

# HSBC 100+ Series China Region Investment Fund fact sheet

## Access growth in the China region with capital protection at maturity

HSBC 100 + Series China Region Investment (**China Region Investment**) provides investors with exposure to the equity markets of China, Hong Kong and Taiwan with the comfort of 100% capital protection at maturity.\* Importantly, investors can select how they receive potential returns from the investment, either as a capital growth payment at maturity or as annual income throughout the term. This may allow you to manage your client's cashflow and tax position more effectively.

### Key benefits

#### ▶ Capital protection at maturity

Take advantage of potential growth in the China region with the peace of mind that the investment is 100% capital protected at maturity.\*

#### ▶ Diversification

Diversify your client's portfolio with an investment in the China region.

#### ▶ Invest with a low initial capital outlay

Investors have the option to borrow to fund their investment.\*\*

#### ▶ Potentially tax efficient investment

The investment provides a potentially tax efficient structure if investors borrow to invest.

#### ▶ HSBC advantage

Invest with HSBC, one of the largest banking and financial services organisations in the world.

#### ▶ Manage your client's cashflow

Choose whether returns are received as capital growth or annual income to suit your client's cashflow requirements.



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## How the investment works

### ► The investment

China Region Investment provides investors with exposure to key China A Shares, and key shares listed on the Hong Kong and Taiwan stock exchanges through an equally weighted basket of Underlying Indices comprising:

- iShares FTSE/Xinhua A50 China Exchange Traded Fund;
- Hang Seng Index; and
- MSCI Taiwan Index.

### ► Potential returns

#### Growth option

Investors can receive a return from the performance of the Underlying Indices (referenced from the beginning of the investment and averaged over 7 observations spanning the last 6 months of the investment term) up to an indicative cap of 115% at maturity<sup>^</sup>.

#### Income option

Investors can receive an annual payment up to an indicative cap of 13.2% pa<sup>^^</sup>. The income is payable at the end of each year and is equal to the average annual performance of the basket of Underlying Indices from the beginning of the investment.

### ► At maturity

At maturity the investor will receive their capital and growth return (if any) in units in the delivery asset. The delivery asset consists of units in the SPDR S&P/ASX 200 Fund (ASX code STW). The investor may request the units to be sold and receive the cash proceeds.

## HSBC Advantage

HSBC Bank Australia Limited, the issuer of China Region Investment, is a member of the HSBC Group, which is one of the largest banking and financial services organisations in the world. With assets of US\$2,364 billion as at 31 December 2009, the HSBC Group is one of the most strongly capitalised and liquid banks in the world.



## Borrowing to invest

China Region Investment has been approved by Leveraged Equities for a Leveraged Equities Investment Loan. This gives your clients the opportunity to borrow all or part of their initial investment amount.\*\* Interest on the loan may be tax deductible.

Interest rate options	Interest payment options
Variable rate	<ul style="list-style-type: none"><li>• Monthly in arrears</li></ul>
Fixed rate for 1 year to 5 years	<ul style="list-style-type: none"><li>• Annually in advance</li><li>• Monthly in arrears</li></ul>

Full details about the loan can be found at [www.leveraged.com.au](http://www.leveraged.com.au)

## Key features

Investment term	5 years
Minimum investment amount	\$20,000
Additional investment amounts	\$1,000
Research rating	Lonsec "Recommended"

## Key risks

Investors should read the PDS, which explains the risks in full, before they make an investment. In particular, investors should be aware that if the underlying indices underperform during the investment term, they might receive zero return from China Region Investment.

For a full set of risks please refer to the PDS.

## How to apply

To make an application investors should speak to their financial adviser and complete the application form attached to the PDS. Investors should read the PDS before deciding whether to invest. The PDS and other supporting information is available at [www.hsbc.com.au/100plus](http://www.hsbc.com.au/100plus)

## Key dates

Offer Opens	17 May 2010
Offer closes	18 June 2010
Direct debit date	17 July 2010
Investment date	On or about 16 July 2010
Maturity date	30 June 2015

## Contact us

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### Disclaimer

\*Capital protection only applies at maturity – any early withdrawals are not subject to capital protection. As a result if investors withdraw their Investment before maturity there is a possibility that they will receive less than the amount they invested.

\*\*Subject to eligibility.

^The Growth Cap will be determined by the Issuer based on prevailing market conditions at the start of the Investment. If the Investment started at the date of the PDS (20 Apr 2010), the Growth Cap would be at 115%. If a minimum Growth Cap of A\$0.75 per A\$1 invested is not achievable on the Issue Date, the Growth Investment will not proceed and your Growth Application Amount will be returned to you without interest.

^^The Income Cap will be determined by the Issuer at the start of the Investment. If the Investment started at the date of the PDS (20 Apr 2010), the Income Cap would be at 13.2%. If a minimum Income Cap of A\$0.10 per A\$1 invested is not achievable on the Issue Date, the Income Investment will not proceed and your Income Application Amount will be returned to you without interest.

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### Hang Seng Index

Please refer to the disclaimer in relation to the Hang Seng Index in the PDS.

### iShares FTSE/Xinhua A50 China Index Exchange Traded Fund

The name of iShares FTSE/Xinhua A50 China Index Exchange Traded Fund is included here for identification purposes only. “iShares” is a registered mark of BlackRock Institutional Trust Company N.A. (**BlackRock**). The Investments are not sponsored, endorsed, sold, or promoted by BlackRock. BlackRock makes no representations or warranties to the Investors or any member of the public regarding the advisability of investing in the Investments. BlackRock has no obligation or liability in connection with the operation, marketing, trading or sale of the Investments.

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