



**RECOMMENDED PROPOSAL
for the
MERGER
of**

HSBC GLOBAL INVESTMENT FUNDS – ASIA EX JAPAN FREESTYLE

with

HSBC GLOBAL INVESTMENT FUNDS – ASIA EX JAPAN EQUITY

IMPORTANT: This document requires your immediate attention.

If you are in any doubt as to the action to be taken you should immediately consult your stockbroker, bank manager, solicitor, attorney or other professional adviser.

Supplementary Information from Hong Kong Representative

Your dealings in HSBC Global Investment Funds (“**HSBC GIF**”) are handled by HSBC GIF’s Hong Kong Representative, HSBC Investment Funds (Hong Kong) Limited. The HSBC Global Investment Funds – Asia ex Japan Freestyle (the “**Fund**”) and HSBC Global Investment Funds – Asia ex Japan Equity (the “**Continuing Fund**”) are sub-funds of HSBC GIF. The Hong Kong Representative has prepared these frequently asked questions to explain the Recommended Proposal for the Merger of the Fund with Continuing Fund to take effect on 22 January 2010 (the “**Proposal**”) for your ease of reference:

Q1. What is the Proposal about?

The Board of Directors of HSBC GIF is proposing to amalgamate the Fund into the Continuing Fund pursuant to Article 5 of the Articles of Association of HSBC GIF. The Continuing Fund is an existing sub-fund of HSBC GIF and has been authorised by the Securities and Futures Commission in Hong Kong (the “**SFC**”). However such authorisation does not imply that the Continuing Fund is recommended by the SFC and the SFC takes no responsibility for the financial soundness of the Continuing Fund. The Fund and the Continuing Fund have the same Investment Adviser, Halbis Capital Management (Hong Kong) Limited.

A withdrawal of authorisation of the Fund in Hong Kong will be sought with the Securities and Futures Commission after the effective date of the merger.

Q2. What are the procedures required for this Proposal?

Shareholders in the Fund are invited to vote upon the Proposal in an Extraordinary General Meeting (“**EGM**”). A Proxy Card is enclosed to enable you to vote at the EGM and you are urged to complete and return it as soon as possible, and in any event by no later than 4.00 p.m. (Hong Kong time) on 7 December 2009. This voting deadline is before the one set for registered shareholders to enable HSBC Global Asset Management Holdings (Bahamas) Limited (the “**Nominee**”) sufficient time to count your vote. The Nominee is holding your investment in HSBC GIF on your behalf and will vote your shares in the Fund on your behalf following receipt of your completed Proxy Card.

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Subject to a favourable result and the transfer taking place, we will send you documentation confirming the number of shares that have been issued to the Nominee and held on your behalf in the Continuing Fund.

Shares in the Fund will be issued until, and including, 18 January 2010. No further shares will be issued in the Fund after this date.

Please note the applicable key dates for investors dealing through the Hong Kong Representative as set out below:

Last time for receipt of Proxy Cards ¹ by Hong Kong Representative	4.00 p.m. (Hong Kong time) on 7 December 2009
EGM of shareholder of the Fund to be held in Luxembourg	10.00 a.m. (Luxembourg time) on 14 December 2009
Letter informing shareholder of the result of the vote	18 December 2009
Last time for redemption or conversion out of the Fund	Up to 4.00 p.m. (Hong Kong time) on 18 January 2010
Implementation of the Proposal (the “ Effective Date ”) ²	22 January 2010
Shareholders of the Fund may resume dealing in their converted holdings in the Continuing Fund	After 9.00 a.m. (Hong Kong time) on the first Hong Kong dealing day of the Continuing Fund on or after 25 January 2010
Date of dispatch of letters confirming unitholding in the Continuing Fund	Within 2 Hong Kong business days (excluding Saturday) after the Effective Date

Q3. Why are the Directors proposing to amalgamate the Fund into the Continuing Fund?

The Board has decided that it is now appropriate for Shareholders to be provided with a straightforward means of assessing the performance of the Investment Adviser. As a result, the Board intends to introduce a range of suitable reference indices across the equity sub-funds within HSBC GIF.

Both the Fund and the Continuing Fund share the same investment philosophy and approach. The main difference relates to whether or not the Investment Adviser constructs the portfolio using a reference index.

Because the introduction of a reference index would essentially completely align the investment approach of the Fund with the Continuing Fund, the Board has made the decision to propose to merge the Fund with the Continuing Fund. The Board believes that this recommendation best serves the interests of Shareholders because the Continuing Fund will enjoy superior scale and lower management fees.

The Continuing Fund is already managed relative to a reference index which is the MSCI (Morgan Stanley Capital International) Asia ex Japan Index. Performance will be explained relative to this index in all communications after the Effective Date in order to ensure Shareholders in the Fund have a suitable performance comparative.

¹ For shareholders of the Fund who deal with their banks, agents or financial advisers in relation to their investment in HSBC GIF, please check with such banks, agents or advisers for the relevant dates applicable to them and the relevant voting arrangements.

² Shareholders will be then duly informed if the Effective Date is being postponed according to the conditions mentioned in the Notice of Extraordinary General Meeting of Shareholders.

Q4. Will there be any tax implications in Hong Kong in relation to the merger?

Under present legislation and practice in Hong Kong, shareholders of the Fund will be treated as having disposed of their shares in the Fund as a result of the merger. Gains made by such shareholder on such merger may attract Hong Kong profits tax if the shares were acquired as part of a trade, profession or business carried on in Hong Kong. If you are in any doubt about your taxation position, you should consult your professional adviser.

Q5. What class of shares will I hold after the merger?

Classes of shares held before merger	Classes of shares held after merger	Conversion ratio
Class A ^{C**} shares of the Fund	Class A ^{C**} shares of the Continuing Fund	The number of shares received in the Continuing Fund is calculated using a conversion factor calculated based on the respective net asset value per share of both the Fund and the Continuing Fund as at the effective date of merger.
Class A ^{D***} shares of the Fund	Class A ^{D***} shares of the Continuing Fund	
Class E ^{C**} shares of the Fund	Class E ^{C**} shares of the Continuing Fund	
Class E ^{D***} shares of the Fund	Class E ^{D***} shares of the Continuing Fund	
Class I ^{C**} shares of the Fund	Class I ^{C**} shares of the Continuing Fund	

Shares in the Continuing Fund will be issued in the equivalent Dealing Currency in which Shares in the Fund are held.

*** C = capitalisation shares*

**** D = distribution shares*

Q6. What are the denomination currencies and dealing currencies of the affected sub-funds?

The currency of denomination of both the Fund and the Continuing Fund is USD.

The issue and redemption prices of the shares of the relevant sub-funds can also be expressed and traded in one or more dealing currencies. During the merger, shares in the Continuing Fund will be issued in the equivalent dealing currency in which shares in the Fund are held. For example, if the dealing currency of the shares of the Fund currently held by a shareholder is USD, the dealing currency of the shares of the Continuing Fund to be issued to such shareholder during the merger will also be USD.

Q7. What are the differences in total expense ratios of the affected sub-funds?

The total expense ratios[#] for the Fund and the Continuing Fund are as follows:

Total expense ratio for the Fund	Total expense ratio for the Continuing Fund
Class A ^C : 2.14%	Class A ^C : 1.84%
Class A ^D : 2.14%	Class A ^D : 1.84%
Class E ^C : 2.64%	Class E ^C : 2.34%
Class E ^D : 2.64%	Class E ^D : 2.34%
Class I ^C : 1.17%	Class I ^C : 1.00%

[#] *The total expense ratio for the year ended 31 March 2009 as extracted from HSBC GIF's latest audited accounts.*

Q8. Who will bear the costs associated with the implementation of the Proposal?

All costs associated with the implementation of the Proposal (except in the case of any costs associated with securities trading) will be covered by the existing provisions made by the Fund to pay Operating, Administrative and Services Expenses and the Fund will not incur any additional expenses for such costs.

Q9. What are the latest fund sizes of the affected sub-funds?

The latest fund sizes of the Fund and the Continuing Fund as at 30 September 2009 are as follows:

Latest fund size of the Fund	Latest fund size of the Continuing Fund
USD 143.55 million	USD 508.65 million

Q10. What will be the nominee arrangement for the Continuing Fund?

Same as the existing arrangement for the Fund, all shares purchased in the Continuing Fund pursuant to the Proposal and thereafter and all shares purchased under the Monthly Investment Plan will be held in the name of the Nominee, HSBC Global Asset Management Holdings (Bahamas) Limited as a nominee of the shareholders of the Continuing Fund.

Under the Nominee arrangement, although the shares of the Continuing Fund will be issued in the name of the Nominee, you are the beneficial owner of such shares. Accordingly, you will have direct contractual relationship with the Nominee instead of with HSBC GIF. The Nominee will be responsible for liaising with HSBC GIF on your behalf.

Q11. What can I do if the proposal does not suit my investment requirements?

If the proposed merger does not suit your investment requirements you may avail yourself of a redemption out of the Fund, at any time up to 4 p.m. (Hong Kong time) on 18 January 2010. The redemptions will be carried out in accordance with the normal terms enjoyed by shareholders in the Fund, but no redemption fees will be imposed on any such redemptions.

Q12. Who should I contact for further enquiries?

If you have any queries, please direct these to your bank or financial adviser or alternatively you should contact the Hong Kong Representative at Level 22, HSBC Main Building, 1 Queen's Road Central, Hong Kong (telephone number: (852) 2284 1118).

Q13. What are the documents available for inspection?

Copies of the Explanatory Memorandum published in Hong Kong will be available for inspection at the address of the Hong Kong Representative at Level 22, HSBC Main Building, 1 Queen's Road Central, Hong Kong, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted).

Additional Information for Monthly Investment Plan Investors of Class A^D Shares

Q14. What if I am investing in the Monthly Investment Plan? How does the Proposal affect my regular contribution and my shares accumulated?

Assuming the merger is approved by Shareholders in the EGM, the Fund will cease to deduct monthly contributions from your payment account with effect from 6 January 2010* and no monthly subscription of the Fund will be re-directed to the Continuing Fund. Assuming the merger is implemented on 22 January 2010 (the proposed "Effective Date"), your Class A^D shares accumulated in the Fund and not redeemed on or before 18 January 2010 will be converted into Class A^D shares in the Continuing Fund on 22 January 2010.

* *For Shareholders who invest in the Monthly Investment Plan of banks, please check with the relevant bank on the last monthly contribution date as it may vary across different banks.*

HSBC Investment Funds (Hong Kong) Limited

6 November 2009

Note: The Hong Kong Representative accepts responsibility for the accuracy of the contents of this document.