

**Mitteilung an alle Anteilseigner der HSBC Investment**

Anbei finden Sie die Information der Fondsgesellschaft HSBC Investment, folgende Fonds sind betroffen:

LU0234596715 - HSBC GIF Global Emerg Mrk Eq Dis

LU0234596392 - HSBC GIF Global Emerg Mrk Eq Cap

Details können Sie der beigefügten Anlage entnehmen.

THIS CIRCULAR IS SENT TO YOU AS A SHAREHOLDER IN HSBC GLOBAL INVESTMENT FUNDS – GLOBAL EMERGING MARKETS EQUITY 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 – GLOBAL EMERGING  
MARKETS EQUITY FREESTYLE**

**with**

**HSBC GLOBAL INVESTMENT FUNDS – GLOBAL EMERGING  
MARKETS EQUITY**



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**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 – Global Emerging Markets Equity 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 – Global Emerging Markets 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 8 February 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 that of the Continuing Fund, the Board has made the decision to propose to merge the of the Fund with the Continuing Fund. The Board believes that this recommendation best serves the interests of Shareholders because the Continuing fund will benefit from superior scale.

The Continuing Fund is already managed relative to a reference index which is the MSCI (Morgan Stanley Capital International) Emerging Markets 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.

In light of the fact that the Continuing Fund is managed with reference to a benchmark index, the Board has decided to cease the application of performance related fees.

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

### ***Global Emerging Markets Equity Freestyle***

"The sub-fund seeks long-term returns from capital growth and income by investing primarily at least two-thirds of its total non-cash assets in a concentrated portfolio of investments in equity and equity equivalent securities of companies in Emerging Markets. These companies will be those that at the time of purchase have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of an Emerging Markets country, as well as those companies which carry out a preponderant part of their business activities in any Emerging Markets country.

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."

### ***Global Emerging Markets 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 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 will seek to invest primarily in securities listed on a Regulated Market, but may also invest up to 10% of the fund's net assets in securities listed on markets that are not Regulated Markets. Investment in interest bearing securities is also permitted either for short-term cash surpluses or in response to unfavourable equity market conditions and this is limited to one third of the total assets of the sub-fund. Whilst there are no capitalisation restrictions, it is anticipated that the sub-fund will invest primarily in larger, established companies.

To the extent that the sub-fund may invest in India, the fund intends to invest part of the net proceeds of the issue of Shares in HSBC GIF Mauritius No.2 Limited, Rogers House, 5 President John Kennedy Street, Port Louis, Mauritius (the "Subsidiary") which is a Mauritian company wholly-owned by the Company. Under normal market conditions, that part of the net proceeds allocated to the Subsidiary will be invested substantially in Indian equities 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 India. The remainder of the net proceeds of the issue of Shares will be invested directly 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 Emerging Markets. The investment objectives of the Subsidiary are in line with those of Global Emerging Markets Equity to the extent the fund may invest in India and the Subsidiary will apply the Company's investment restrictions as outlined in this Prospectus.

The Subsidiary was incorporated in Mauritius on 21 November 2007. It is wholly-owned by the Company. It will issue ordinary Shares and redeemable preference Shares only to the Company's Global Emerging Markets Equity fund. The Subsidiary is registered with the Mauritius Offshore Business Activities Authority and has obtained a certificate of tax residency from the Commissioner of Income Tax in Mauritius (Please refer to "Taxation" in Section 2.15 of this Prospectus).

The directors of the Subsidiary are responsible, inter alia, for establishing the investment objectives and policy of the Subsidiary, for monitoring the Subsidiary's investments and performance and for providing advisory services to the exclusive benefit of the Company, including in relation to massive redemptions in the sub-fund.

The Subsidiary has appointed Multiconsult Limited, Rogers House, 5 President John Kennedy Street, Port Louis, Mauritius, to provide administrative services to the Subsidiary in Mauritius, including maintenance of its accounts, books and records. The Subsidiary has appointed KPMG Mauritius of KPMG Centre, 30 St George Street, Port Louis, Mauritius, as auditors of the Subsidiary in Mauritius to perform the auditor's duties required by Mauritius law.

The Subsidiary has appointed the Custodian as custodian over its assets. Based on its custodian arrangements with the Company, the Custodian has entered into a Mauritius Cash Custodian Agreement with HSBC Bank (Mauritius), a bank incorporated under the laws of Mauritius and a wholly owned subsidiary of The Hong Kong and Shanghai Banking Corporation Limited, and duly licensed to do business in Mauritius, and having an office at 5/F Le Cascade Building, Edith Cavell Street, Port Louis, Mauritius, for the remittance of all cash and currency of the Subsidiary for the purpose of inward investment into India by the Subsidiary and in respect of remittances from such investments.

The Company and the Subsidiary shall issue consolidated accounts."

### **3. SIMILAR CHARACTERISTICS**

The two funds have identical investment profiles and the same investment adviser, Halbis Capital Management (UK) Limited.

### **4. FEES AND EXPENSES**

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



The Fund:

Class of Shares	M*
Management Fee (%)	1.00
Operating, Administrative and Servicing Expenses (%)	0.40

\* Performance fee for Class M Shares as disclosed in the Section "Charges and Expenses" of the Prospectus, may be charged in addition to the Management Fees.

Performance fee calculation for the Class of Shares M will be terminated from 12 February 2010.

The Continuing Fund:

Class of Shares	A	E	I	Z
Management Fee (%)	1.50	2.00	0.75	0.00
Operating, Administrative and Servicing Expenses (%)	0.40	0.40	0.30	0.30

Class of Shares	P	S <sub>1</sub>	W
Management Fee (%)	1.00	1.60	0.00
Operating, Administrative and Servicing Expenses (%)	0.40	0.40	0.00

## 5. 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 12 February 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 12 February 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 duly informed.

Shares in the Fund will be issued until, and including, 8 February 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 12 February 2010	Shares to be issued in Continuing Fund on merger*
Class M1 <sup>C**</sup>	Class P <sup>C**</sup>
Class M1 <sup>D***</sup>	Class P <sup>D***</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





This change will impact Shareholders invested in Class M Shares of the Fund and will be implemented as follows:

- performance fee calculations for Class M1 Shares of the Fund will cease from 12 February 2010.
- subscription in Class M1 Shares of the Fund remain possible until 8 February 2010.

Shareholder's investments will be transferred from Class M1 Shares of the Fund to Class P Shares of the Continuing Fund on 12 February 2010.

- The Class P Shares of the Continuing Fund will be closed to new subscriptions from 12 February 2010 except for Shareholders with an existing saving plan.

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 8 February 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 8 February 2010 and ending at 10.00 a.m. (Luxembourg time) on 12 February 2010.

## **6. 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 – Global Emerging Markets Equity Freestyle**

Shareholders of HSBC Global Investment Funds – Global Emerging Markets Equity 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 11.00 a.m. (Luxembourg time) to deliberate and vote on the following agenda:

**EXTRAORDINARY RESOLUTIONS**

1. To approve the merger of HSBC Global Investment Funds – Global Emerging Markets Equity Freestyle (the "Fund") with HSBC Global Investment Funds – Global Emerging Markets Equity (the "Continuing Fund") to be effective on 12 February 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**



**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 No. B 25 087

**PROXY**

(for use at the extraordinary general meeting of Shareholders of HSBC Global Investment Funds – Global Emerging Markets Equity Freestyle on 14 December 2009 or any reconvening or adjournment thereof (the "Meeting"))

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

Of \_\_\_\_\_ (address)

shareholder account number \_\_\_\_\_

the holder(s) of \_\_\_\_\_ (number) Shares in HSBC Global Investment Funds – Global Emerging Markets Equity Freestyle

hereby appoint \_\_\_\_\_ (name of proxy)

or failing him or failing such appointment, the Chairman of the Meeting as my/our proxy to vote on my/our behalf at the Meeting to be held on the 14 December 2009 and any reconvening or adjournment thereof.

I instruct my proxy to vote

**IN FAVOUR OF / AGAINST \***

the Resolutions as contained in the Notice of the said Meeting. Failing any specific instruction, the proxy will vote at his/her complete discretion.

Signature \_\_\_\_\_

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

\*Please delete as appropriate.

**NOTES:**

1. A holder entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote on their behalf. If you wish to appoint as your proxy some person other than the Chairman of the Meeting, insert in block capitals the full name of the person of your choice. A proxy need not be a Shareholder of HSBC Global Investment Funds – Global Emerging Markets Equity Freestyle.
2. The proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting on the Resolutions referred to above if no instruction is given in respect of the Resolutions and on any business considered at the Meeting.
3. This Proxy Card (and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) must be returned to RBC Dexia Investor Services Bank S.A., 14 Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg, not later than 5.00 p.m. (Luxembourg time) on 9 December 2009 for the attention of Ms Suzanne Dos Santos Pires, fax +352 2460 3331.
4. If the Shareholder is a corporation, this Proxy Card must be executed under the seal or under the hand of some officer or attorney duly authorised on its behalf. In the case of joint holders, any one holder may sign.
5. The completion and return of the Proxy Card will not preclude Shareholders from attending and voting at the said Meeting should they decide to do so.

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