



# Invest in emerging markets with an advantage.

HSBC 100+series Emerging Markets  
Outperformance (Growth) Investment

HSBC 100+series Emerging Markets  
Outperformance (Income) Investment

**HSBC**   
The world's local bank

The HSBC 100+ Series Emerging Markets Outperformance Investment (the "Investment") is a 3 Year product that offers you exposure to the outperformance of emerging markets' equities against developed countries' equities, with the comfort of 100% capital protection at maturity. In addition, you have a choice of receiving your potential Investment returns as capital growth and/or annual coupons.

## Exposure to Emerging Markets Outperformance

The investment return is linked to the HSBC Emerging Markets Outperformance Strategy Australian dollar unit class (the "Strategy").

There are three components to the Strategy:

- ▶ A bought (or long) position in the HSBC Global Emerging Markets Optimised Total Return Index funded by a notional borrowing.
- ▶ A sold (or short) position in four major developed markets equity indices through the futures contracts.
- ▶ Two risk reduction features. One where the emerging market position is reduced when emerging market index is falling. And the second to limit the Strategy's volatility by reducing exposure to both the emerging market and sold developed countries' futures' position in more turbulent periods.

## About the Investment

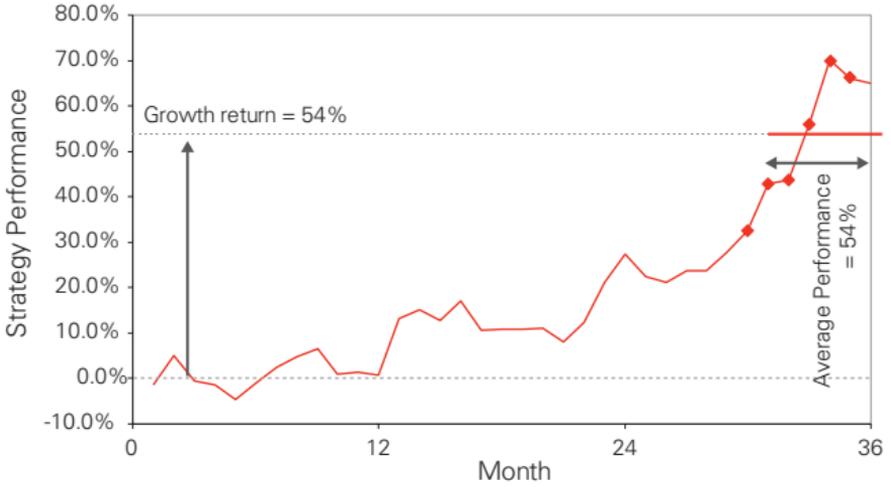
The Investment provides you with returns linked to the performance of the Strategy. You may choose to receive the returns in the form of capital growth payable at maturity (for the Growth Investment), or in coupons payable annually (for the Income Investment), or a combination of both.

The return on the Investment is based on the performance of Strategy. The performance of the Strategy is always referenced back to the initial level of the Strategy when the Investment commenced.

**The following examples are used to explain the calculation methodology for the Investment return. It is not intended to be indicative of the past or future performance of the Strategy or the Investment.**

## Growth Investment

The return (if any) at maturity equals the performance of the strategy averaged over 7 observations spanning the last 6 months of the Investment term. You may receive capital growth payable at maturity of the Ending Average multiplied by the Growth Participation Rate (at the date of the PDS 100%<sup>†</sup>).

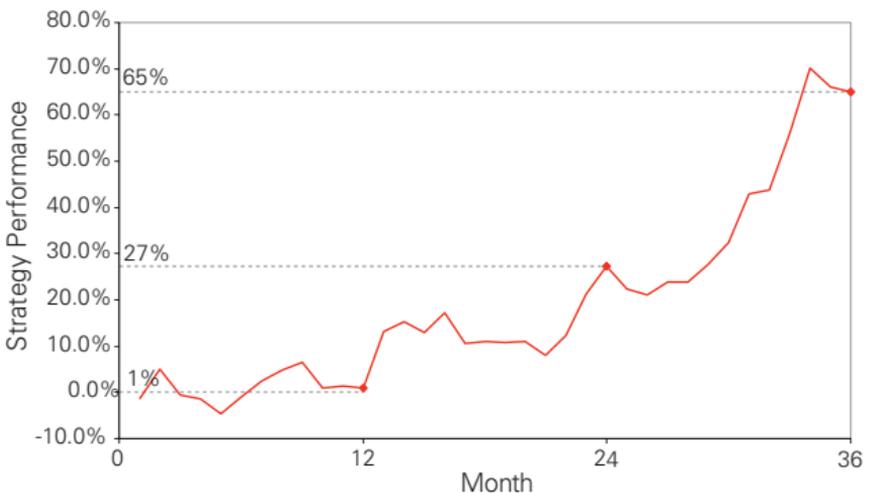


Month End	30	31	32	33	34	35	36
<b>Strategy Performance</b>	33%	43%	44%	56%	71%	66%	65%

Ending Average Return over last 6 months = 54%

## Income Investment

The coupon payable (if any) at the end of every year over the investment term is equal to the average annual performance of the Strategy multiplied by the Income Participation Rate. The average annualised performance is the performance of the basket at the end of the year, measured from the initial levels, and divided by the number years since the Investment started. The Income Participation Rate at the date of the PDS was 70%<sup>‡</sup>.



Month End	12	24	36
<b>Strategy Performance</b>	1%	27%	65%
<b>Income Amount (70% Income Participation Rate)</b>	0.70% (1%/1 x 70%)	9.45% (27%/2 x 70%)	15.17% (65%/3 x 70%)

## Capital protection

The Investment provides you with the comfort of 100% capital protection at maturity\*. In the event that the Strategy falls significantly from its initial levels, you can enjoy the comfort of knowing that your initial investment amount is protected and will be returned to you at maturity.

## Low minimum investment amount

For a minimum investment of A\$20,000, with increments of A\$1,000 thereafter, you can access the emerging markets outperformance against developed markets and with 100% capital protection at maturity\*. You may apportion your investment amount between the Growth and Income Investments in parcels of A\$1,000.

## What are the risks in this Investment?

There are risks in this investment, including:

- ▶ Market risk that the Strategy perform unfavourably resulting in an Investment Return of zero.
- ▶ Early withdrawal risk, whereby you terminate your Investment prior to the Maturity Date and in which case capital protection will not apply.

You should read the PDS, which explains the risks, before you make an investment. In particular, you should be aware that if the Strategy under performs during the Investment Term, you may not receive any return for the Growth Investment and/or the Income Investment.

## How the Investment fits into an investment portfolio?

The Investment may appeal to a broad range of investors who:

- ▶ Seek to gain exposure to the emerging markets equity markets against developed countries equity markets, looking to take advantage of this difference, but at the same time looking to limit their downside risk.
- ▶ Would like the choice of receiving capital growth and/or regular income returns to suit their personal cash flow requirements.
- ▶ Appreciate the certainty of 100% capital protection at maturity.\*
- ▶ Value investing with one of the largest banking and financial services organisations in the world.
- ▶ Are comfortable with investing for a period of 3 years.
- ▶ Have at least A\$20,000 to invest.

## HSBC Bank Australia Limited

HSBC Bank Australia Limited, the Issuer of the 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\$2,412 billion as at 30 June 2010, HSBC Group is one of the most strongly capitalised and liquid banks in the world.

HSBC Bank Australia Limited started operations in Australia in 1965 and was granted a commercial banking licence in 1986. In Australia, HSBC offers an extensive range of financial services through a network of 34 branches and offices.

For more information call  
**1300 308 008**

visit  
**[hsbc.com.au/100plus](http://hsbc.com.au/100plus)**

or visit any HSBC branch

This brochure does not take into account your individual objectives, financial situation or needs. You should consider the appropriateness of it having regard to your personal circumstances, obtain and consider the Product Disclosure Statement (PDS) or seek personal advice before you make an investment decision. A copy of the PDS is available at our website [www.hsbc.com.au](http://www.hsbc.com.au), by visiting a branch or by calling us on 1300 308 008. Issued by HSBC Bank Australia Limited ABN 48 006 434 162 AFSL 232595.

\*Capital protection only applies at maturity and provided no Early Termination Event has occurred. Capital protection is also subject to the creditworthiness of the Issuer.

†The Growth Participation Rate 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 (10 December 2010), the Growth Participation Rate would have been 100%. If a minimum Growth Participation Rate of 75% 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 Participation Rate will be determined by the Issuer at the start of the Investment. If the Investment started at the date of the PDS (10 December 2010), the Income Participation Rate would have been 70%. If a minimum Income Participation Rate of 50% 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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