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HSBC ALTERNATIVE INVESTMENTS LAUNCHES FIRST OFFSHORE RENMINBI (CNH) FUND

HSBC Alternative Investments Ltd today announced the expansion of its flagship HSBC GH Fund of Hedge Funds to clients holding CNH deposits.

The HSBC GH Fund was launched in 1996. This new share class will be the first CNH fund of hedge funds offering, demonstrating HSBC's ability to offer clients investment opportunities that capitalise on the rapid growth of the CNH market.

The GH Fund has delivered strong performance, with an average annual return of the USD share class of 7.49% since inception (net of fees). The fund already offers currency classes hedged into Euro, Sterling, Swiss Franc, Singapore Dollar, Japanese Yen and Australian Dollar. The introduction of the offshore Renminbi is a significant step and reflects the growing internationalisation of the currency and the ever changing needs of investors.

HSBC has attained a leadership position in the CNH market, most recently launching the HSBC Offshore Renminbi (RMB) Bond Index (CNH) in March 2011.

Commenting on the launch, HSBC Alternative Investments Ltd, CEO Chris Allen said: "The launch of this new share class will offer investment opportunities in a burgeoning new market. It demonstrates HSBC's capabilities in bringing customised cross-border solutions to our clients."

The HSBC GH Fund has AUM of US\$2.6 billion as of the end of March 2011.

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Media enquiries:

Laine Santana	+852 2822 4918	lainesantana@hsbc.com
Chelsea Ng	+852 2822 4904	chelseaplng@hsbc.com.hk

Notes to editors:

HSBC Alternative Investments Limited (HAIL) is the dedicated unit responsible for Hedge Funds - Institutional mandates and Fund of Hedge Funds for the HSBC Group along with Real Estate and Private Equity investment for HSBC Global Private Banking. HAIL's expertise derives from being one of the first firms to advise clients on hedge funds since 1989. HAIL established its first Fund of Hedge Funds in 1995.

End December 2010, HAIL was ranked the second largest hedge fund investor worldwide, by Investhedge Billion Dollar Survey with over \$28bn of client assets invested in alternative investments. HAIL has one of the largest proprietary research capabilities, which is of paramount importance, and which enables HAIL to undertake thorough operational due diligence.

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