

BROCHURE (Part 2A of Form ADV)

Firm

HSBC Global Asset Management (Hong Kong) Limited

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Date

31 December 2011

This brochure provides information about the qualifications and business practices of HSBC Global Asset Management (Hong Kong) Limited. If you have any questions about the contents of this brochure, please contact us at 852 2284 1111. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about HSBC Global Asset Management (Hong Kong) Limited also is available on the SEC's website at www.adviserinfo.sec.gov.

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Item 2 Material Changes

We prepared this brochure in accordance with the SEC instructions for Part 2A of Form ADV. It contains following material changes from our last annual update:-

- Item 7 – Types of Clients. Minimum size for opening an account increased from USD 5million to USD 25million.

We are discussing only materials changes since the last annual update of our brochure of 31 December 2010.

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Item 4 Advisory Business

We registered* with SEC as investment advisor effective July 2 1987. We have been providing discretionary investment management and investment advisory service to US clients since then.

We are a wholly-owned subsidiary of HSBC Global Asset Management Holdings (Bahamas) Limited which is indirectly wholly-owned by HSBC Holdings plc.

We provide discretionary investment management and investment advisory service to US clients on one or more types of following investments only:-

Equities
Fixed Incomes
Unit Trusts and Mutual Funds
ETFs
REITs
Deposits

We offer tailor advisory service to clients' individual needs, our Client Director is willing to discuss with you and review your investment needs. You may impose restrictions on investing in certain securities or types of securities and we will use best effort to put these restrictions into our portfolio management and trading system.

We do not participate in wrap fee programs by providing portfolio management services to our US clients.

Total clients asset under our management as of 31 December 2011 are as follows:-

- USD 43,657,000,000 on a discretionary basis
- USD 148,000,000 on a non-discretionary basis

*Registration does not imply a certain level of skill or training.

Item 5 Fees and Compensation

We charge a percentage of the value of assets under management for our service upto 1.75%. Fees are negotiable and minimum fee may apply subject to various factors including assets under management and type(s) of investments.

We will bill our US client for fees incurred quarterly. The client will pay our management fees in arrears.

Clients may also incur the following fees and charges in connection with the portfolio management and advisory services that we offer:-

- Brokerage fees (please refer to item 12 of this document for details)
- Custodian fees
- Foreign exchange spreads
- Regarding ETF investments, underlying investment adviser, custodian and administrator fees

Clients have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated to us.

We charge advisory fees but do not charge commissions nor spreads on transactions undertaken for US clients' portfolios under management or advice.

Item 6 Performance-based Fees and Side-By-Side Management

Not Applicable.

Item 7 Types of clients

We offer services to varying types of clients generally include:

- Government and Government Agencies
- Pensions
- Retirement Funds
- Insurance Companies

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- Institutions
- Investment Funds or Companies
- Charities
- Trusts
- High Net Worth Individuals

We accept new account at a minimum portfolio value of USD 25million.

Item 8 Method of Analysis, Investment Strategies and Risk of loss

A We use one or more of the following methods of analysis in formulating investment advice or managing assets:-

- Quantitative Analysis
- Fundamental Research, bottom-up research
- Portfolio Construction Macro validation
- Stock specific risk breakdown
- Multi-faceted risk systems
- Issuer selection
- Credit review
- Fundamental credit analysis
- Bottom-up proprietary model
Valuations/ Earnings/Price Momentum
- Top-down macro economic indicators
- Top-down: Macro economic indicators
- Economic indicators
- Macro Economy, Valuation, Technical factors, Event risk

We use one or more of the following investment strategies in formulating investment advice or managing assets:-

- Active Fundamental – Investing with conviction, seeking to produce outstanding and consistent performance over the long term
- Quantitative – Seeking to deliver robust performance in a risk-adjusted environment
- Liquidity – Offering a wide range of cash funds matching investment horizon, regulation and currency constraints

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- Multimanager – Aiming to select the world's leading managers, irrespective of asset class, geographical focus and management style.

The prices of securities fluctuate, sometimes dramatically. The price of a security may move up or down, and may become valueless. Investing in securities involves risk of loss that client should be prepared to bear.

B Material risks involved in Active Fundamental, Quantitative and Multimanager strategies are:-

- Equity risk
- Liquidity risk
- Credit risk
- Interest Rate risk
- Currency risk
- Counterparty risk

Material risks involved in Liquidity strategy are:-

- Liquidity risk
- Credit risk
- Interest Rate risk
- Currency risk
- Counterparty risk

C We primarily manage portfolio of equities, fixed incomes and mixed-assets subject to one or more of the following risks:

- Equity risk
- Liquidity risk
- Credit risk
- Interest Rate risk
- Currency risk
- Counterparty risk

Item 9 **Disciplinary Information**

Not Applicable.

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Item 10 Other Financial Industry Activities and Affiliation

A Not Applicable.

B Not Applicable.

C We are part of the HSBC Group and our affiliates carry out various types of financial and non-financial activities. We may use banking, custodian, broking and other financial and non-financial services offered by our affiliates. We treat these affiliates as if they are independent third parties and deal with them at arm's length terms regarding investments made for our clients.

We implemented proper measures (Chinese Wall) to ensure that information of a price sensitive nature, or which could give rise to conflicts of interest or conflicts of duty owed to clients and which is known to or produced by individuals employed in one part of the HSBC Group, is not available directly or indirectly to individuals elsewhere in a connected company or to outside persons.

Our Compliance Department scrutinize sample of trades with both affiliates and non-affiliates to testify best-execution standard compliant.

D Not Applicable.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A We have our Code of Conduct governing staff conducts in varying areas including loans, borrowing, personal benefits, use of information, investment, fraud, theft, bribery, illegal activities, external directorship/employment/commercial interest, and conflicts of interest.

A copy of the Code of Conduct is available upon request.

B We, our staff and related persons shall not cross trade with clients' portfolio. We may cross trade one client's portfolio asset with another client's asset subject to Compliance Officer's prior approval.

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C Our staff who are ‘access person’ shall not trade for personal account in securities or related securities on a date that we traded or recommended to clients the same securities within 7 calendar days before or after that date or on that date. Further, our staff must not deal in circumstances which present a conflict of interest with our clients.

D We, our staff and related persons must not deal in the same securities until our clients’ order has been fully executed or cancelled when such persons know that a client's order has been accepted, or that we have made a decision to deal on behalf of a discretionary managed client.

We, our staff and related persons may not buy or sell for its own an investment on a day in which we have a pending ‘buy’ or ‘sell’ order in the same investment for clients until that order is fully executed or withdrawn.

Item 12 Brokerage practices

A.1. We do not have soft dollars practices for US clients. For non-US clients, we may have arrangements with brokers on commission sharing arrangements and soft dollars practices for permissible services and goods under Hong Kong rules and regulations, such as research, portfolio analysis and investment-related publications for the benefits of our clients as a whole regardless whom the soft dollars credits generated from.

A.2. Not Applicable.

A.3. We may accept client directs brokerage. However, in directed brokerage, we may be unable to obtain most favourable execution of the client’s transactions. Directing brokerage may cost the client more money.

B We may aggregate various clients’ orders for efficient execution if the market conditions allow. Aggregation in generally will reduce the execution cost. If we are not allowed to aggregated trades when it has the opportunities to do so, the client may pay higher brokerage costs.

Item 13 Review of Accounts

A/B Our Client Directors review clients’ portfolios monthly on performance. Our Client Directors review clients’ portfolios quarterly on investments permissibility that counter reviewed by Head of Institutional Business, Asia Pacific.

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- C We will provide monthly statements of account to clients in writing by mail or other means mutual agreed with clients. The statements of account include portfolio holdings with market value, cash balance, receivables, and payables as of the statement date and transactions history since last statement date.

Item 14 Client Referrals and Other Compensation

- A We may engage affiliates and non-affiliates on client referral for remuneration as a percentage to management fees we received from the referred client.

Item 15 Custody

We do not have custody of US clients' funds or securities.

We have custody of non-US client funds or securities complying with Hong Kong rules and regulations.

We urge clients who have appointed own custodian to compare statements of account from us to the statements of account the client received from the custodian.

Item 16 Investment Discretion

We accept discretionary authority to manage clients' portfolio accounts upon signing of investment management agreements. We do not accept discretionary authority to manage securities accounts on behalf of clients.

Item 17 Voting Client Securities

- A We shall generally cast/recommend FOR or AGAINST vote for a resolution for very substantial acquisition, major transaction, discloseable transaction, share transaction and connected transactions with the benefit of the clients in mind.

For general non-contentious matters raised at the Annual General Meeting of listed company, we shall cast/recommend vote in favour of the listed company board's recommendation.

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Clients may have specified different instructions and direct us through agreed procedures to vote regarding the clients' investments under our management.

We will generally vote proxies in accordance with our in-house market specialists' recommendations. The market specialists will make the recommendation based on the principles set out in the Voting Policy and Procedures. In the event a proxy proposal giving rise to a material conflict of interest, the market specialists should consult Chief Investment Officer ("CIO") and Local Compliance Officer ("LCO") and legal advice, if deemed necessary by CIO or LCO.

Clients may write to us for information on how their securities were voted.

A copy of our Voting Policy and Procedures is available upon request.

Item 18 Financial Information

- A We do not receive prepayment of management fees.
- B Not applicable.
- C Not Applicable.

Item 19 Requirements for State-Registered Advisers

Not Applicable.