

Fund Highlights

- ▶ Seeking to deliver long-term capital growth by focusing on around 100-120 'blue chip' Japanese stocks and operating within a rigorously applied risk management framework
- ▶ An active quantitative investment style employing valuation and momentum signals to identify and exploit valuation anomalies
- ▶ Targeting excess returns by concentrating on three uncorrelated performance sources; dynamic sector allocation, active quantitative stock selection and management of market exposure

Investment Aim

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 Japan as well as those companies which carry out a greater part of their business activities in Japan.

Please refer to the Prospectus for the full Investment Objective of this fund.

Risk Disclosure

It is important to remember that the value of investments can go down as well as up and you may not get back the amount originally invested. Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up. For a full list of risks, please refer to the prospectus and Key Investor Information Document.

Fund Statistics (30/12/2011)

Fund size in millions (JPY)	3,877.83
Portfolio Turnover *	110.00 %
Volatility **	20.51 %
Tracking Error **	3.26 %
Information Ratio **	-0.61

'Volatility' measures the relative rate at which the price of a security moves up and down.

'Tracking error' measures the volatility of the difference between a portfolio's performance and the benchmark.

'Information ratio' represents the value added of the manager (excess return) divided by the tracking error

Fund Manager - Nils Jungbacke

Head of Enhanced Equity, HSBC Global Asset Management Ltd.

Nils Jungbacke is Head of Enhanced Equity, for HSBC Global Asset Management and has been working in the industry since 1998. Prior to joining HSBC in 2002, he was employed by Barclays Global Investors (BGI) as a Fund Manager for UK Active Equities. He holds an MSc in Materials Science from the University of Cape Town as well as an MSc in Financial Mathematics from Kings College, London.



* Source: HSBC, calculation uses the lesser of sales and purchases over the past year.

** Source: HSBC, based on monthly returns over the past three years where available.

Performance in JPY (% Change) *

Rolling time period	31/12/2010 - 31/12/2011	31/12/2009 - 31/12/2010	31/12/2008 - 31/12/2009	31/12/2007 - 31/12/2008	31/12/2006 - 31/12/2007
HSBC GIF JAPANESE EQUITY	-18.1	-0.4	4.2	-46.7	-10.9

Rolling time period	1 month	3 months	6 months	1 year	3 years	5 years	2011	2010	2009	2008
Fund	0.5	-4.1	-14.5	-18.1	-15.1	-59.7	-18.1	-0.4	4.1	-46.7
Morningstar mean	-0.4	-3.9	-14.7	-18.0	-11.0	-57.2	-18.0	-0.7	9.3	-44.2
Benchmark	0.1	-4.2	-13.2	-17.0	-9.8	-52.4	-17.0	1.0	7.6	-40.6
Quartile rank	1	3	2	2	3	3	2	3	4	3

* The above performance figures refer to the past and are not a reliable indicator of future returns. The value of investments and any income from them, can go down as well as up.

Source: Morningstar, bid to bid, gross income reinvested. Performance information is up to 30/12/2011. Morningstar Sector used Offshore and International Funds, Japan Large Cap Equity. With effect from 05 November 2010, the Morningstar sector changed from Eq Japan to Japan Large Cap Equity. Any performance shown after this date will be for the new sector. Benchmark source: Datastream. Please note quartile rank is a term widely used in financial services to denote performance of a fund within its sector. For example a ranking of 1 denotes a Fund in the top 25% of its peer group sector, with a ranking of 4 denoting a fund in the bottom 25% of its peer group sector. Total return, sector median performance and ranks - Data Source - © Copyright 2010 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

MUTUAL FUNDS DO NOT HAVE A GUARANTEED RETURN AND PREVIOUS PERFORMANCE DOES NOT GUARANTEE FUTURE PERFORMANCE

Fund details

- ▶ **Annual charge** 1.00%
- ▶ **Maximum initial charge** 5.54%
- ▶ **Dealing** daily by 10:00am (CET)
- ▶ **Valuation** daily at 5:00pm (CET)
- ▶ **Minimum initial investment (USD)** 50,000 *
- ▶ **Financial year end** 31st March
- ▶ **Benchmark** TOKYO (SE) TOPIX
- ▶ **Management Company** HSBC Investment Funds (Luxembourg) S.A.
- ▶ **Investment Advisor** HSBC Global Asset Management (UK) Limited
- ▶ **Dividends** annual (July)
- ▶ **Regular savings scheme** not available
- ▶ **Start date** 16/01/1987
- ▶ **Launch price** (in JPY) 10
- ▶ **ISIN code** LU0011818076
- ▶ **Total number of holdings** 127

* or equivalent.

Top 10 holdings (30/12/2011)

Stock	Weight	Industry Sector
1 Toyota Motor Corp	3.72%	Automobiles & Parts
2 Canon Inc	3.17%	Technology Hardware & Equip
3 Sumitomo Mitsui Financial Group	2.34%	Banks
4 Takeda Chem Inds	2.32%	Pharmaceuticals & Biotech.
5 Mitsub Tokyo Fin	2.26%	Banks
6 Mitsui & Co	2.04%	Support Services
7 Hitachi	1.97%	Electronic & Electrical Equip
8 East Japan Railway Co	1.84%	Travel & Leisure
9 Honda Motor Co	1.74%	Automobiles & Parts
10 Nippon Tel & Tel Corp	1.55%	Fixed Line Telecommunications
	22.96%	

Portfolio composition (30/12/2011)

Sector	Fund
Consumer Goods	25.24%
Industrials	19.84%
Financials	14.18%
Consumer Services	8.13%
Basic Materials	7.31%
Technology	6.81%
Health Care	6.25%
Telecommunications	4.48%
Utilities	3.72%
Others	1.88%
Cash	2.16%
	100.00%

Portfolio sector composition calculated according to local exchange sector classification standards.

Contact

Further information about HSBC Global Asset Management, details of our individual funds performance and prices can be found at www.assetmanagement.hsbc.com

GIF helpdesk +44 (0) 207 992 4172 or email us at gifadviser.services@hsbc.com

Alternatively, contact your local sales and client services representatives.

To place a deal, please contact:

Luxembourg RBC Dexia Investors Services Bank S.A. Tel: +352 2605 9553 Fax: +352 2460 9500

There are risks involved with this type of investment. Please refer to the Prospectus for general risk factors, and to the Key Investor Information Document for specific risk factors. It is important to remember that your investment is not guaranteed and you may not get back the amount you originally invested. Changes in the rate of currency exchange, particularly where overseas securities are held, may also affect the value of your investment. This sub-fund invests predominantly in one geographic area; therefore any decline in the economy of this area may affect the prices and value of the underlying assets. Investment in Financial Derivative Instruments (FDI) may result in losses in excess of the amount invested. This is because a small movement in the price of the underlying financial instrument may result in a substantial movement in the price of the FDI. You should view this investment as medium to long-term, and should plan to keep it for at least five years. UK based investors in HSBC Global Investment Funds are advised that they may not be afforded some of the protections conveyed by the provisions of the Financial Services and Markets Act 2000. The Representative of the Fund in Switzerland is HSBC Private Bank (Suisse) SA in Geneva. The shares in HSBC Global Investment Funds 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. All applications are made on the basis of the current HSBC Global Investment Funds Prospectus, Key Investor Information Document and most recent annual and semi-annual reports, which can be obtained upon request free of charge from HSBC Global Asset Management (UK) Limited, 8 Canada Square, Canary Wharf, London, E14 5HQ, UK, or the local distributors.

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