

Form ADV Part 2A

HSBC GLOBAL ASSET MANAGEMENT (UK) LIMITED

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This brochure provides information about the qualifications and business practices of HSBC Global Asset Management (UK) Limited. If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer – Natasha Cork at +44 207 024 1024. 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 (UK) Limited is also available on the SEC's website at www.adviserinfo.sec.gov.

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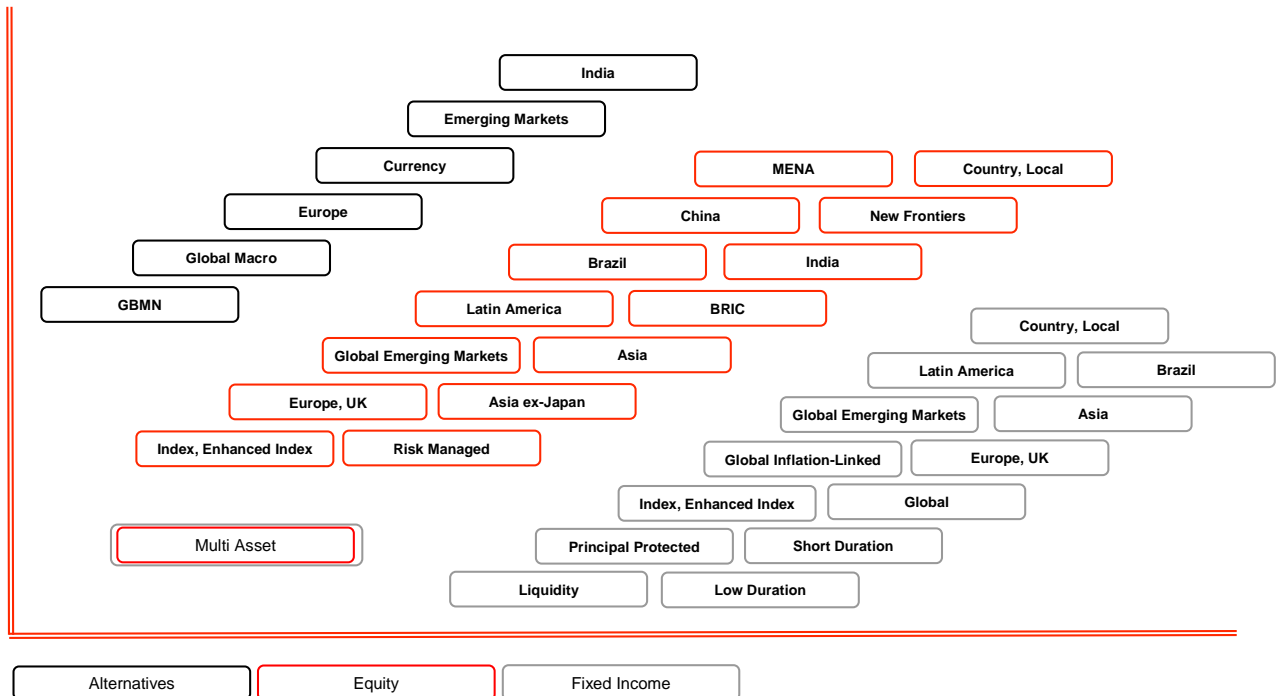
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ADVISORY BUSINESS

HSBC Global Asset Management (UK) Limited is 100% directly owned by HSBC Holdings plc (HSBC Group). HSBC Holdings Plc is a publicly owned corporation based in London, UK and trades on various stock exchanges around the world.

HSBC Global Asset Management (UK) Limited acts as a discretionary investment manager for retail and institutional clients including corporates, institutions and financial intermediaries of all sizes and types. We offer clients around the world a diverse and full range of investment solutions across equity, fixed income, liquidity and alternative asset classes. Our objective is to manage focused investment strategies that are responsive to client needs while delivering long-term value. HSBC Global Asset Management (UK) Limited was incorporated on 31 May 1985.

The chart below highlights the investment capabilities of HSBC Global Asset Management (UK):



For illustrative purposes only.

As part of the HSBC Group, HSBC Global Asset Management (UK) is regarded as one of the leading global investment management firms in the world. Our global reach allows us to utilise world-class research and implement product strategies on a worldwide basis.

This is particularly true in the emerging markets. The HSBC Group has been active in emerging markets for over 140 years and today is one of the world's largest managers of emerging markets assets with approximately \$122.3 billion¹ of client assets invested in local, regional and global emerging markets funds. HSBC traces its roots back to its founding member, the Hong Kong and Shanghai Banking Corporation Limited, which was established in 1865 to finance the growing trade between China and Europe. In this respect, the bank as a whole has been actively involved in emerging markets since the late 18th century. As a result of our unique history, emerging markets are part of our corporate DNA and are strategically important to our success.

Investment Restrictions

We do offer bespoke investment solutions. All segregated portfolios are subject to an Investment Management Agreement that may contain investment restrictions in accordance with client guidelines.

Pooled fund investment will be in accordance with the relevant fund Prospectus.

At 31 December 2011, HSBC Global Asset Management (UK) Limited managed US\$108,327, 99.7% of which was through discretionary mandates.

¹ At 31 December 2011

FEES AND COMPENSATION

We provide personalised fee-based investment management and advisory services to institutions, private clients, pension funds, charities, etc. We have fee scales in place that are dependant on the investment vehicle and mandate size, and are subject to negotiation.

All fee arrangements for segregated institutional clients are discussed and agreed at an individual mandate level by the relevant Global Business Manager.

All fee arrangements are pre-agreed with clients and are subject to an Investment Management Agreement (segregated) or Prospectus (pooled fund). Fees relating to the management of segregated portfolio are typically invoiced to the client, with pooled fund investment fees typically being deducted from assets held. Fees are deducted in accordance with the client's Investment Management Agreement, typically on a monthly or quarterly basis depending on the wishes of the client. For our pooled funds, fees are deducted on a continual basis as per the calculation of a daily Net Asset Value.

Clients will pay brokerage and custody fees; see "Brokerage Practices."

HSBC Global Asset Management (UK) Limited does not act as custodian. All segregated fees will, therefore, be pre-agreed with the client and form part of the client's Investment Management Agreement. Pooled fund investment fees will be charged at total expense ratio (i.e. inclusive of operating, administration and servicing costs).

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

HSBC Global Asset Management (UK) Limited does manage investment strategies that offer clients a performance related fee option.

In order to ensure that any potential conflict in the treatment of performance fee accounts is managed in an appropriate way HSBC Global Asset Management (UK) Limited maintains strict procedures in relation to the manner in which dealing occurs on behalf of client accounts. Particularly related to performance-related fees, HSBC Global Asset Management has strict internal controls that monitor all investment decisions and trade allocations, including performance-based fee arrangements. We manage portfolios on a strategy basis, with all decisions implemented across strategies on a pro-rata basis. In addition, we ensure that we adhere to all relevant legislation regarding Treating Customers Fairly (TCF) rules, in order to ensure that all clients are treated equally regardless of their fee arrangement.

TYPES OF CLIENTS

At 31 December 2011, HSBC Global Asset Management (UK) Limited managed US\$108,327m in assets by client type as follows:

Client Type	Assets - USD (m)	%
Pooled	27,415.18	25.31%
Corporate - Financial Services	59,735.01	55.14%
Corporate	251.74	0.23%
Corporate - Insurance	6,969.27	6.43%
Private Client	7,047.11	6.51%
Sovereigns & Supranationals	6,426.62	5.93%
Public Sector	151.6256441	0.14%
Charity / Non Profit	320.0157434	0.30%
Multi-Employer/Union	10.38004683	0.01%
Total	108,326.94	100.00%

Source: HSBC Global Asset Management, at 31 December 2011.

Segregated mandates do require a minimum account size, but this is dependant on the investment strategy. Minimum investment restrictions are also in place for our pooled fund vehicles, details of which are outlined in the relevant fund literature.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General Description

HSBC Global Asset Management is a leading global asset management firm offering clients around the world a diverse and full range of investment solutions across equity, fixed income, liquidity and alternative asset classes. Our objective is to manage focused investment strategies that are responsive to client needs while delivering long-term value through high conviction investing within a risk controlled environment.

As one of the world's leading emerging markets asset management businesses, through its network of offices in over 20 countries around the world, HSBC Global Asset Management has strong relationships with corporates, institutions and financial intermediaries of all sizes and types.

HSBC Global Asset Management leverages the global footprint of HSBC worldwide, giving us a unique perspective. Our significant presence and experience in the emerging markets provides a local knowledge advantage. We aim to leverage this expertise in delivering consistently strong investment performance in our global range of investment strategies while operating within a defined, disciplined framework.

At HSBC Global Asset Management we offer a wide range of investment solutions across equity, fixed income, liquidity and alternative asset classes using a number of different investment strategies.

HSBC Global Asset Management (UK) Limited currently offers only its Frontier Markets Equity strategy to US clients.

The Frontier Markets Equity strategy aims for long-term capital growth by investing primarily in securities of companies located, or operating, in frontier markets. The time horizon for any investment in the strategy should be five years or more.

The process for the strategy combines top-down country analysis and bottom-up stock analysis, with a strong emphasis on the latter. By combining top-down and bottom-up elements the Frontier Markets team believes the investment process allows it to equally exploit opportunities at the country, sector and company level as they arise. Approximately 70% of the process is focused on stock selection and 30% on country selection.

Frontier Markets Product Update

HSBC Global Asset Management merged the HSBC Specialist Investment Funds (SIF) – HSBC New Frontiers Fund into the new HSBC Global Investment Funds (GIF) - Frontier Markets fund on 30 November 2011. The former fund was one of the earliest mutual funds to launch in this space, in February 2008, and has built a strong history of relative performance against the MSCI Frontier Emerging Markets Capped Index. The previous fund, built as a Luxembourg based SIF, offered investors monthly liquidity and the newly launched UCITS fund offers daily liquidity.

In addition, the HSBC Frontier Markets Fund (US 40 Act fund) launched in September 2011 and was incorporated into the firm's composite for this strategy in November 2011.

General Investment Risks

Investing in securities involves risks, which clients should be prepared to bear. The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested.

- **Concentration Risk:** When a portfolio concentrates its investments, such as in one industry or geographic area, it does not have the diversity of investment that is generally expected from diverse portfolio. This means that each stock within the portfolio may have a more significant effect on its performance.
- **Shariah Compliant Risk:** It is important to note that the Shariah investment restrictions placed on the investments in the HSBC Amanah Funds may result in the funds performing less well than funds with similar objectives which are not subject to these restrictions.
- **Ethical Restrictions Risk:** It is possible that the ethical restrictions placed on the investment may result in the portfolio performing less well than portfolios with similar investment objectives which are not subject to ethical restrictions.

Equity Risks

- **Smaller Company Risk:** Where portfolios hold investments in smaller companies it should be noted that by their nature these companies are generally new to the market and may therefore be subject to significant price movements. They may also be difficult for the portfolio manager to buy and sell.

Fixed Income Risks

- **Fixed Interest Risk:** Income offered by bonds often reflects, in part, the risk rating of the issuer. This may affect the level of income the investor receives and/or the capital value of their investment. The performance of bonds, gilts and other fixed interest securities tends to be less volatile than those of shares of companies (equities). However there is a risk that both the relative yield and the capital value of these may be reduced if interest rates go up.
- **Interest Rate Risk:** The value of the underlying assets is strongly affected by interest rate fluctuations and by changes in the credit ratings of the underlying issuer of the assets.
- **Sub Investment Grade Bond Risk:** Sub investment grade bonds may produce a higher level of income than investment grade bonds, but carry increased risk of default on repayment.

International Risks

- **International Investing Risk :** Investing in securities or issuers in international markets involves risks such as currency risk, risks of trading in foreign securities markets, and political and economic risks. Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.
- **Emerging Markets Risk:** Markets in some countries are described as 'emerging markets'. Some of these may involve a higher risk than where investment is within a more established market. These risks include the possibility of failed or delayed settlement, registration and custody of securities and the level of investor protection offered. Emerging markets are generally, but not exclusively, those that are not within the United States, Canada, Switzerland and members of the European Economic area, Japan, Australia and New Zealand.
- **Frontier Markets**

Investments in Frontier Markets are by their nature higher risk and potentially more volatile than those inherent in established markets.

Economies in Frontier Markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries in which they trade.

Brokerage commissions, custodial services and other costs relating to investment in Frontier Markets generally are more expensive than those relating to investment in more developed markets. Lack of adequate custodial systems in some markets may prevent investment in a given country or may require a sub-fund to accept greater custodial risks in order to invest, although the Custodian will endeavour to minimise such risks through the appointment of correspondents that are international, reputable and creditworthy financial institutions. In addition, such markets have different settlement and clearance procedures. In certain markets there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. The inability of a sub-fund to make intended securities purchases due to settlement problems could cause the sub-fund to miss attractive investment opportunities. Inability to dispose of a portfolio security caused by settlement problems could result either in losses to a sub-fund due to subsequent declines in value of the portfolio security or, if a sub-fund has entered into a contract to sell the security, could result in potential liability to the purchaser.

The risk also exists that an emergency situation may arise in one or more developing markets as a result of which trading of securities may cease or may be substantially curtailed and prices for a sub-fund's securities in such markets may not be readily available.

Investors should note that changes in the political climate in Frontier Markets may result in significant shifts in the attitude to the taxation of foreign investors. Such changes may result in changes to legislation, the interpretation of legislation, or the granting of foreign investors the benefit of tax exemptions or international tax treaties. The effect of such changes can be retrospective and can (if they occur) have an adverse impact on the investment return of shareholders in any sub-fund so affected.

Liquidity Risks

- **Liquidity Restriction Risk:** A portfolio could be exposed to the risk that a particular investment or position cannot be easily unwound or offset due to insufficient market depth or market disruption. This can affect the ability of an investor to request the redemption of his investment from that portfolio, and can also have an impact on the value of the portfolio. Although the portfolios will invest mainly in liquid securities in which the investors are entitled to request the redemption of their investment within a reasonable timeframe, there may be exceptional circumstances in which the liquidity of such securities can not be guaranteed. Absence of liquidity may have a determined impact on the sub-fund and the value of its investments.

Alternative Asset Risks

- **Alternative Investment Risk:** There are additional risks associated with specific alternative investments within the portfolios; these investments may be less readily realisable than others and it may therefore be difficult to sell in a timely manner at a reasonable price or to obtain reliable information about their value; there may also be greater potential for significant price movements.
- **Property Risk:** The long term nature of investment in property and the income generated tend to make this type of investment less volatile than equities although it can be difficult to buy and/or sell quickly. Where the underlying portfolio invest directly in property, the property in the fund may not be readily realisable, and the Manager of the fund may apply a deferral on redemption requests. The value of property is generally a matter of the valuer's opinion rather than fact.
- **Commodities Risk:** Investments in commodities may be subject to greater volatility than investments in traditional investment types. They may be affected by disease, climatic changes and international economic and political developments, which may cause individual commodity prices to rise or fall sharply.
- **Derivatives Risk:** Portfolios may use derivatives for the purposes of efficient portfolio management. The use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in the investments underlying the derivatives. Whether the use of derivatives is successful will depend on, among other things, if the adviser correctly forecasts market values, interest rates and other applicable factors. If the adviser incorrectly forecasts these and other factors, the investment performance of a portfolio will be unfavorably affected. In addition, the derivatives market is largely unregulated. It is possible that developments in the derivatives market could adversely affect a portfolio's ability to successfully use derivative instruments.

DISCIPLINARY INFORMATION

There have been no legal or disciplinary events that are material to a client's or prospective client's evaluation of HSBC Global Asset Management (UK) Limited's advisory business or the integrity of its management persons.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Through HSBC Global Asset Management's relationship with our parent company HSBC Holdings Plc, we are affiliated with a variety of entities that provide banking and financial services, including broker-dealers. The firm's best execution standards apply to both affiliated and external broker-dealers. Best execution policies and procedures are established and serve to manage internal conflicts of interest. Consequently, we may transact with affiliated broker-dealers unless the investment management agreement/contract imposes different guidance.

HSBC may also deal as Principal for its own investment account and may be matching transactions with another client. Procedures are in place in order to protect the client's interest in this instance. In some cases, HSBC's procedures and controls may not be sufficient to ensure that a potential conflict of interest does not damage a client's interests. In these circumstances, HSBC may consider it appropriate to disclose the potential conflict to the client and obtain the client's formal consent to proceed. However, HSBC may decline to act in any circumstance where there is residual risk of damage to the interests of any client.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

HSBC Group has established procedures which apply to all operating units worldwide. These cover money laundering, personal account dealing, insider trading, gifts and entertainment, and breach of confidentiality obligations (among others).

- We have strict rules against employees accepting from clients any material personal benefits, including gifts, favors, services, loans or fees, and we actively discourage clients from offering any personal benefits to our employees.
- In conducting business with due skill, care and diligence, HSBC seeks always to comply with both the letter and the spirit of relevant laws, rules, regulations, codes and standards of good market practice.
- We address any irregularities that arise promptly, we seek to resolve them in a timely manner and in a way that protects our clients, the reputation of the firm and minimizes financial loss. We believe in transparency in our financial and regulatory reporting, with swift disclosure of any breaches.

We cooperate with supervisors and regulators to attain and maintain the highest operating standards to safeguard the interests of our key stakeholders - shareholders, clients, employees, and the communities where we operate

As administered by the Compliance Department, employees must certify annually that they have read and agree to comply with all the policies contained in the Compliance Manual. We actively monitor employee compliance with all laws, rules, and regulations. Senior management has made clear the utmost importance placed on exercising at all times our fiduciary duty to our clients according to the highest ethical standards.

The Code of Ethics requires employees to disclose all of their external brokerage accounts and personal securities transactions which are subject to pre-clearance. The firm requires all employees to complete annual training sessions in a number of other compliance areas (e.g.: anti-money laundering, privacy, ethics awareness, information security awareness, etc.)

The HSBC Global Asset Management UK Personal Account Dealing Procedures are designed to:

- prohibit insider dealing;
- prevent the front running of customer orders and research recommendations.
- avoid dealing on margin in order that employees do not find themselves in serious financial trouble;
- reduce the ‘velocity’ of trading i.e. during working hours employees should be working and not concentrating on their own financial activities;
- manage conflicts of interest; and
- discourage speculative dealing.

Employees must seek prior approval from HSBC Global Asset Management Compliance for each deal. Where approval is given, HSBC Global Asset Management Compliance will confirm their agreement in writing. Each approval is only valid for 24 hours from the time approval is given (excluding weekends and bank holidays).

Employees wishing to enter into a discretionary or a non-discretionary investment management agreement with an investment manager must obtain prior approval from Global Asset Management Compliance.

Compliance with the procedures is monitored by Global Asset Management Compliance.”

BROKERAGE PRACTICES

Broker-Dealer Selection

Part of our fiduciary responsibility as an investment manager is to seek the best price and execution of client security transactions. Transaction cost is minimised by executing with counterparties who are predetermined by HSBC Global Asset Management to be most likely to provide the best prices. Trades are executed on a competitive basis, whereby competitive bids and offers, from at least three firms are compared to our own pricing to ensure the lowest possible trading cost.

Since bond and currency trades are net of commission, executing all trades on a competitive basis is the optimal way to minimise trading costs. Our goal is to pay a fair commission rate relative to the amount of business we generate while not being so low as to jeopardise our quality of execution or liquidity.

HSBC Global Asset Management maintains a selection process for brokers/counterparties, which is aimed at obtaining the highest level of quality service.

Our Broker Selection Committee regularly defines the required services, establishes the method of evaluation, and is responsible for supervising on an ongoing basis the policy of brokers' selection, for each asset class.

To be included in the "Approved Brokers List", brokers are selected based on the following criteria: quality of research, sales support, efficiency and reliability of execution, efficiency and reliability of settlement and counterparty risk.

The "Approved Brokers List" is reviewed regularly by senior management. Assessment of broker performance is provided by the investment team. Approval of the broker list from the Local Risk Management Committee is also required. The committee reviews the list as an independent third party. Dealers and portfolio managers strictly use the "Approved Brokers List".

Transaction costs are managed closely and reviewed constantly. All trading activity is overseen by our Brokerage Committee which meets on a quarterly basis and includes portfolio managers, research analysts and traders who monitor the transaction costs and execution of trades for various brokers to ensure they are in accordance with industry averages.

Research and Other Soft Dollar Arrangements

HSBC Global Asset Management does not maintain soft dollars arrangements, directed trade or recapture programmes with broker-dealers. We do however maintain Commission Sharing Agreements (CSAs) with a core group of counterparties to facilitate payment of research services with other third parties.

Since 2005, HSBC Global Asset Management has operated under Commission Sharing Agreements with a number of major counterparties. Such agreements enable us to clearly identify the costs of execution and the costs of research related services paid for via commission. We aim to execute approximately 75% of our order flow through these counterparties, where it meets with our best execution obligations, thus generating “credits” which can be used to pay other third parties for research related services.

HSBC Global Asset Management (UK) Ltd receives research on securities and markets through Commission Sharing Agreements. This is used for background information only and is not relied upon to make investment decisions.

Aggregation of Trades

HSBC Global Asset Management (UK) has policies and procedures with respect to the fair and equitable allocation of trade orders and investment opportunities among clients. In executing brokerage transactions, HSBC Global Asset Management (UK) generally seeks to aggregate client trade orders for the same security into a single trade order, or “block order”, when HSBC Global Asset Management (UK) believes that doing so will improve trade execution. Each client who participates in a block order will be allocated their portion of the trade when it is completed. Block order trading may improve trade execution in terms of one or more of the following: enabling volume discounts on brokerage commissions or costs; improving execution speed, efficiency, anonymity, and liquidity of trades; and/or, increasing a portfolio manager’s ability to respond to price fluctuations during trading.

REVIEW OF ACCOUNTS

General Description

Each (segregated) client is appointed a dedicated client director. Client accounts and financial plans are reviewed with clients at pre-agreed times throughout the year (the requirements for which may form part of the Investment Management Agreement). These arrangements are subject to specific client requirements.

In addition, our client service representatives are available for questions and consultation during normal business hours. The portfolio management team is also available for conference calls to discuss performance, attribution, trading activities, and market events.

Factors Triggering a Review

Client accounts are reviewed on an on-going basis, however, there are events that may trigger a review, e.g. poor performance, departure of a senior portfolio manager.

We strive to provide our clients with administrative support and are committed to keeping clients abreast of all material information or changes concerning the firm and their portfolio.

Client Reports

For institutional segregated mandates we provide written reports to clients at least quarterly or as agreed with the client. Portfolio reports generally include portfolio holdings and may include performance information. Such reports are not intended to replace a client's custodial account statements as records for official or tax reporting purposes. Clients are encouraged to request and review quarterly account statements (including asset amounts and transactions during the period) sent directly from their custodian.

CLIENT REFERRALS AND OTHER COMPENSATION

HSBC Global Asset Management (UK) Limited does not receive compensation from a third party in connection with the investment management or advisory services it offers to clients.

HSBC Global Asset Management (UK) Limited does not offer compensation for client referrals.

CUSTODY

HSBC Global Asset Management (UK) Limited does not have custody of US clients' assets.

INVESTMENT DISCRETION

The majority of assets managed by HSBC Global Asset Management (UK) Limited is through discretionary managed portfolios. All segregated discretionary mandates will be the subject of a client-specific Investment Management Agreement. All pooled fund investments will be subject to the fund Prospectus.

VOTING CLIENT SECURITIES

Our primary responsibility as an investment management firm is to try to add value over the long term bearing in mind ownership responsibilities as agents for our clients. Any potential conflicts of interest we may face are addressed by HSBC Group policy in this area (see below). As with all our holdings, votes at our parent company and related entities are considered in the context of our voting guidelines. HSBC Global Asset Management is functionally and operationally independent from, and maintains arms length commercial relationships with, other HSBC Group companies.

Where we may be deemed to have a material conflicts of interest in voting a proxy, we will either vote the proxy in accordance with a third party's recommendation, or request that the client vote the proxy.

Instructions for obtaining client proxy voting records are provided in the Proxy Voting Policy. A copy of our Proxy Voting Policy will be provided on request.

FINANCIAL INFORMATION

HSBC Global Asset Management (UK) Limited does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. HSBC Global Asset Management (UK) Limited is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients, nor has it been the subject of a bankruptcy petition at any time during the past ten years.