agent will dispatch the redemption proceeds normally in the designated currency of the sub-fund to which the shares relate, within four Business Days after the day on which the Redemption Price is determined.

Investment Minima

Class of Shares*	A	E	I	X	Z
Minimum initial investment and minimum holding	USD 5,000	USD 5,000	USD 1,000,000	USD 2,000,000	USD 1,000,000

* Dealing Currency: EUR, GBP, USD. Please refer to the Section "Foreign Exchange Transactions".

Listing of Shares on the Luxembourg Stock Exchange

The shares of MultiAlpha Global Emerging Markets Equity are not listed on the Luxembourg Stock Exchange.

HSBC International Select Fund – MultiAlpha Global Equity

Base Currency

USD

Investment Objective

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. As the sub-fund will seek to invest throughout the world, these can be both companies with their registered office in, and/or with an official listing in developed markets such as the OECD, and also those in Emerging Markets.

The sub-fund uses a multi-manager approach, relying upon one or more sub-advisers to manage portions of the sub-fund's portfolio. The sub-fund may invest no more than 10% in total in other UCITS and UCIs. Financial derivative instruments may be used for hedging and efficient portfolio management purposes.

Profile of the Typical Investor

The sub-fund is suitable for investors with a medium to long term investment horizon. A high proportion of the assets may be invested in equity, or equity-related securities which may be subject to higher volatility of return.

Investment Adviser

HSBC Global Asset Management (France)

Fees and Expenses

Class of Shares	A	E	I	X	Z
Management fee (%)*	1.50	2.00	0.75	0.75	0.00
Operating, administrative and servicing expenses (%)*	0.40	0.40	0.25	0.20**	0.20**

* of the net asset value.

** the operating, administrative and servicing expenses for these Share Classes will be capped at the rates quoted.

Dealing and Valuation Cut-Off Times

Cut-off times	Rest of the world	Poland
Dealing time	1.00 p.m. Luxembourg time on any Dealing Day	12.00 p.m. Poland time on any Dealing Day
Valuation time	12.00 a.m. (24.00) Luxembourg time on any Dealing Day	

Applications to buy, sell or convert shares should be made to the Company before 1.00 p.m. Luxembourg time on any Dealing Day or to the distributor in Poland before 12.00 p.m. Poland time any Dealing Day (the "Specified Times") will be allocated on that Dealing Day.

Shares are allocated at the Offer Price per share calculated at 12.00 a.m. (24.00) Luxembourg time on the Dealing Day using the latest available prices of assets. Applications received after the Specified Times will normally be dealt on the next Dealing Day. Shares are normally dealt on each Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) and which is also for the sub-fund, a day where stock exchanges and regulated markets in countries where the sub-fund is materially invested are open for normal trading.

Settlement

Sub-fund	Due date for receipt of cleared monies
Buying Shares	Payment for shares has to be made within four Business Days after the Dealing Day to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate sub-fund into which settlement monies are paid.
Selling Shares	On receipt of the relevant documents the Registrar and Transfer Agent will dispatch the redemption proceeds normally in the designated currency of the sub-fund to which the shares relate, within four Business Days after the day on which the Redemption Price is determined.

Investment Minima

Class of Shares*	A	E	I	X	Z
Minimum initial investment and minimum holding	USD 5,000	USD 5,000	USD 1,000,000	USD 2,000,000	USD 1,000,000

* Dealing Currency: EUR, GBP, USD. Please refer to the Section "Foreign Exchange Transactions".

Listing of Shares on the Luxembourg Stock Exchange

The shares of MultiAlpha Global Equity are not listed on the Luxembourg Stock Exchange.

HSBC International Select Fund – MultiAlpha Japan Equity

Base Currency
USD

Investment Objective

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.

The sub-fund uses a multi-manager approach, relying upon one or more sub-advisers to manage portions of the sub-fund's portfolio. The sub-fund may invest no more than 10% in total in other UCITS and UCIs. Financial derivative instruments may be used for hedging and efficient portfolio management purposes.

Profile of the Typical Investor

The sub-fund is suitable for investors with a medium to long term investment horizon. A high proportion of the assets may be invested in equity, or equity-related securities which may be subject to higher volatility of return.

Investment Adviser

HSBC Global Asset Management (France)

Fees and Expenses

Class of Shares	A	E	I	X	Z
Management fee (%)*	1.50	2.00	0.75	0.75	0.00
Operating, administrative and servicing expenses (%)*	0.40	0.40	0.25	0.20**	0.20**

* of the net asset value.

** the operating, administrative and servicing expenses for these Share Classes will be capped at the rates quoted.

Dealing and Valuation Cut-Off Times

Cut-off times	Rest of the world	Poland
Dealing time	5.00 p.m.. Luxembourg time on any Dealing Day	4.00 p.m. Poland time on any Dealing Day
Valuation time	11.00 a.m. Luxembourg time on the Business Day following the Dealing Day	

Applications to buy, sell or convert shares made to the Company before 5.00 p.m. Luxembourg time on any Dealing Day or to the distributor in Poland before 4.00 p.m. Poland time on any Dealing Day (the "Specified Times") will be allocated on that Dealing Day.

Shares are allocated at the Offer Price per share calculated at 11.00 a.m. Luxembourg time on the Business Day following the Dealing Day using the latest available prices of assets. Applications received after the Specified Times will normally be dealt on the next Dealing Day. Shares are normally dealt on each Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) and which is also for the sub-fund, a day where stock exchanges and regulated markets in countries where the sub-fund is materially invested are open for normal trading.

Settlement

Sub-fund	Due date for receipt of cleared monies
Buying Shares	Payment for shares has to be made within four Business Days after the Dealing Day to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate sub-fund into which settlement monies are paid.
Selling Shares	On receipt of the relevant documents the Registrar and Transfer Agent will dispatch the redemption proceeds normally in the designated currency of the sub-fund to which the shares relate, within four Business Days after the day on which the Redemption Price is determined.

Investment Minima

Class of Shares*	A	E	I	X	Z
Minimum initial investment and minimum holding	USD 5,000	USD 5,000	USD 1,000,000	USD 2,000,000	USD 1,000,000

* Dealing Currency: EUR, GBP, USD. Please refer to the Section "Foreign Exchange Transactions".

Listing of Shares on the Luxembourg Stock Exchange

The shares of MultiAlpha Japan Equity are not listed on the Luxembourg Stock Exchange.

HSBC International Select Fund – MultiAlpha North America Equity

Base Currency

USD

Investment Objective

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 in North America as well as those companies which carry out a preponderant part of their business activities in North America. The sub-fund uses a multi-manager approach, relying upon one or more sub-advisers to manage portions of the sub-fund's portfolio. The sub-fund may invest no more than 10% in total in other UCITS and UCIs. Financial derivative instruments may be used for hedging and efficient portfolio management purposes.

Profile of the Typical Investor

The sub-fund is suitable for investors with a medium to long term investment horizon. A high proportion of the assets may be invested in equity, or equity-related securities which may be subject to higher volatility of return.

Investment Adviser

HSBC Global Asset Management (France)

Fees and Expenses

Class of Shares	A	E	I	X	Z
Management fee (%)*	1.50	2.00	0.75	0.75	0.00
Operating, administrative and servicing expenses (%)*	0.40	0.40	0.25	0.20**	0.20**

* of the net asset value.

** The operating, administrative and servicing expenses for these Share Classes will be capped at the rates quoted.

Dealing and Valuation Cut-Off Times

Cut-off times	Rest of the world	Poland
Dealing time	5.00 p.m. Luxembourg time any Dealing Day	4.00 p.m. Poland time on any Dealing Day
Valuation time	12.00 a.m.(24.00) Luxembourg time on any Dealing Day	

Applications to buy, sell or convert shares made to the Company before 5.00 p.m. Luxembourg time on any Dealing Day or to the distributor in Poland before 4.00 p.m. Poland time any Dealing Day (the "Specified Times") will be allocated on that Dealing Day.

Shares are allocated at the Offer Price per share calculated at 12.00 a.m. (24.00) Luxembourg time on the Dealing Day using the latest available prices of assets. Applications received after the Specified Times will normally be dealt on the next Dealing Day. Shares are normally dealt on each Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) and which is also for the sub-fund, a day where stock exchanges and regulated markets in countries where the sub-fund is materially invested are open for normal trading.

Settlement

Sub-fund	Due date for receipt of cleared monies
Buying Shares	Payment for shares has to be made within four Business Days after the Dealing Day to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate sub-fund into which settlement monies are paid.
Selling Shares	On receipt of the relevant documents the Registrar and Transfer Agent will dispatch the redemption proceeds normally in the designated currency of the sub-fund to which the shares relate, within four Business Days after the day on which the Redemption Price is determined.

Investment Minima

Class of Shares*	A	E	I	X	Z
Minimum initial investment and minimum holding	USD 5,000	USD 5,000	USD 1,000,000	USD 2,000,000	USD 1,000,000

* Dealing Currency: EUR, GBP, USD. Please refer to the Section "Foreign Exchange Transactions".

Listing of Shares on the Luxembourg Stock Exchange

The shares of MultiAlpha North America Equity are not listed on the Luxembourg Stock Exchange.

3.3. Sub-fund specific risk considerations

General risk considerations are defined in Section 1.3.

Emerging Markets

Emerging Markets including MultiAlpha Asia Pacific ex Japan Equity and MultiAlpha Global Emerging Markets Equity.

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 the 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.

Specific nature of a fund of funds

Prospective investors should be aware of the specific features of a fund of funds and the consequences of investing in Investment Funds. Although the Company will seek to monitor investments and trading activities of the Investment Funds to which certain sub-funds' assets will be allocated, investment decisions are made at the level of such Investment Funds and it is possible that the managers of such Investment Funds will take positions or engage in transactions in the same securities or in issues of the same asset class, industry or country or currency at the same time. Consequently there is a possibility that one Investment Fund may purchase an asset at about the same time as another Investment Fund may sell it.

There can be no assurance that the selection of the managers of the Investment Funds will result in an effective diversification of investment styles and that positions taken by the underlying Investment Funds will always be consistent.

The selection of Investment Funds will be made in a manner to secure the opportunity to have the shares or units in such Investment Funds redeemed within a reasonable time frame. There is, however, no assurance that the liquidity of the Investment Funds will always be sufficient to meet redemption requests as and when made.

Currency exposure

Adventurous, Balanced, Cautious.

Prospective investors should be aware that these sub-funds will normally have a material exposure to USD, either directly, or indirectly through the underlying assets of the Investment Funds.

Duplication of costs when investing in Investment Funds

The Company incurs costs of its own management and administration comprising the fees paid to the Management Company (which include among others the fees of the Custodian, unless otherwise provided hereinafter) and other service providers. It should be noted that, in addition, the Company incurs similar costs in its capacity as an investor in Investment Funds which in turn pay similar fees to their manager and other service providers. The Directors endeavour to reduce duplication of management charges by negotiating rebates in favour of the Company with the Investment Funds or their managers. Please refer to the Section "Charges and Expenses" of this Prospectus.

Further, the investment strategies and techniques employed by certain Investment Funds may involve frequent changes in positions and a consequent portfolio turnover. This may result in brokerage commission expenses which exceed significantly those of other Investment Funds of comparable size.

Investment Funds may be required to pay performance fees to their manager. Under these arrangements the managers will benefit from the appreciation, including unrealised appreciation of the investments of such Investment Funds, but they are not similarly penalised for realised or unrealised losses.

As a consequence, the direct and indirect costs borne by the Company are likely to represent a higher percentage of the Net Asset Value than would typically be the case with Investment Funds which invest directly in equity and bond markets (and not through other Investment Funds).

APPENDICES

Appendix 1 Glossary

1915 Law	Luxembourg law of 10 August 1915 relating to Commercial Companies, as amended.
2002 Law	Luxembourg law of 20 December 2002 relating to Undertakings for Collective Investment, as amended.
Administration Agent	RBC Dexia Investor Services Bank S.A.
Application Form	The application form available from distributors.
Articles of Incorporation	The articles of incorporation of the Company.
Auditors	KPMG Audit S.à r.l.
Base Currency	The principal currency in which shares of the sub fund are issued, and in which Report and Accounts are produced.
Board of Directors	The Board of Directors of the Company.
Business Day	Any day on which the banks are open for normal business banking in Luxembourg.
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 "1.2. Share Class Information".
Company	HSBC International Select Fund.
Connected Persons	In relation to a company means: <ul style="list-style-type: none">(a) 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(b) any person or company controlled by a person who or which meets one or both of the descriptions given in (a); or(c) any member of the group of which that company forms part; or(d) any director or officer of that company or of any of its connected persons as defined in (a), (b) or (c).
Custodian	RBC Dexia Investor Services Bank S.A.
CZK	Czech Koruna
Dealing Currency	Any other currency, as determined by the Directors, that investments may be made in.
Dealing Day	Except as otherwise defined in Section 3.2, normally, each Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) and which is also for the sub-funds, 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 Absolute Return (USD) Fund, Absolute Return (EUR) Fund and Absolute Return (GBP) Fund, each Wednesday or the next following Business Day if Wednesday is not a Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension).
Directors	The Board of Directors of the Company.
Distributor distributors	HSBC Investment Funds (Luxembourg) S.A., acting as global distributor of the Company. Entities listed in Appendix 5 "Directory".
EU	European Union.
EUR	Euro.
Eligible State	Any Member State of the European Union ("EU") or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania.
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.
FATF state	State having joined the Financial Action Task Force.

FSA	Financial Services Authority in the United Kingdom.
GBP	Pound Sterling.
Investment Fund	An open-ended investment fund operating under the principle of risk spreading and redeeming its shares/units periodically at the request of its shareholders/unitholders which qualifies as UCITS or other UCI.
Luxembourg	The Grand Duchy of Luxembourg.
Luxembourg Stock Exchange	Société de la Bourse de Luxembourg S.A.
Management Company	HSBC Investment Funds (Luxembourg) S.A.
Mémorial	<i>Mémorial C, Recueil des Sociétés et Associations</i> , Luxembourg legal gazette.
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 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 the Section 2.6. "Price of Shares and Publication of Prices and NAV".
OECD	Organisation for Economic Co-operation and Development.
Qualifying Day	Any Dealing Day for any two sub-funds on which the shares of one of these sub-funds may be converted into the same class of shares in the other sub-fund concerned.
Register	The register of shareholders of the Company.
Regulated Market	A regulated market as defined in the directive 2004/39/EC of 21 April 2004 on markets in financial instruments (Directive 2004/39/EC), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterized by the fact that regulations issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by the Directive 2004/39/EC 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 form of interest payments.
SGD	Singapore Dollar.
Specified Times	Cut-off times before which instructions as to applications, redemptions or conversions of shares must have been received on any Dealing Day by the Company or by a distributor, as further detailed hereinafter.
Transfer Agent	RBC Dexia Investor Services Bank S.A.
Transferable Securities	Shall mean; <ul style="list-style-type: none"> (a) shares and other securities equivalent to shares, (b) bonds and other debt instruments, (c) 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 and other eligible assets authorised pursuant to Council 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 Council Directive 85/611/EEC, as amended.
United States Person	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 the purpose of computing United States income tax payable by it.
USD	United States Dollar.

Appendix 2 Other Information

1) Separation of Assets

The proceeds from the allotment and allocation of shares relating to each sub-fund are applied in the books of the Company to the portfolio of transferable securities and other permitted investments which represent the sub-fund, and the assets, and liabilities and income and expenditure attributable to that sub-fund are applied thereto. The entitlements of each class if and when created by the Company in each sub-fund will change in accordance with the rules set out in the Articles of Incorporation.

Save as otherwise provided the assets held in each sub-fund are to be applied solely in respect of the shares which relate to the sub-fund to which each portfolio applies.

The assets of each sub-fund will be separate from those of all other sub-funds and will be invested separately in accordance with the investment objective and policies of such sub-fund. All liabilities attributable to a particular sub-fund shall be binding solely upon that sub-fund. For the purpose of the relations between shareholders, each sub-fund shall be deemed to be a separate entity.

2) Share Confirmations

The Company will only issue shares in registered form. Ownership of shares is evidenced by entry in the Company's Register 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 Registrar and 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.

3) Voting Rights and Joint Holders

At general meetings each shareholder has the right to one vote for each whole share of which he is the holder. A holder of shares relating to any particular class is entitled at any separate meeting of the holders of shares relating to that class to one vote for each whole share relating to that class of which he is the holder.

The Company shall register 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.

4) Class Rights and Restrictions

Shares are divided into classes designated by reference to the sub-fund to which the class relates. They have no preferential or pre-emption rights and are freely transferable, save as referred to below.

The Directors may impose or relax 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). The Directors may also require the transfer of shares as they deem 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 Directors may in this connection require a shareholder to provide such information as they 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.

5) Rights on a Winding-Up

If the Company shall be voluntarily liquidated, its liquidation will be carried out in accordance with the provisions of the 2002 Law and the 1915 Law which specify the steps to be taken to enable shareholders to participate in the liquidation distribution(s) and in that connection provides for deposit in escrow at the Caisse de Consignation of any such amounts to the close of liquidation. Amounts not claimed from escrow within the prescription period would be liable to be forfeited in accordance with the provisions of Luxembourg laws.

6) Suspension of the Calculation of the Net Asset Value and Issue, Allocation, Conversion and Redemption of shares

The Company may suspend the issue, allocation and the redemption 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 class 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;
- f) during any period when in the opinion of the 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; or
- g) during any period when the determination of the net asset value per share of Investment Funds representing a material part of the assets of the relevant sub-fund is suspended.

The Company may cease the issue, allocation, conversion and redemption 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, or redemption of their shares will be promptly notified in writing of any such suspension and of the termination thereof.

7) Documents Available for Inspection

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 at the below office of HSBC Bank plc.

- i) The Articles of Incorporation the Company;
- ii) 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, on request at the registered office of the Company.

Appendix 3 General Investment Restrictions

The Directors shall, based upon the principle of spreading of risks, have power to determine the investment policy for the investments of the Company in respect of each sub-fund and the currency of denomination of a sub-fund subject to the following restrictions:

I. (1) The Company may exclusively 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 a year of the issue.
- c) units of UCITS and/or other UCI, 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 an 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 (1) (a), financial indices, interest rates, foreign exchange rates or currencies, in which the sub-funds may invest according to their 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, if the issue 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,
 - 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 and money market instruments issued by the same issuing body.

(ii) The Company may not invest more than 20% of the total net assets of such 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 any issuing body 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 III. 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 a single body, and/or
- exposures arising from OTC derivative transactions undertaken with a single body

in excess of 20% of its net assets.

c) The limit of 10% laid down in sub-paragraph III. a) (i) above will be 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 III. a) (i) may be of a maximum of 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 asset value of the sub-fund.

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

The limits set out in sub-paragraphs a), b) c) and d) may not be aggregated and, accordingly, investments in transferable securities and 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 total 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 and/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. The Company may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

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.

The limits under the 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 paragraphs III., V. and VI.. a), b), c) and d).

- 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 20% of a sub-fund's net assets be invested in the units of a single UCITS or other UCI.

For the purpose of the application of the investment limit, each compartment of a UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

- b) Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a sub-fund.
- c) 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.
- d) When the Company invests in the units of other UCITS and/or other UCIs linked to the Company by common management or control, no subscription or redemption fees may be charged to the Company on account of its investment in the units of such other UCITS and/or UCIs.

In respect of a sub-fund's investments in UCITS and other UCIs linked to the Company as described in the preceding paragraph, the total management fee (excluding any performance fee, if any) charged to such sub-fund itself and the other UCITS and/or other UCIs concerned shall not exceed 2.5% 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.

- e) The Company may acquire no more than 25% of the units of the same UCITS and/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/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 total 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 restriction 3. When the Company invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in restriction 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 restriction.

VIII. a) The Company may not borrow for the account of any sub-fund amounts in excess of 10% of the total net assets of that sub-fund, any such borrowings to be from banks and to be effected only as a temporary basis provided that the purchase of foreign currencies by way of back to back loans remains possible;

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. If the percentage limitations set forth in the above restrictions 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 interests of its Shareholders.

The Company will in addition comply with such further restrictions as may be required by the regulatory authorities in which the Shares are marketed.

During the first six months following its launch, a new sub-fund may derogate from restrictions III., IV. and VI. a), b), c) and d) while ensuring observance of the principle of risk spreading.

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 Investment Techniques and Instruments

The Company will use the financial derivative instruments for investment, hedging and efficient portfolio management purposes.

Securities lending and repurchase agreements may be used for efficient portfolio management purposes.

Lending of Portfolio Securities

The Company may with the consent of the Custodian lend securities to third persons (for not more than 30 days and not in excess of 50% of the total valuation of the securities comprised in the portfolio) through a standardised securities lending system organised by Euroclear, Clearstream or other recognised clearing institutions or through a first class financial institution and will receive through such clearing agency collateral in cash or securities issued or guaranteed by a governmental entity of the OECD, or by their local authorities or by supranational institutions. Such collateral will be maintained at all times in an amount equal to at least 100% of the total valuation of the securities, and for the duration of the loan, which collateral must be blocked in favour of the Company until the termination of the loan.

Repurchase Agreements

Each sub-fund may invest in securities subject to repurchase agreements concluded with high quality counterparties. Under such agreements, the seller agrees with the sub-fund, upon entering into the contract, to repurchase the securities at a mutually agreed upon time and price, thereby determining the yield during the time of the agreement. This investment technique permits the sub-fund to earn a fixed rate of return isolated from market fluctuations during such period.

Appendix 5 Additional restrictions

In order for HSBC International Select Fund - MultiAlpha Europe Equity to claim eligibility to the French "*Plan d'Epargne en Actions*", as long as it is registered with the *Autorité des Marchés Financiers* in France, the additional restriction, that for this 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.

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

Appendix 6 Directory

Registered Office

69, route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg

Board of Directors of the Company

- Thies Clemenz, Chief Operating Officer
HSBC Global Asset Management Deutschland GmbH, Königsallee 21/23, D-40212 Düsseldorf, Germany
- Didier Deleage, Chief Operating Officer
HSBC Global Asset Management (France), Immeuble Ile de France, 4, Place de la Pyramide, La Défense 9, 92800 Puteaux, France
- David Dibben, Chief Operating Officer
HSBC Global Asset Management Limited, 8 Canada Square, London E14 5HQ, United Kingdom
- David Silvester, Head of Global Product Management
HSBC Global Asset Management Limited, 8 Canada Square, London E14 5HQ, United Kingdom
- Sylvie Vigneaux, Head of Regulatory and Wealth Engineering
HSBC Global Asset Management (France), Immeuble Ile de France, 4, Place de la Pyramide, La Défense 9, 92800 Puteaux, France
- Michael David Watson, Chief Executive Officer
HSBC Global Asset Management (International) Limited, HSBC House, Esplanade, St Helier, Jersey, JE1 1HS, Channel Islands

Management Company

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

Board of Directors of the Management Company

- Marie-Hélène Boulanger, Senior Compliance Manager
HSBC Investment Funds (Luxembourg) S.A., 40, avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg
 - Thies Clemenz, Chief Operating Officer
HSBC Global Asset Management Deutschland GmbH, Königsallee 21/23, D-40212 Düsseldorf, Germany
 - Didier Deleage, Chief Operating Officer
HSBC Global Asset Management (France), Immeuble Ile de France, 4, Place de la Pyramide, La Défense 9, 92800 Puteaux, France
- Michael Kay, Global Head of Finance
HSBC Global Asset Management Limited, 8 Canada Square, London E14 5HQ, United Kingdom
- Richard Long, Head of Global Funds Services
HSBC Global Asset Management Limited, 8 Canada Square, London E14 5HQ, United Kingdom
 - Stephen Thatcher, Head of Operations
HSBC Investment Funds (Luxembourg) S.A., 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

Corporate, Domiciliary and Paying Agent

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

Investment Advisers

- HSBC Global Asset Management (UK) Limited
78 St James's Street, London SW1A 1EJ, England
- HSBC Global Asset Management (France)
Immeuble Ile de France, 4, Place de la Pyramide, La Défense 9, 92800 Puteaux, France

Global Distributor

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

Distributors

- HSBC Global Asset Management (France)
Immeuble Ile de France, 4. Place de la Pyramide, La Défense 9, 92800 Puteaux, France
- HSBC Global Asset Management (International) Limited
Esplanade, St Helier, Jersey, JE1 1HS, Channel Islands
- HSBC Global Asset Management (UK) Limited
78 St James's Street, London SW1A 1EJ, England
- Polish Representative and Paying Agent in Poland
ProService Agent Transferowy Sp. Z o.o.
Pulawska 436, 02-801 Warszawa, Poland

Auditors

KPMG Audit S.à r.l., 9 Allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg

Legal Advisers

Elvinger, Hoss & Prussen
2, Place Winston Churchill, L-1340 Luxembourg, Grand Duchy of Luxembourg

HSBC INTERNATIONAL SELECT FUND

Société d'Investissement à Capital Variable

Registered office: 69, route d'Esch

L-1470 Luxembourg

R.C.S. Luxembourg B 84 174

ADDENDUM DATED AUGUST 2008

to the Prospectus dated July 2008

This document is an Addendum dated August 2008 to the Prospectus of HSBC International Select Fund dated July 2008 (the "Prospectus"), and may not be distributed without such Prospectus. This Addendum details the amendments to the Prospectus.

Pages 25, 26 and 27 of the Prospectus

In the Section 3.2 "Sub-Fund Details", (2) "Absolute Return funds", the Sections "Fees and Expenses" "Dealing and Valuation Cut-Off Times" and "Investment Minima" are amended for each sub-fund to read as follows:

HSBC International Select Fund – Absolute Return (EUR) Fund

Fees and Expenses

Class of Shares	A Class	E Class	X Class	Z Class
Maximum management fee (%)**	1.25*	1.50*	0.50*	0.00*
Maximum operating, administrative and servicing expenses (%)***	0.40*	0.40*	0.30*	0.30*

* of the net asset value.

** The management fee covers all investment management, investment advisory and distribution services.

*** The operating, administrative and servicing expenses includes the reasonable out of pocket expenses incurred by the parties referred to in this paragraph and by the correspondent banks, the fees of its Auditors and legal advisers, the cost of printing and distributing the annual and half-yearly reports, the Prospectus, the costs and expenses incurred in connection with the registration of the Company in various jurisdictions, the costs incurred in relation to structures which may be required by law or regulations in the jurisdictions in which the shares are marketed. The Management Company is responsible for discharging out of this fee the expenses payable, inter alia, to the Custodian, the Administration Agent and the Registrar and Transfer Agent.

Dealing and Valuation Cut-Off Times

Cut-off times	Rest of the world	Jersey	Poland
Dealing time	5.00 p.m. Luxembourg time on any Dealing Day	3.00 p.m. Jersey time on any Dealing Day	4.00 p.m. Poland time on any Dealing Day
Valuation time	12.01 a.m. Luxembourg time on the Business Day following the Dealing Day		

Applications to buy, sell or convert shares made to the Company before 5.00 p.m. Luxembourg time on any Dealing Day or to the distributor in Jersey before 3.00 p.m. Jersey time on any Dealing Day or to the distributor in Poland before 4.00 p.m. Poland time any Dealing Day (the "Specified Times") will be allocated on that Dealing Day.

Shares are allocated at the Offer price per share calculated at 12.01 a.m. Luxembourg time on the Business Day using the latest available prices of assets. Applications received after the Specified Times will normally be dealt on the next Dealing Day.

Shares are normally dealt on Tuesdays, or on the next following Business Day if Tuesday is not a Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension).

Investment Minima

Class of Shares / Dealing Currency*	A Class	E Class	X Class	Z Class
Minimum initial investment and minimum holding	EUR 5,000	EUR 5,000	EUR 1,000,000	EUR 5,000
	USD 5,000	USD 5,000	USD 1,000,000	USD 5,000
	GBP 5,000	GBP 5,000	GBP 1,000,000	GBP 5,000
Minimum subsequent investment	EUR 1,000	EUR 1,000	EUR 100,000	EUR 1,000
	USD 1,000	USD 1,000	USD 100,000	USD 1,000
	GBP 1,000	GBP 1,000	GBP 100,000	GBP 1,000

*Please refer to the Section "Foreign Exchange Transactions".

HSBC International Select Fund – Absolute Return (GBP) Fund

Fees and Expenses

Class of Shares	A Class	E Class	X Class	Z Class
Maximum management fee (%)**	1.25*	1.50*	0.50*	0.00*
Maximum operating, administrative and servicing expenses (%)***	0.40*	0.40*	0.30*	0.30*

* of the net asset value.

** The management fee covers all investment management, investment advisory and distribution services.

*** The operating, administrative and servicing expenses includes the reasonable out of pocket expenses incurred by the parties referred to in this paragraph and by the correspondent banks, the fees of its Auditors and legal advisers, the cost of printing and distributing the annual and half-yearly reports, the Prospectus, the costs and expenses incurred in connection with the registration of the Company in various jurisdictions, the costs incurred in relation to structures which may be required by law or regulations in the jurisdictions in which the shares are marketed. The Management Company is responsible for discharging out of this fee the expenses payable, inter alia, to the Custodian, the Administration Agent and the Registrar and Transfer Agent.

Dealing and Valuation Cut-Off Times

Cut-off times	Rest of the world	Jersey	Poland
Dealing time	5.00 p.m. Luxembourg time on any Dealing Day	3.00 p.m. Jersey time on any Dealing Day	4.00 p.m. Poland time on any Dealing Day
Valuation time	12.01 a.m. Luxembourg time on the Business Day following the Dealing Day		

Applications to buy, sell or convert shares made to the Company before 5.00 p.m. Luxembourg time on any Dealing Day or to the distributor in Jersey before 3.00 p.m. Jersey time on any Dealing Day or to the distributor in Poland before 4.00 p.m. Poland time any Dealing Day (the "Specified Times") will be allocated on that Dealing Day.

Shares are allocated at the Offer price per share calculated at 12.01 a.m. Luxembourg time on the Business Day using the latest available prices of assets. Applications received after the Specified Times will normally be dealt on the next Dealing Day.

Shares are normally dealt on Tuesdays, or on the next following Business Day if Tuesday is not a Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension).

Investment Minima

Class of Shares / Dealing Currency*	A Class	E Class	X Class	Z Class
Minimum initial investment and minimum holding	EUR 5,000	EUR 5,000	EUR 1,000,000	EUR 5,000
	USD 5,000	USD 5,000	USD 1,000,000	USD 5,000
	GBP 5,000	GBP 5,000	GBP 1,000,000	GBP 5,000
Minimum subsequent investment	EUR 1,000	EUR 1,000	EUR 100,000	EUR 1,000
	USD 1,000	USD 1,000	USD 100,000	USD 1,000
	GBP 1,000	GBP 1,000	GBP 100,000	GBP 1,000

*Please refer to the Section "Foreign Exchange Transactions".

HSBC International Select Fund – Absolute Return (USD) Fund

Fees and Expenses

Class of Shares	A Class	E Class	X Class	Z Class
Maximum management fee (%)**	1.25*	1.50*	0.50*	0.00*
Maximum operating, administrative and servicing expenses (%)***	0.40*	0.40*	0.30*	0.30*

* of the net asset value.

** The management fee covers all investment management, investment advisory and distribution services.

*** The operating, administrative and servicing expenses includes the reasonable out of pocket expenses incurred by the parties referred to in this paragraph and by the correspondent banks, the fees of its Auditors and legal advisers, the cost of printing and distributing the annual and half-yearly reports, the Prospectus, the costs and expenses incurred in connection with the registration of the Company in various jurisdictions, the costs incurred in relation to structures which may be required by law or regulations in the jurisdictions in which the shares are marketed. The Management Company is responsible for discharging out of this fee the expenses payable, inter alia, to the Custodian, the Administration Agent and the Registrar and Transfer Agent.

Dealing and Valuation Cut-Off Times

Cut-off times	Rest of the world	Jersey	Poland
Dealing time	5.00 p.m. Luxembourg time on any Dealing Day	3.00 p.m. Jersey time on any Dealing Day	4.00 p.m. Poland time on any Dealing Day
Valuation time	12.01 a.m. Luxembourg time on the Business Day following the Dealing Day		

Applications to buy, sell or convert shares made to the Company before 5.00 p.m. Luxembourg time on any Dealing Day or to the distributor in Jersey before 3.00 p.m. Jersey time on any Dealing Day or to the distributor in Poland before 4.00 p.m. Poland time any Dealing Day (the "Specified Times") will be allocated on that Dealing Day.

Shares are allocated at the Offer price per share calculated at 12.01 a.m. Luxembourg time on the Business Day using the latest available prices of assets. Applications received after the Specified Times will normally be dealt on the next Dealing Day.

Shares are normally dealt on Tuesdays, or on the next following Business Day if Tuesday is not a Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension).

Investment Minima

Class of Shares / Dealing Currency*	A Class	E Class	X Class	Z Class
Minimum initial investment and minimum holding	EUR 5,000	EUR 5,000	EUR 1,000,000	EUR 5,000
	USD 5,000	USD 5,000	USD 1,000,000	USD 5,000
	GBP 5,000	GBP 5,000	GBP 1,000,000	GBP 5,000
Minimum subsequent investment	EUR 1,000	EUR 1,000	EUR 100,000	EUR 1,000
	USD 1,000	USD 1,000	USD 100,000	USD 1,000
	GBP 1,000	GBP 1,000	GBP 100,000	GBP 1,000

*Please refer to the Section "Foreign Exchange Transactions".

Page 37 of the Prospectus

In the Appendix 1 "Glossary", the definition of "Dealing Day" is amended to read as follows:

"Except as otherwise defined in Section 3.2, normally, each Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension) and which is also for the sub-funds, 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 Absolute Return (USD) Fund, Absolute Return (EUR) Fund and Absolute Return (GBP) Fund, each Tuesday or the next following Business Day if Tuesday is not a Business Day (other than days during a period of suspension of dealing in shares and other than a Business Day immediately following the end of a period of such suspension)."

Freedom Plus

Application Terms and Conditions and Nominee Service Agreement

Application Terms and Conditions

In this Section, “we”, “us” and “our” refer to HSBC Global Asset Management (International) Limited and HSBC Funds Nominee (Jersey) Limited. HSBC Global Asset Management (International) Limited and HSBC Funds Nominee (Jersey) Limited are wholly owned subsidiaries of HSBC Bank International Limited. “HSBC Group” means HSBC Holdings plc, its subsidiaries, associated and affiliated companies.

- a) By completing and delivering an Application form or otherwise making an application for shares as described in the relevant fund, 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 Application Terms and Conditions and subject to the relevant fund (the “Fund”) in which the investment is being made;
 - 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 Fund other than those contained in the Brochure, Insert, Important Notes, the Prospectus, these Application Terms and Conditions and the Nominee Service Agreement and any other document authorised by the Fund and accordingly agree that no person responsible solely or jointly for the Brochure, Important Notes, the Prospectus, these Application 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 £5,000, US\$5,000, €5,000, has been received, if you are a Monthly Investment Plan investor; and
 - 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), which will normally be sent within four business days following execution. We will also provide you with information on request about the status of your application. Applications for the Monthly Investment Plan will be acknowledged and a statement sent to you every June and December showing the investments made.
- c) If you sign the Application form on behalf of a corporate body, you warrant that you have due authority to do so. A corporation should sign under the hand of two duly authorised officials 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 page 8 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 of the Application form).
- 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 – Please refer to the relevant Prospectus for details of whether this is applicable to your investment.**
- 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 £50, US\$50 or €50 can be requested in payment. Dividends below this amount will be automatically reinvested. Where requested, all payments will be made by telegraphic transfer.
 - ii) **Monthly Investment Plan**

Dividends will be automatically reinvested at no initial charge.

i) **Data Protection**

i Your Information

This Section explains how we will use your data where you have applied for any of the products and services covered in this Brochure together with any other products or services where we tell you this Section will apply.

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
- ▶ We have a public duty to disclose
- ▶ Our interests require disclosure
- ▶ The disclosure is made with your consent
- ▶ As set out in the terms below

ii) **Crime Prevention**

To prevent crime, verify your identity and to meet our legal obligations, we may exchange information (both within the Channel Islands, the Isle of Man, the UK and, where appropriate, overseas) with other members of the HSBC Group, and, where appropriate, with fraud prevention, law enforcement and other organisations.

If you give us false or inaccurate information and fraud is identified, details will be passed to fraud prevention agencies to prevent fraud and money laundering.

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

Law enforcement agencies may access and use this information. We and other organisations may also access and use this information to prevent fraud and money laundering, for example when:

- ▶ Checking details on applications for credit and credit related or other facilities
- ▶ Managing credit and credit related accounts or facilities
- ▶ Recovering debt
- ▶ Checking details on proposals and claims for all types of insurance
- ▶ Checking details of job applicants and employees

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 and other organisations may access and use from other countries the information recorded by Fraud Prevention Agencies.

Please contact the Fraud Prevention Agencies directly if you require a copy of any information they may hold about you.

iii) **Data Processing**

The HSBC Group may use and share relevant information about you, your transactions and your relationships with the

HSBC Group for customer service, market research, audit and administrative purposes. This may include information provided by you, or someone acting on your behalf. Where appropriate (for example if you have relationships with other HSBC Group Companies in other countries), this information may be shared with HSBC Group Companies outside the Channel Islands, the Isle of Man and the UK.

We may use other HSBC Group Companies and/or third parties to provide services on our behalf which may include the processing of information about you.

Whether it is processed in the Channel Islands, the Isle of Man, the UK or overseas, in accordance with data protection legislation, your information will be protected by a strict code of secrecy and security which all members of the HSBC Group, their staff and any third parties are subject to.

Information may also be processed for the purposes of complying with applicable laws, including anti-money laundering and anti-terrorism laws and regulations and fighting crime and terrorism. This may require the disclosure of information to the Channel Islands, Isle of Man, UK or overseas governmental or regulatory authorities, or to any other person we reasonably think necessary for these purposes.

iv) **Information about Products, Services and Promotions**

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

The HSBC Group may also exchange, analyse and use relevant information about you in the way described above to ensure that promotional content displayed to you on screen when you log on to HSBC Group websites is more likely to be relevant and of interest.

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 about such products and services, or use what we know about you to help decide what we display to you on our websites, 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.

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

In the interests of security, we may use CCTV recording equipment in and around our premises.

j) **Telephone, fax or internet instructions**

You authorise 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, Brochure or Insert 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, Malaysia, New Zealand or USA residents.

l) Markets in Financial Instruments Directive (MiFID)

i) Client classification

We will categorise you as a retail client and treat you as such in all our dealings with you in respect of this investment service. You may request to be treated as a professional client. However, subject to our acceptance of your request, this would result in you receiving a lower level of regulatory protection as defined under the European Markets in Financial Instruments Directive regulations.

ii) Suitability and appropriateness

In providing our services we are not required to assess the suitability or appropriateness for you of investment in the shares of the Fund (collective investment scheme or any other investment) and you will not therefore receive any regulatory protections provided under the rules of either our regulator that would apply were we to give investment advice or as provided by the European Markets in Financial Instruments Directive regulations.

iii) Inducements

In providing our services to you under these Application Terms and Conditions, we may pay or receive fees, commissions, or non-monetary benefits to or from our associates or other third parties in circumstances similar to those permitted under the European Markets in Financial Instruments Directive. In

particular:

- (a) We will receive the initial charge. This one-off fee is currently up to 5.25% for the funds offered within Freedom Plus and is included in the purchase price of your shares; and
- (b) The manager of the Fund will pay us a proportion of its annual management charge for arranging this investment. The payment of the annual management charge will be made monthly and will be calculated pro rata at 0.25% – 1.85% per annum of the value of your shares.

These charges may be shared with your agent, if any, for arranging the investment.

Occasionally, we may benefit from non-financial incentives, such as corporate hospitality and training. We maintain strict policies to control how benefits of this type are managed to protect the interests of customers.

Further information may be available on request. Please also refer to the relevant Simplified Prospectus.

iv) Aggregation

We may combine (aggregate) orders in respect of your investments with those orders of other customers. By aggregating your orders with those of other customers, we must reasonably believe that it is unlikely that the aggregation would work overall to the disadvantage of any of those customers. However, the effect of the aggregation may operate on some occasions to your disadvantage in relation to a particular order.

v) Conflicts of Interest Policy

It is possible that other members of the HSBC Group could have interests in the arrangements contemplated by these Application Terms and Conditions that could conflict with your own. For example, an HSBC Group Company may act as an investment manager for HSBC Global Investment Funds and receive a fee for doing so. We maintain arrangements for the management of conflicts of interest so that they do not adversely affect your interests. An appropriate summary of that policy as at the date of these terms is shown below.

The HSBC Group is a global organisation which provides a wide range of financial services. As such, it, or a company with whom it has an association ("HSBC"), may from time to time have interests which conflict with its clients' interests or with the duties that it owes to its clients. These include conflicts arising between the interests of HSBC, its associates and employees on the one hand, and the interests of its clients on the other, and also conflicts between clients themselves.

HSBC has established procedures which are designed to identify and manage such conflicts. These include organisational and administrative arrangements to safeguard the interests of clients. A key element of this policy is that persons engaged in different business activities involving a conflict of interest must carry on those activities independently of one another.

Where necessary, HSBC maintains arrangements which restrict the flow of information to certain employees in order to protect its clients' interests and to prevent improper access to client information.

HSBC may also deal as principal for its own investment account and may be matching transactions with another client.

Procedures are in place in order to protect the client's interest in this instance.

In some cases, HSBC's procedures and controls may not be sufficient to ensure that a potential conflict of interest does not damage a client's interests. In these circumstances, HSBC may consider it appropriate to disclose the potential conflict to the client and obtain the client's formal consent to proceed. However, HSBC may decline to act in any circumstance where there is residual risk of damage to the interests of any client.

You may have further questions which relate to the underlying procedures within HSBC. In such cases you should contact us. In this policy, "HSBC Group" means HSBC Holdings plc and its subsidiaries, associated and affiliated companies.

(vi) **Language**

We will normally communicate with you in English. Documentation and other information will normally be provided in English.

(vii) **Regulation**

HSBC Funds Nominee (Jersey) Limited and HSBC Global Asset Management (International) Limited are regulated in Jersey by the Jersey Financial Services Commission.

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 offered through Freedom Plus. 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 £/\$/€10,000, for lump sum investments and £250, US\$250, or €250, 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 below.

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

Nominee Service Agreement

Clients will maintain their shareholdings under a nominee name in the share register of the funds offered through Freedom Plus 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 Registrar 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 provided to the Nominee as specified in section j) of the Application Terms and Conditions, the Simplified Prospectus and Prospectus.
- 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 provided to the Nominee as specified in the simplified prospectus and Prospectus.
- 3.3 The Nominee will forward contract notes to the Client, followed by a Confirmation of Ownership.

4. Shareholders' Notices and Voting Rights

The Nominee will forward to Clients documentation and/or issued information on funds. Annual and half-yearly reports will not be sent to clients but are available on request. Clients 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 Simplified Prospectuses
- Annual and half-yearly reports

5. Money Laundering

By law, the fund vehicles and the Nominee is bound to abide by specific legal and regulatory provisions aimed at the prevention of the laundering of money representing the proceeds of criminal activity. To comply with current legislation the Nominee is required to ascertain the nature and details of your occupation or employment, how you generate your income and your business activities. The Nominee is also required to obtain proof of your identity and residential address.

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.

HSBC Funds Nominee (Jersey) Limited
HSBC House, Esplanade
St Helier, Jersey JE1 1HS
Channel Islands
Telephone: +44 1534 606389

For further details:

www.offshore.hsbc.com

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