

# ▶ HSBC Investments

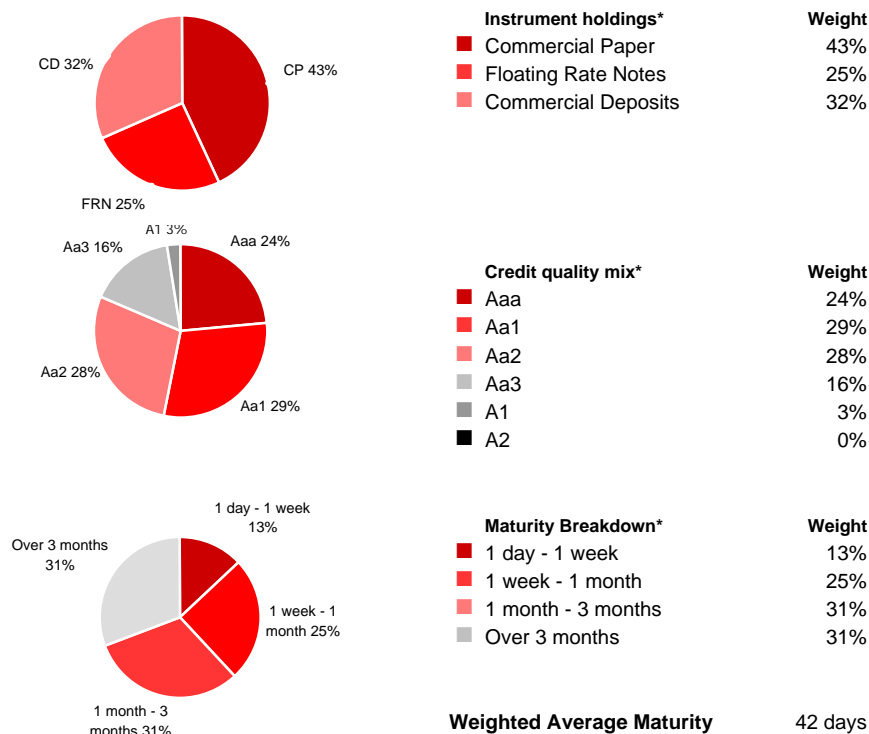
## HSBC Corporate Money Fund US Dollar Fund - Class A & B

as at 29 February 2008

### Profile

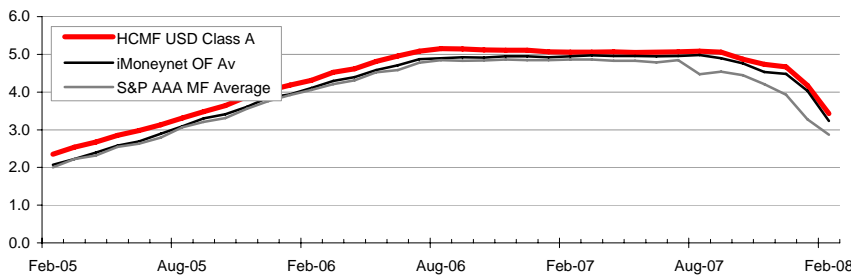
HSBC Corporate Money Funds achieves a high level of current income that is consistent with the protection of capital and the maintenance of liquidity as it invests in a diversified portfolio of money market instruments.

### Portfolio Composition



### Performance Data\*\*

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



### Fund Information

#### Structure

Open-ended money market fund, domiciled in Bermuda

#### Inception date

December 11, 1997

#### Classes of shares

Class C	Stable NAV (at USD 1.00)
Class A	Stable NAV (at USD 1.00)
Class B	Stable NAV (at USD 1.00)
Class R	Accumulating NAV

#### Rating

Moody's Aaa rated

#### Total US Dollar Fund size

USD 10 billion

#### Annual fees

Class A	0.30%
Class B	0.35%

#### Dealing cut-off time

Daily to 3:00 pm (Bda. time)

#### Settlement

Same day

#### Minimum investment

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	BMG021901092
Class B	BMG021901175

#### Bloomberg tickers

Class A	BERINMI BH
Class B	BERINBI BH

#### CUSIP codes

Class A	G02190109
Class B	G02190117

#### Performance\*\*

	Class A	Class B
7 Day Yield	3.43%	3.38%
30 Day Yield	3.65%	3.60%
1 Year Yield	4.84%	4.79%

iMoney net avg 7-day	3.23%	3.23%
S&P AAA MF avg 7-day	2.87%	2.87%

## Commentary

The US Commerce Department reported preliminary Q4 GDP of 0.6%, below market expectations of a 0.8% growth rate. A big upward revision to net exports was offset largely by a big downward revision to inventories. The FOMC are due to meet again on March 18th, where the futures market has priced in with 100% certainty that they will cut the funds rate by 50 basis points to 2.50%, while a 75 basis point cut is seen as very likely as well.

- Inflation figures for January came in higher than expected with monthly PPI increasing 0.4% m/m, and 2.3% y/y ex. food and energy. The January CPI data rose slightly y/y to 4.3% from 4.1%, while the core y/y rate increased to 2.5% from 2.4%.
- January Nonfarm payrolls were released in early February falling 17,000, but from an upwardly revised 82,000 in December. The unemployment rate fell from 5.0% to 4.9%.
- During Bernanke's senate testimony this month, he left the door wide open for cuts, reiterating the Fed's position that economic growth is still their main area of concern.

LIBOR remained relatively steady for the month of February, although continued negative economic reports implied the Fed would continue to cut rates over the next few months. We continue to purchase term securities where it is feasible, maintaining our average maturity in the fund in the region of 45 days. Current expectations are for the Fed to cut the target funds rate by another 50-75 basis points at the next meeting on March 18, with a 100% probability of the funds target of 2.00% by the end of June 2008. Given these expectations, the fund continues to perform well against its peer group of AAA rated offshore liquidity funds, consistently beating the peer group average. Although we have brought our WAM more in line with our target of 45 days, we continue to remain conservative with respect to liquidity in the portfolio.

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*\*The allocations include the composition of the HSBC Global Liquidity Fund - USD. A holding in this AAA rated money market fund was introduced in August 2006.*

*\*\* Performance Data Source: HSBC Investments (Bermuda) Ltd for HCMF C / iMoney.net for iMoneynet O/F ave.*

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