

# HSBC Investments

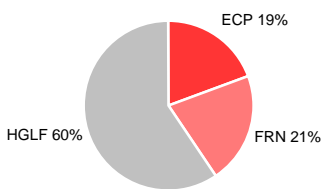
## HSBC Corporate Money Fund Sterling Fund - Class A & B

as at 29 February 2008

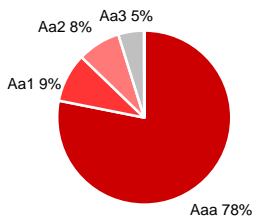
### Profile

Corporate Money Funds achieves a high level of current income that is consistent with the protection of capital and the maintenance of liquidity as it invests in a diversified portfolio of money market instruments.

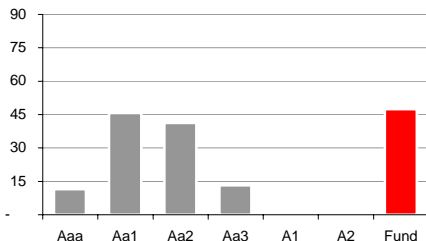
### Portfolio Composition



Instrument holdings	Weight
Commercial Paper	0%
Euro Commercial Paper	19%
Floating Rate Notes	21%
HSBC Global Liquidity Fund	60%



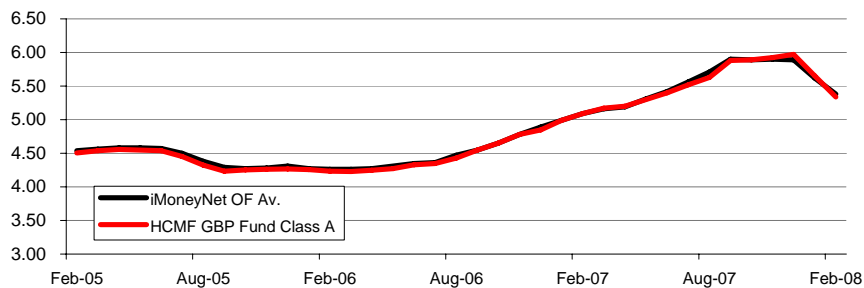
Credit quality mix	Weight
Aaa	78%
Aa1	9%
Aa2	8%
Aa3	5%
A1	0%
A2	0%



Weighted average maturity	Days
Aaa	11
Aa1	46
Aa2	41
Aa3	13
A1	-
A2	-
Fund	47

### Performance Data\*

3 year trailing 7 day yield comparison (% net yield)



### Fund Information

#### Structure

Open-ended money market fund, domiciled in Bermuda

#### Inception date

July 2, 2001

#### Classes of shares

Class A	Stable NAV (at GBP 1.00)
Class B	Stable NAV (at GBP 1.00)
Class R	Accumulating NAV

#### Rating

Moody's Aaa rated

#### Total Sterling Fund size

GBP 272.8 million

#### Annual fees

Class A	0.30%
Class B	0.35%

#### Dealing cut-off time

Daily to 12:00 noon (Bda. time)

#### Settlement

Next day

#### Minimum investment (\* currency equivalent)

Class A	USD 1,000,000*
Class B	USD 25,000*

#### Subsequent investment

Class A	USD 25,000*
Class B	USD 10,000*

#### ISIN codes

Class A	BMG021901258
Class B	BMG021901332

#### Bloomberg tickers

Class A	APCMYSA BH
Class B	APCMYSB BH

#### CUSIP codes

Class A	G02190121
Class B	G02190133

#### Performance\*

	Class A	Class B
7 Day Yield	5.34%	5.29%
30 Day Yield	5.42%	5.37%
1 Year Yield	5.58%	5.53%
iMoney net avg 7-day	5.38%	5.38%

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## Commentary

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The Bank of England moved again on the base rate by lowering it to 5.25 %, the second rate cut in the past three months. This move had been largely priced by the market. The Minutes from the MPC meeting showed that the Committee had voted 8-1 in favour of a cut, with one of the more dovish members voting for an immediate 50bps cut. The overall tone of the minutes was soft and it highlighted the Committee's concerns about credit related downside growth risks and this would now appear to be the principle factor driving rates lower. The BoE faces a tough task in the coming months as it will become an increasingly complicated task trying to balance the risks to inflation on the one hand with the downward pressure to growth and GDP that the tightening credit conditions and adverse economic news will have on the other hand.

Also of note in February was the publication of the Bank's Quarterly Inflation Report which led to participants revising their interest rate expectations upwards as the Bank expressed concerns about inflation going above the 3 % band in the first half of the year. This led to spreads widening in the second half of the month and reversed the trend seen earlier, when the market tightened as interest rate cuts were being priced quite aggressively.

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*\* Performance Data Source: HSBC Investments (Bermuda) Ltd / iMoney.net*

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