

**THIS CIRCULAR IS SENT TO YOU AS A SHAREHOLDER IN HSBC GLOBAL INVESTMENT FUNDS – ASIA EX JAPAN FREESTYLE (THE “FUND”) A SUB-FUND OF HSBC GLOBAL INVESTMENT FUNDS. IT IS IMPORTANT AND 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.**

If you have sold or otherwise transferred all of your shares in the Fund (the “Shares”) please hand this document to the stockbroker, bank or other agent through whom the sale was effected for transmission to the purchaser or transferee.

**RECOMMENDED PROPOSAL**

**for the**

**MERGER**

**of**

**HSBC GLOBAL INVESTMENT FUNDS – ASIA EX JAPAN FREESTYLE**

**with**

**HSBC GLOBAL INVESTMENT FUNDS – ASIA EX JAPAN EQUITY**

## HSBC GLOBAL INVESTMENT FUNDS

*société d'investissement à capital variable*

16, Boulevard d'Avranches, L-1160 Luxembourg

Grand Duchy of Luxembourg

R.C.S. Luxembourg N° B 25 087

Luxembourg, 6 November 2009

Dear Shareholder,

We are writing to inform you of some important changes to **HSBC Global Investment Funds – Asia ex Japan Freestyle** (the “Fund”), a sub-fund of HSBC Global Investment Funds (“HSBC GIF”).

**The board of directors of HSBC GIF (the “Board”) has given consideration to the management of the Fund and has formulated the proposal to merge it with HSBC Global Investment Funds – Asia ex Japan Equity (the “Continuing Fund”).**

The purpose of this Circular is to describe the proposal to merge the Fund with the Continuing Fund. Terms otherwise not defined in this Circular will have the same meaning as those as defined in the current prospectus of HSBC GIF (the “Prospectus”).

To be effective, the proposal requires Shareholders to pass the extraordinary resolutions (the “Resolutions”) set out in the accompanying notice of extraordinary general meeting (the “Notice”). A Proxy Card is enclosed to enable you to vote at the extraordinary general meeting to be held on 14 December 2009 (the “Meeting”) and you are urged to complete and return it as soon as possible, and in any event by no later than 5.00 p.m. (Luxembourg time) on 9 December 2009 to RBC Dexia Investor Services Bank S.A., 14 Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg, for the attention of Ms Suzanne Dos Santos Pires.

A letter informing you of the result of the vote will be sent to you on 18 December 2009.

You may redeem or switch out of the Fund, at any time up to 10.00 a.m. (Luxembourg time) on 18 January 2010. As a Shareholder, you may take this opportunity to switch free of charge from the Fund to any other sub-fund within the HSBC GIF range. Redemptions and switches will be carried out in accordance with the normal terms disclosed in the Prospectus.

Should the volume of Shares of the Fund to be redeemed on any given Dealing Day exceed 10% of the net asset value of the Fund, the Board would like to highlight that excess deals may be deferred in line with the provisions set out in the Prospectus.

Please contact your local agent or HSBC office if you have any questions.

## **1. REASON FOR AND ADVANTAGE OF THE PROPOSAL**

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.

## **2. INVESTMENT OBJECTIVES OF THE FUND AND THE CONTINUING FUND**

### ***HSBC Global Investment Funds – Asia ex Japan Freestyle***

“The sub-fund seeks long-term returns from capital growth and income by investing primarily in a concentrated 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 Asian country (excluding Japan), as well as those companies with significant operations or carrying out a preponderant part of their business activities in the Asian region (excluding Japan).

As the sub-fund will seek to invest in companies throughout Asia (excluding Japan), there can be both companies with registered office in and with an official listing in developed markets such as Asian OECD countries and also those in emerging Asian countries. Whilst there are no capitalisation restrictions it is anticipated that the sub-fund will seek to invest across a range of capitalisations.

The portfolio will be actively managed aiming to achieve total returns to investors without reference to market index weightings.”

### ***HSBC Global Investment Funds – Asia ex Japan Equity***

“The sub-fund seeks long-term capital growth by investing primarily 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 Asian country (excluding Japan), as well as companies which carry out a preponderant part of their economic activities in the Asian region (excluding Japan).

As the sub-fund will seek to invest in companies throughout Asia (excluding Japan), these can be both companies with a registered office in, and with an official listing in developed markets such as the Asian OECD countries and also those in emerging Asian countries.

Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will seek to invest primarily in larger, established companies. At least 60% of the sub-fund’s assets will be invested in securities denominated in currencies other than the Korean Won.”

### 3. INVESTMENT PROFILES

#### **The Fund**

Dynamic category

#### **The Continuing Fund**

Core Plus category

### 4. SIMILAR CHARACTERISTICS

The two funds have the same investment adviser.

### 5. FEES AND EXPENSES

For comparison, the table below shows the Management Fee and the Operating Administrative and Services Expenses in the Fund and the Continuing Fund and the Classes of Shares issued as at 6 November 2009:

#### **The Fund:**

<b>Class of Shares</b>	<b>A</b>	<b>E</b>	<b>I</b>
<b>Management Fee (%)</b>	1.75	2.25	0.875
<b>Operating, Administrative and Servicing Expenses (%)</b>	0.40	0.40	0.30

#### **The Continuing Fund:**

<b>Class of Shares</b>	<b>A</b>	<b>E</b>	<b>I</b>
<b>Management Fee (%)</b>	1.50	2.00	0.75
<b>Operating, Administrative and Servicing Expenses (%)</b>	0.35	0.35	0.25

### 6. TERMS

Subject to the merger being approved by the Shareholders of the Fund and becoming effective after the Meeting, Shareholders of the Fund on the register as at the close of business on 22 January 2010 will receive Shares in the Continuing Fund, in direct proportion to their pro-rata share of the assets of the Fund, calculated on the basis of the respective net asset values of the Fund and the Continuing Fund on 22 January 2010 at the close of business, or any other date as the Meeting may decide, upon the chairman's proposal (the proposed "Effective Date") or such other date decided by the Board on the basis of the authorisation granted by the Meeting to postpone, for a period not exceeding three months, the Effective Date, if it is in the interest of the Shareholders, in the event of exceptional market conditions. If such decision to postpone is decided by the Board, you will be then duly informed.

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.

Following the merger, Shares in the Continuing Fund will be allotted according to the following table:

Shares held in the Fund at the close of business on 22 January 2010	Shares to be issued in the Continuing Fund on merger*
Class A <sup>C**</sup>	Class A <sup>C**</sup>
Class A <sup>D***</sup>	Class A <sup>D***</sup>
Class E <sup>C**</sup>	Class E <sup>C**</sup>
Class E <sup>D***</sup>	Class E <sup>D***</sup>
Class I <sup>C**</sup>	Class I <sup>C**</sup>

\* 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

Any dividends in respect of each Distribution Class of the Fund would be declared separately and paid to Shareholders prior to or on the Effective Date.

The proposals will not affect the obligation of the Fund to redeem or convert, free of charge, Shares of the Fund submitted respectively for redemption or conversion up to 10.00 a.m. (Luxembourg time) on 18 January 2010.

Shareholders should be aware that, these arrangements are necessary in order to allow the Board to arrange the proper contribution of the assets of the Fund to the Continuing Fund, Shareholders of the Fund will not be able to deal for a period of five days starting at 10.00 a.m. (Luxembourg time) on 18 January 2010 and ending at 10.00 a.m. (Luxembourg time) on 22 January 2010.

## 7. PROCEDURE

### a) *Extraordinary General Meeting*

The implementation of the proposals is subject to the approval by the Shareholders at the Meeting to be held on 14 December 2009 of the Resolutions (as set out in the accompanying Notice) to approve the merger of the Fund with the Continuing Fund. The Resolutions must be taken by Shareholders holding a majority of the Shares present or represented at the Meeting.

If the Resolutions are passed, the Shareholders will receive a letter informing them of the result of the vote and the Effective Date of the merger.

### b) *Recommendation and Action to be taken*

**The Board unanimously considers the proposals to be in the best interest of Shareholders and recommend them to vote in favour of the Resolutions.**

It is important that you exercise your voting rights in respect of the Meeting by completing the enclosed Proxy Card and returning it as soon as possible to the office of RBC Dexia Investor Services Bank S.A., 14 Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg, for the attention of Ms Suzanne Dos Santos Pires before 5.00 p.m. (Luxembourg time) on 9 December 2009.

Completion and return of the Proxy Card will not preclude you from attending and voting in person at the Meeting to be held on 14 December 2009, should you subsequently wish to do so. You will receive an additional letter informing you of the result of the Meeting and confirming the last dealing day and the Effective Date. If the proposals become effective, Shareholders in the Fund will be registered as Shareholders in the Continuing Fund and will be sent a confirmation advice in respect thereof two Luxembourg business days after the Effective Date.

### **Costs of the Proposal**

All costs associated with the implementation of the proposal will be covered by the existing provisions made by the Fund to pay Operating, Administrative and Services Expenses except in the case of any costs associated with securities trading which may be necessary in order to ensure continuity in the investment positioning of the Continuing Fund. The Investment Adviser will seek the transition of the Fund's assets as efficiently as possible to ensure that these expenses are minimised.

In addition, the Fund has no more remaining unamortised costs.

**If you are in any doubt regarding your taxation position you should consult your own professional adviser.**

### **Final Accounts of the Fund**

The final accounts of the Fund will be included in the Annual Report and Accounts for HSBC GIF covering the current financial period.

The Board accepts responsibility for the accuracy of the information contained in this circular as at the date of the mailing.

Yours faithfully,

On behalf of the Board  
**HSBC Global Investment Funds**

# **HSBC GLOBAL INVESTMENT FUNDS**

*société d'investissement à capital variable*

16, Boulevard d'Avranches, L-1160 Luxembourg

Grand-Duchy of Luxembourg

R.C.S. Luxembourg N° B 25 087

## **Notice of Extraordinary General Meeting of Shareholders of**

### **HSBC Global Investment Funds – Asia ex Japan Freestyle**

Shareholders of HSBC Global Investment Funds – Asia ex Japan Freestyle are hereby convened to attend an extraordinary general meeting which will be held on 14 December 2009 (the “Meeting”) at the registered office of HSBC Global Investment Funds (“HSBC GIF”) at 10.00 a.m. (Luxembourg time) to deliberate and vote on the following agenda:

#### **EXTRAORDINARY RESOLUTIONS**

1. To approve the merger of HSBC Global Investment Funds – Asia ex Japan Freestyle (the “Fund”) with HSBC Global Investment Funds – Asia ex Japan Equity (the “Continuing Fund”) to be effective on 22 January 2010, or any other date as the general meeting may decide, upon the chairman’s proposal (the “Effective Date”) and to approve the cancellation of the Shares of the Fund against the issue of Shares in the Continuing Fund on the basis of the respective net asset values of the Fund and the Continuing Fund and the distribution thereof to holders of Shares of the Fund.
2. To grant authorisation to the board of directors of HSBC GIF (the “Board”) to postpone the Effective Date of the merger, for a period not exceeding three months, if it is in the interest of the Shareholders.

There is no quorum required for this Meeting and the passing of the extraordinary resolutions requires the consent of the majority of the Shares present or represented at the Meeting.

Shareholders may vote in person or by proxy.

A proxy card is attached and should be returned to RBC Dexia Investor Services Bank S.A., 14 Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg, (for the attention of Ms Suzanne Dos Santos Pires) before 5.00 p.m. (Luxembourg time) on 9 December 2009.

In the event of exceptional market conditions, the Board may decide, if it is in the interest of Shareholders, to postpone the Effective Date of the merger. Shareholders will be then duly informed.

**The Board of Directors**

To: HSBC Global Asset Management Holdings (Bahamas) Limited

**PROXY FORM**

(for use at the extraordinary general meeting  
of Shareholders of HSBC Global Investment Funds – Asia ex Japan Freestyle  
on 14 December 2009 or any reconvening or adjournment thereof (the “Meeting”))

I / We \_\_\_\_\_ (name)

of \_\_\_\_\_ (address)

account number \_\_\_\_\_ holding through HSBC Global Asset Management

Holdings (Bahamas) Limited (the “Nominee”) \_\_\_\_\_ (number)

Shares in HSBC Global Investment Funds – Asia ex Japan Freestyle hereby authorise the Nominee to appoint the Chairman of the Meeting (the “Proxy”) for the purpose of representing me / us to vote on my / our behalf at the Meeting to be held on the 14 December 2009 and any reconvening or adjournment thereof.

In relation to the Resolutions as contained in the Notice of the said Meeting, I / we instruct the Proxy to vote in the following manner (failing any specific instruction, the Proxy will vote at his / her complete discretion):

Please indicate with a “✓” in the space provided how you wish your votes to be cast	
For	Against

Signature \_\_\_\_\_

Dated this \_\_\_\_\_ day of \_\_\_\_\_ .

If you want to instruct the Proxy to vote for you in the Meeting, please complete and return this Proxy Form (and the power of attorney or other authority, if any, under which they are signed or a notarially certified copy thereof) to the Hong Kong Representative, **HSBC Investment Funds (Hong Kong) Limited** at **Level 22, HSBC Main Building, 1 Queen’s Road Central, Hong Kong** so as to arrive no later than **7 December 2009, 4 p.m.** Hong Kong time. This voting deadline is before the one set for registered Shareholders to enable the Nominee sufficient time to count your vote.

<b>Additional Information for Monthly Investment Plan Investors of Class A<sup>D</sup> Shares</b>
Assuming the merger is approved by Shareholders in the Meeting, the HSBC Global Investment Funds – Asia ex Japan Freestyle (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 HSBC Global Investment Funds – Asia ex Japan Equity (the “Continuing Fund”). Assuming the merger is implemented on 22 January 2010 (the proposed “Effective Date”), your Class A <sup>D</sup> shares accumulated in the Fund and not redeemed on or before 18 January 2010 will be converted into Class A <sup>D</sup> shares in the Continuing Fund on 22 January 2010.