

Equities

HSBC Mutual Fund

June 2007

Presentation Structure



India – Long Term Perspective

Current Market Overview

Product Review

India : Growth Drivers – Enabling Factors

- Domestic consumption
- Investment cycle
- Exports / Outsourcing

- Demographics
- 15 years of reforms: globalization, liberalization
- Lower interest rates
- Forex reserves

Presentation Structure

India – Long Term Perspective

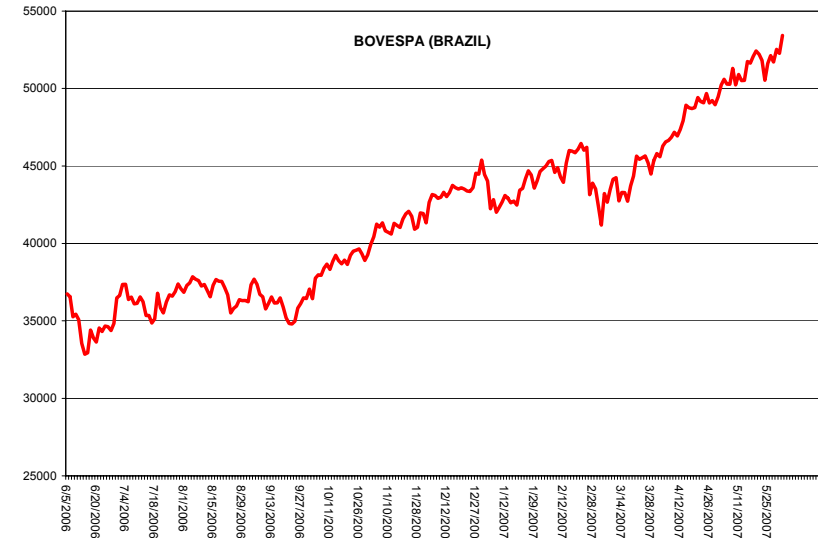
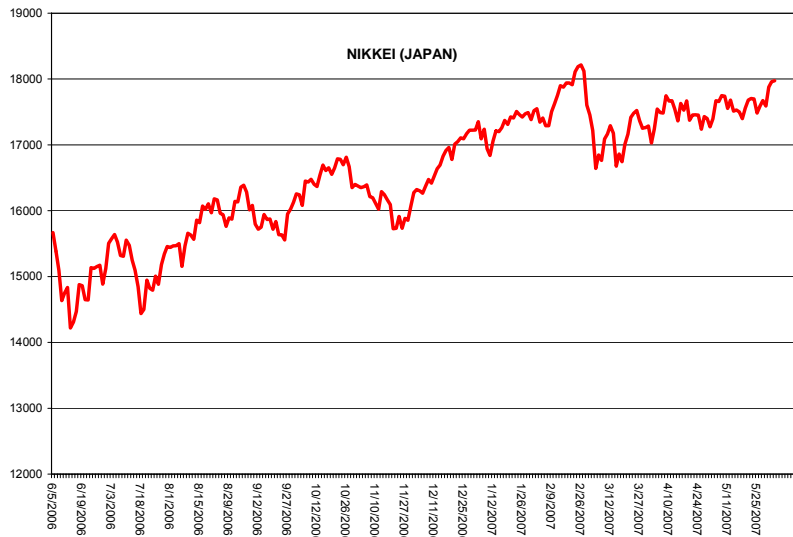
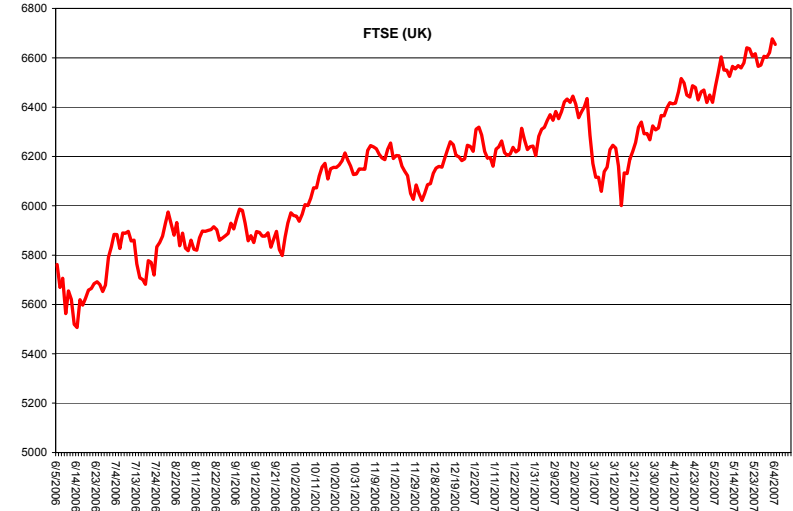
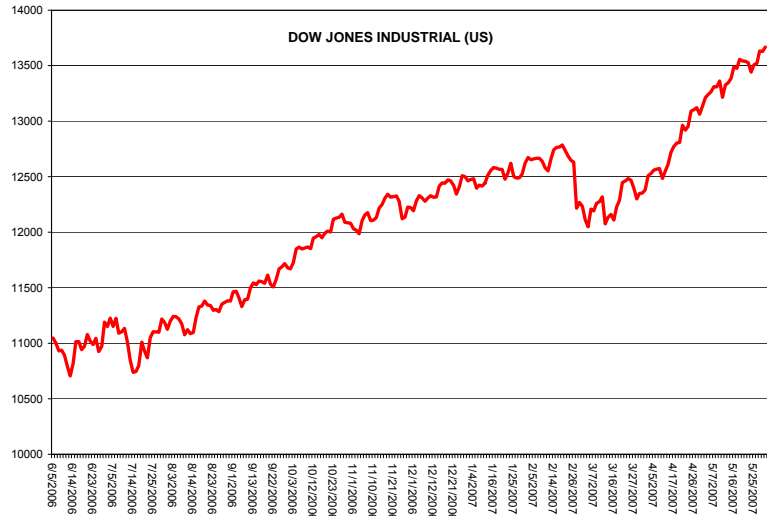
Current Market Overview

Product Review

Equity Markets

Global markets:
Most markets at
multi-year highs

International
markets getting
increasingly
correlated



Source: HSBC, Bloomberg



Equity Markets

Performance of global markets on a one-year basis

Emerging markets continue to lead performance over developed markets

The prominent underperformers are the oil-producers

India at 42% returns (60% in USD terms), is in the top 33%

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Ranked Returns: Equity Indices

Page 1/ 6

Total: 90 Indices	Ret Period	Region	Base Curr	Adjust?
Best Performing Indices				
	1) PERU LIMA GENERAL INDEX			169.82
	2) BELEX15 INDEX			163.40
	3) CSI 300 INDEX			159.03
	4) PFTS Index			117.56
	5) BOTSWANA GABORONE INDEX			110.28
	6) Nigeria Index Index			106.46
	7) CROATIA ZAGREB CROBEX			97.45
	8) HO CHI MINH STOCK INDEX			88.60
	9) Slovenian Total Market			88.59
	10) GENERAL MARKET INDEX CSE			87.08
Worst Performing Indices				
	11) JSE MARKET INDEX			2.72
	12) KUWAIT SE PRICE INDEX			n.a.
	13) DSM 20 Index			
	14) Trinidad Tobago Composite			
	15) ABU DHABI SEC MRKT INDEX			
	16) DFM GENERAL INDEX			
	17) AMMAN SE GENERAL INDEX			
	18) MALTA STOCK EXCHANGE IND			
	19) BLOM STOCK INDEX			
	20) TADAWUL ALL SHARE INDEX			

Primary Equity Indices	Not Currency Adjusted	Start Date	End Date
6/ 5/06 - 6/ 5/07			

Worst Performing Indices	Return
	-3.64
	-4.12
	-5.20
	-9.79
	-14.36
	-15.09
	-20.52
	-39.93

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 920410
 Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2007 Bloomberg L.P.
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Commodities

Strong base demand from economies like India, China and other developing markets, and growth in developed economies continue to support commodity prices

Metals and soft commodities among the leading 12 month performers

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Commodity Ranked Returns

Period 12 Month Source Goldman Sachs Comdty Index Currency USD
 Range 08/05/06 - 08/05/07 Return Generic Contract Members 24

Best Performing Members

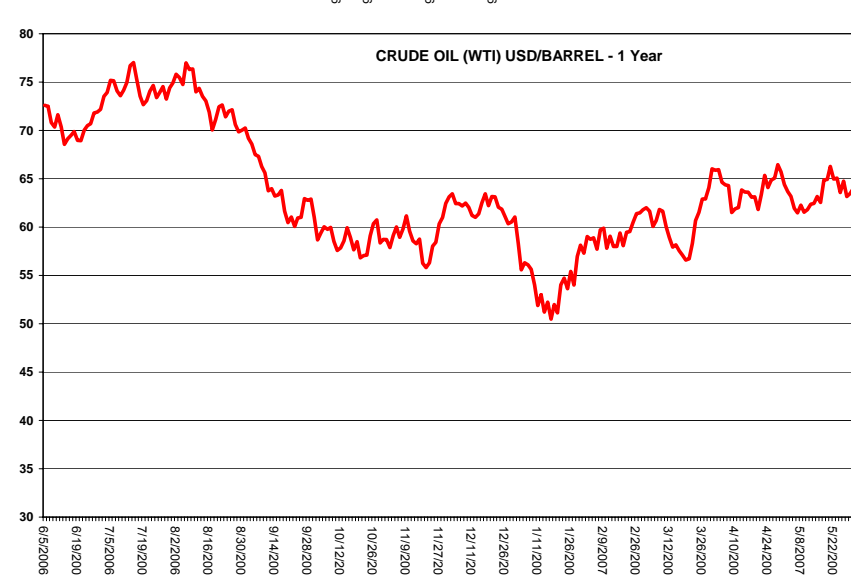
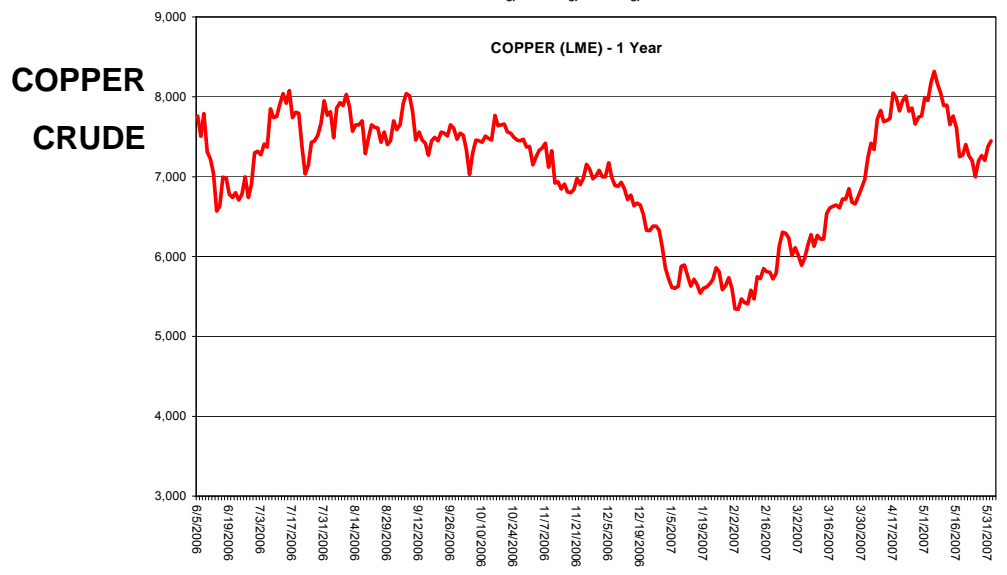
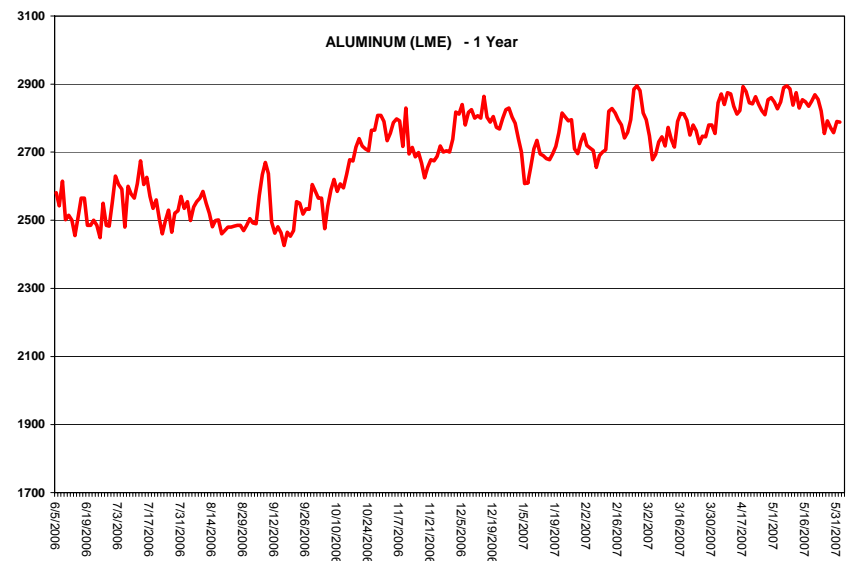
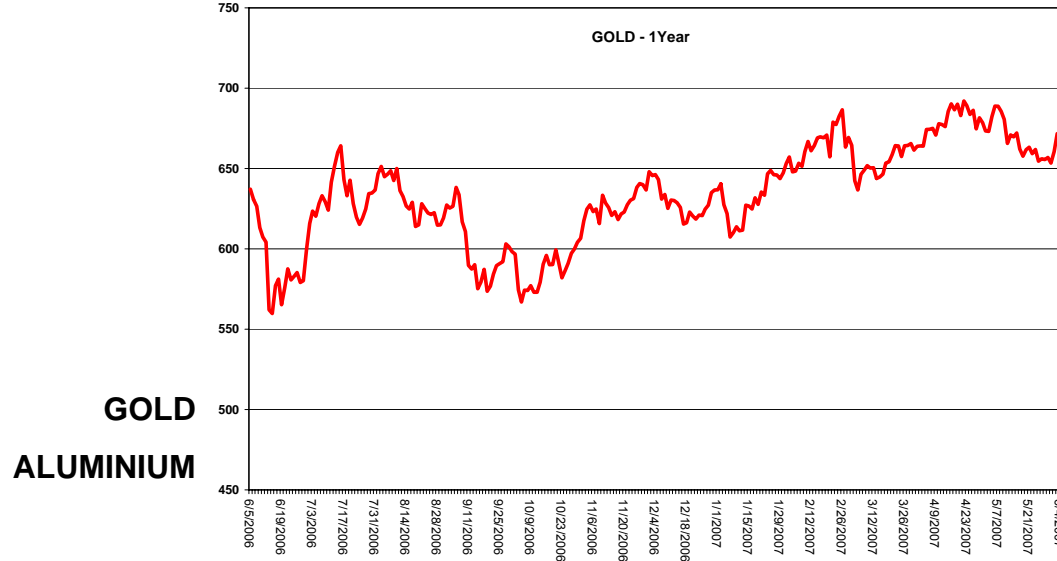
1) LL1	Lead	133.86
2) LN1	Nickel	123.43
3) C 1	Corn	52.77
4) S 1	Soybeans	37.38
5) W 1	Wheat	31.74
6) NG1	Natural Gas	26.57
7) CC1	Cocoa	26.46
8) KC1	Coffee	17.32
9) LC1	Live Cattle	13.63

Worst Performing Members

10) FC1	Feed Cattle	1.53	
-1.56	11) CO1	Brent Crude	
-1.80	12) LP1	Copper	
-3.77	13) HO1	Heating Oil	
-3.94	14) QS1	Gas Oil	
-4.84	15) CT1	Cotton	
-4.94	16) XB1	RBOB Gasoline	
-9.21	17) CL1	Crude Oil	
-42.17	18) SB1	Sugar	

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 Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2007 Bloomberg L.P.
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Commodities



Source: HSBC, Bloomberg

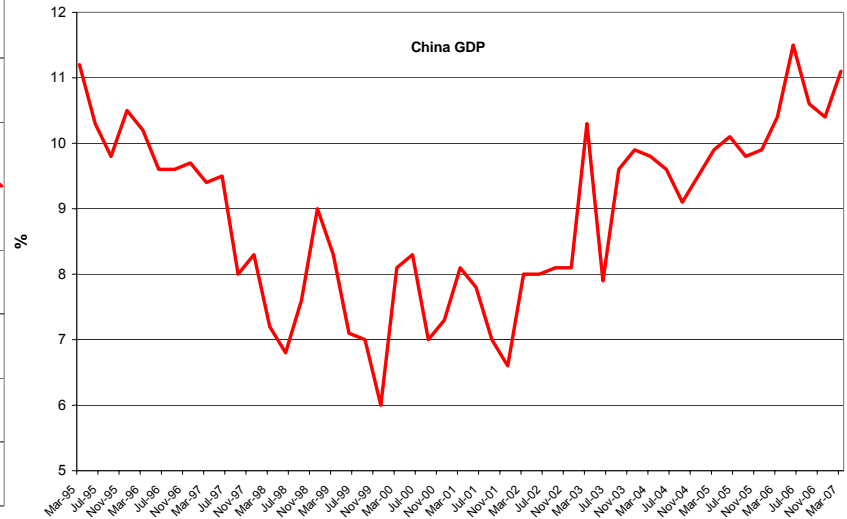
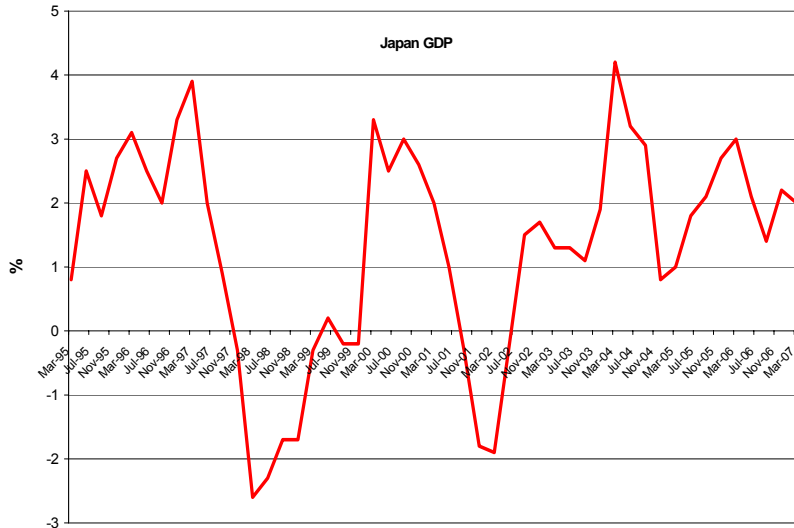
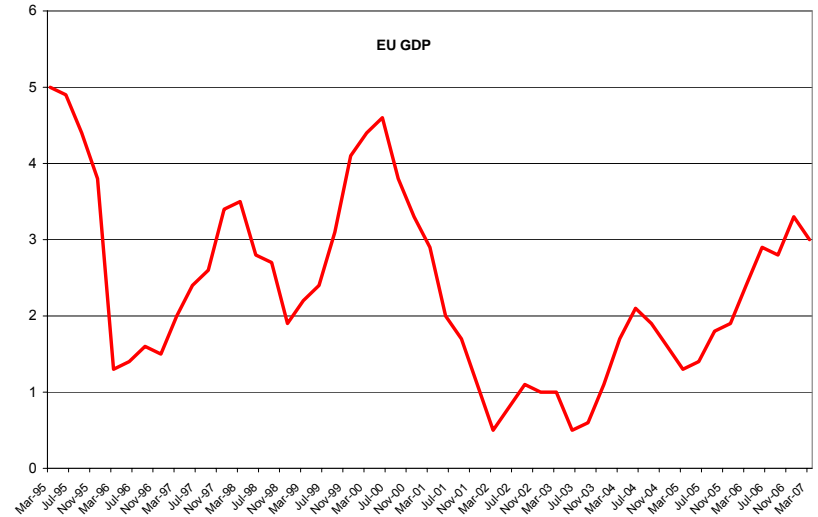
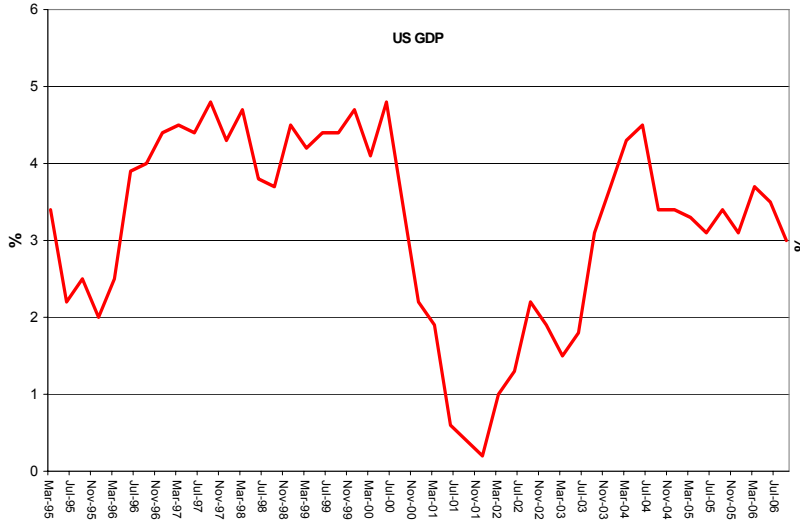


Global Macro : GDP Growth

Global growth still sanguine, but showing signs of tapering off.

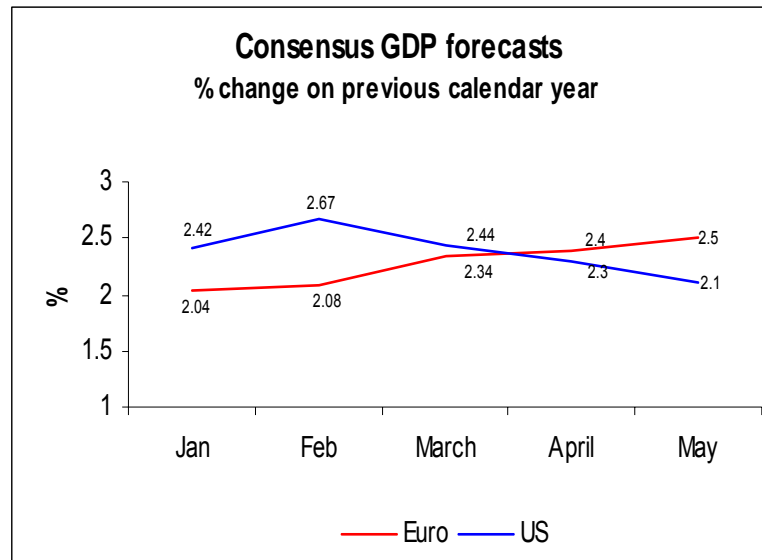
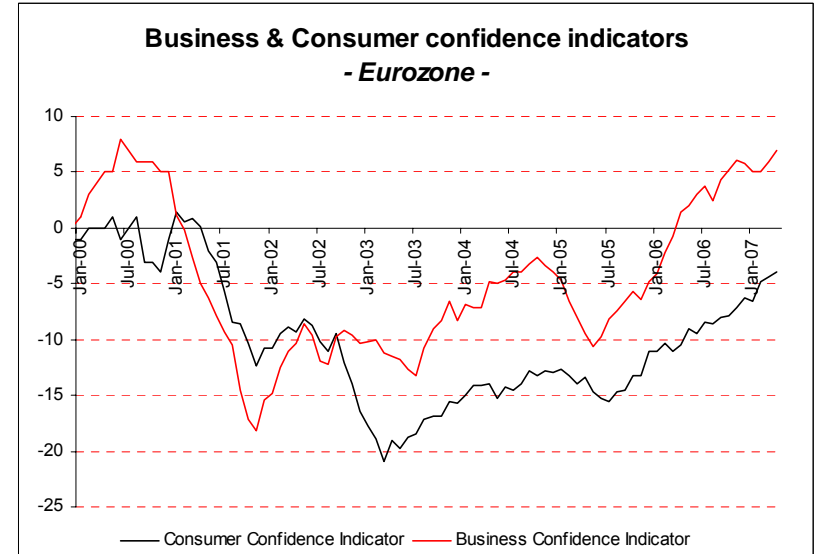
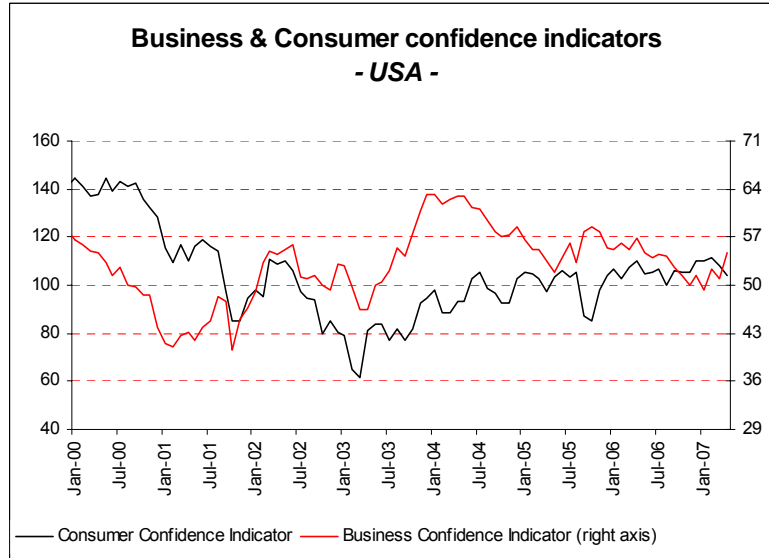
The concern which manifests from time to time is that rising inflation and interest rates will induce a global slowdown.

The problems in the US housing market are adding to these fears



Global Macro : GDP Growth

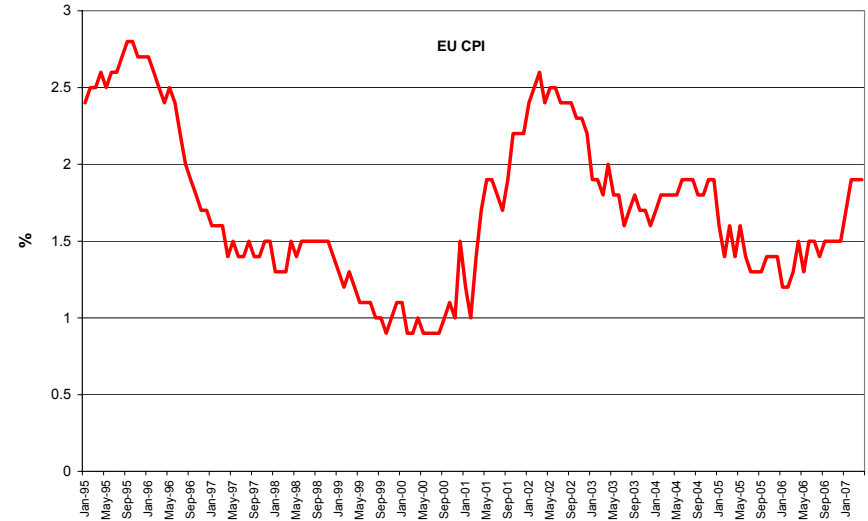
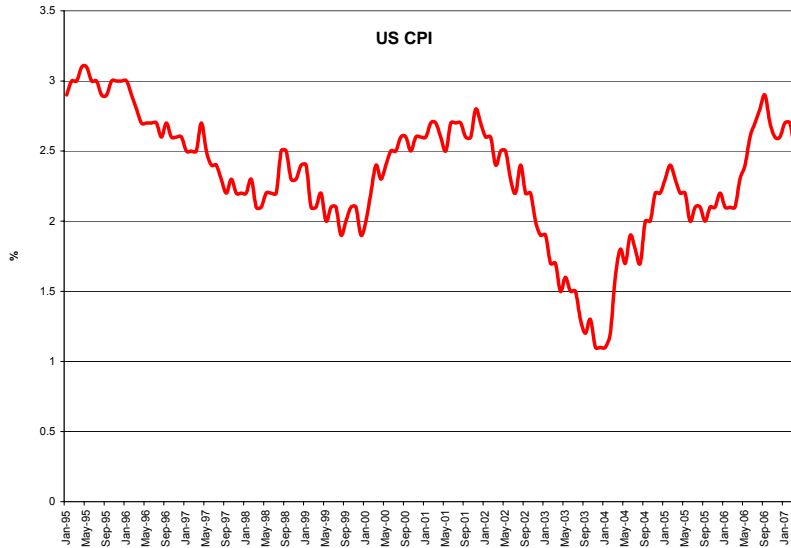
Divergence in growth momentum in US and Europe



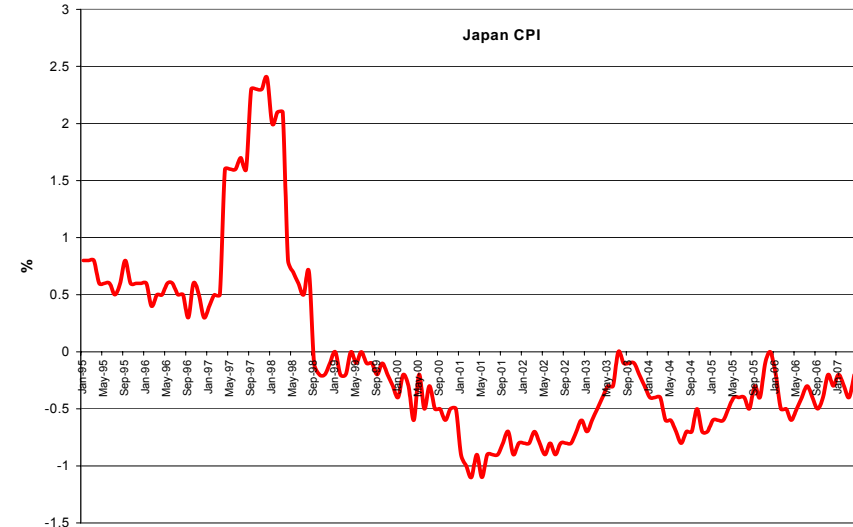
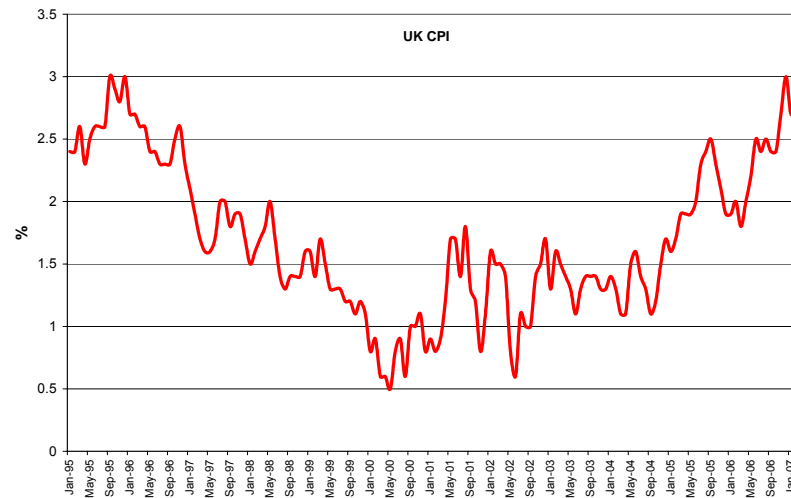
Source: HSBC, Bloomberg

Global Macro : Inflation

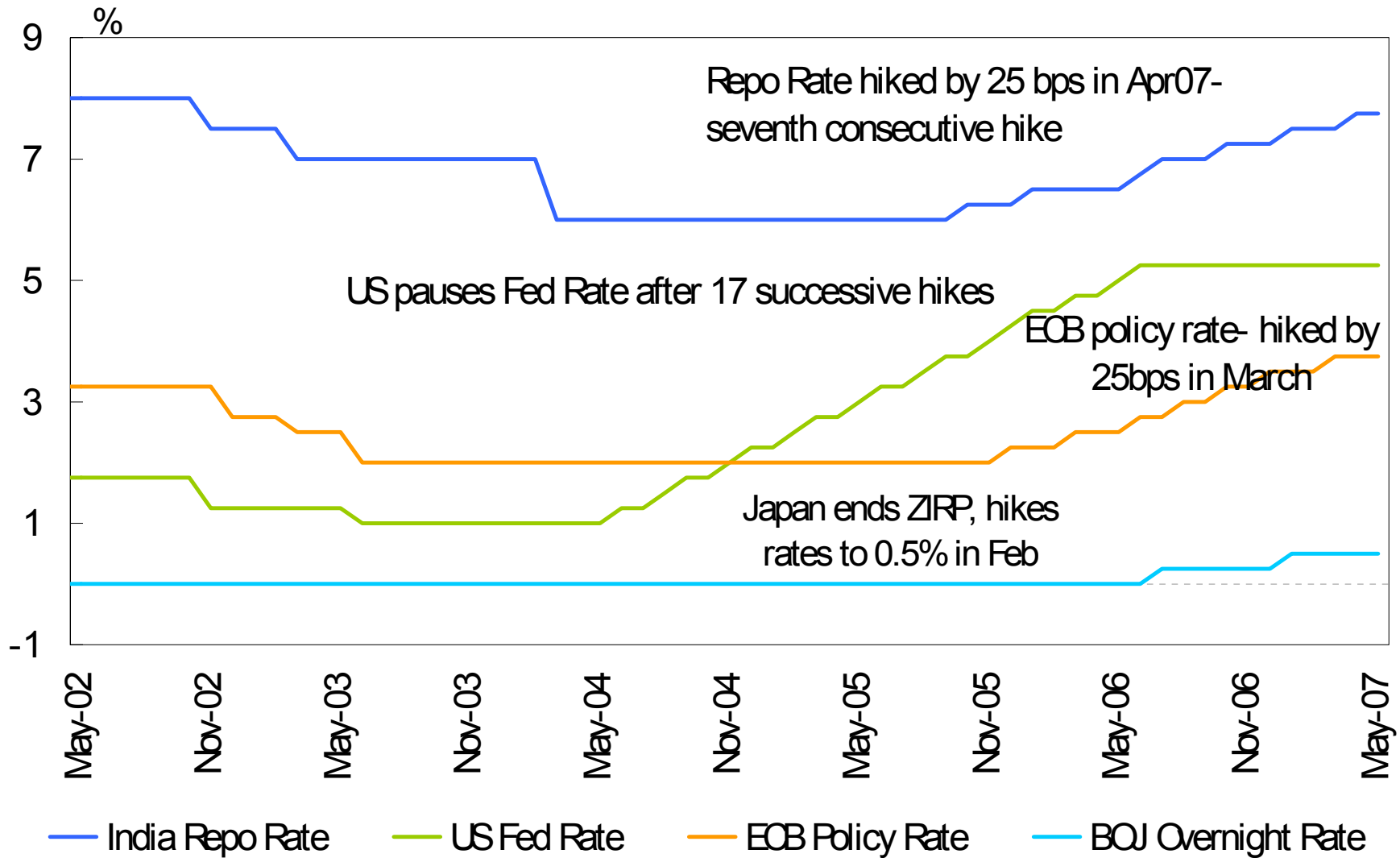
Inflation is the top concern of central bankers around the world..



.....leading to higher interest rates (next slide)



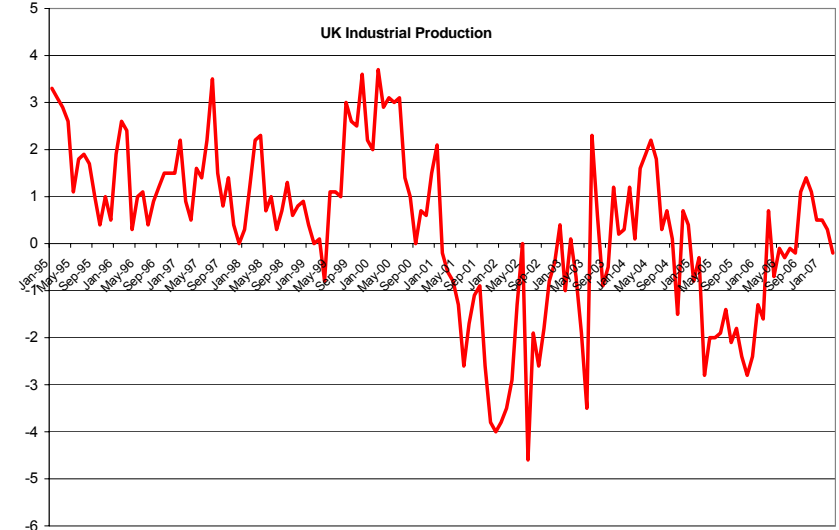
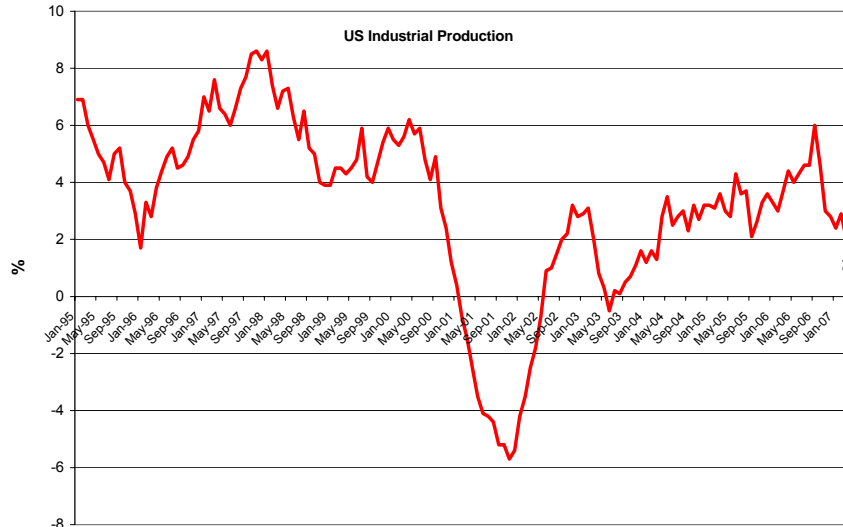
Global Macro : Interest Rates



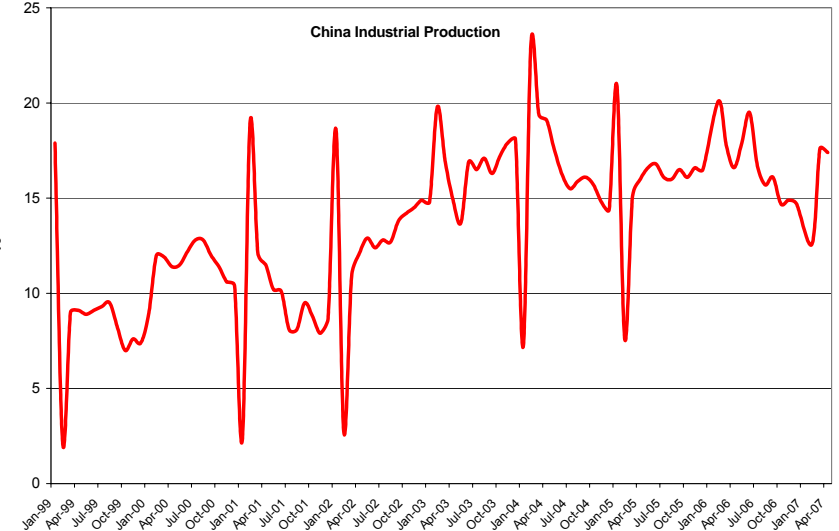
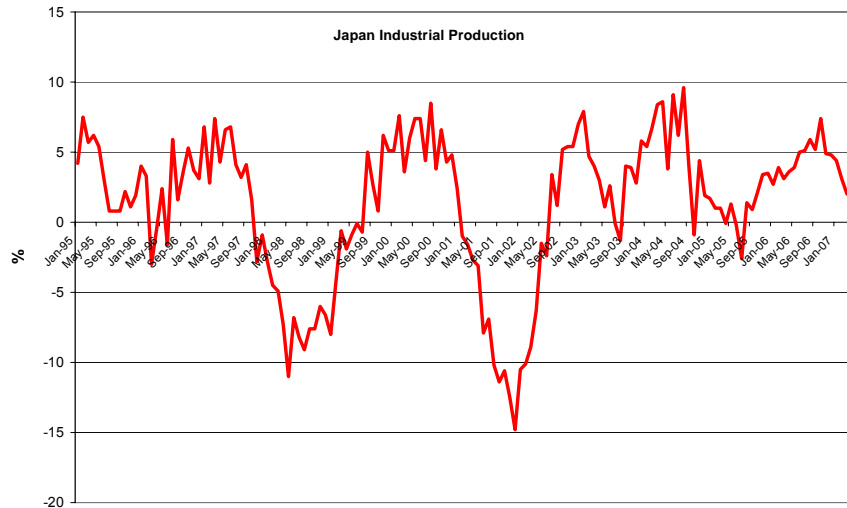
Global Macro: Industrial Production

Some signs of cooling off in developed markets, not so much in China, India so far

US
EU



Japan
China

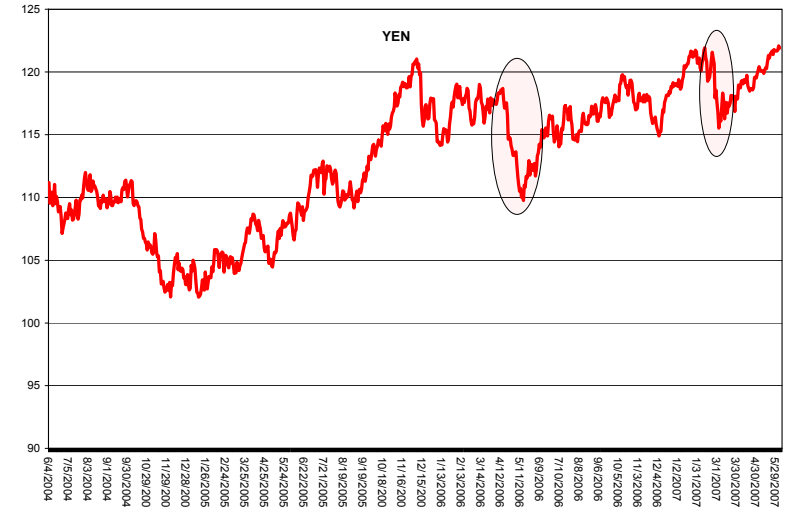
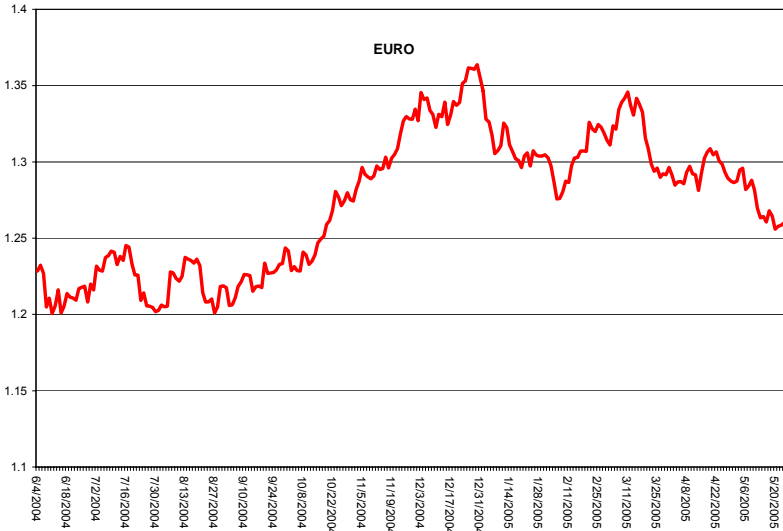


Source: HSBC, Bloomberg

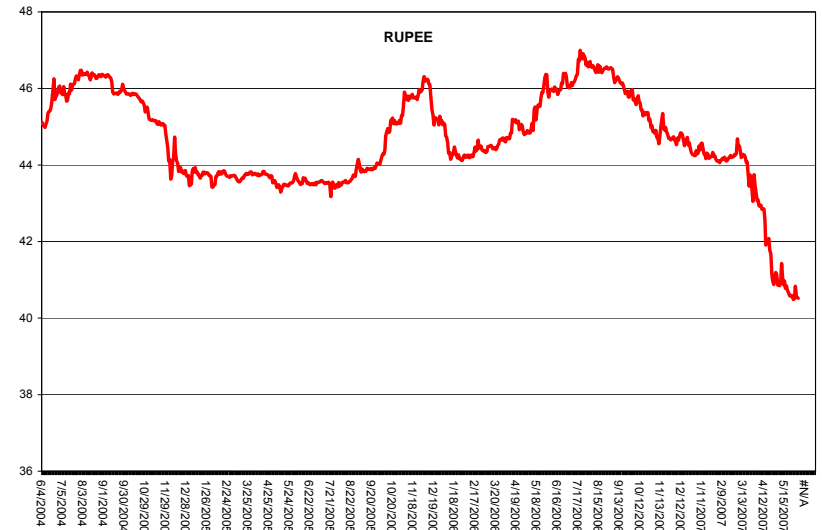
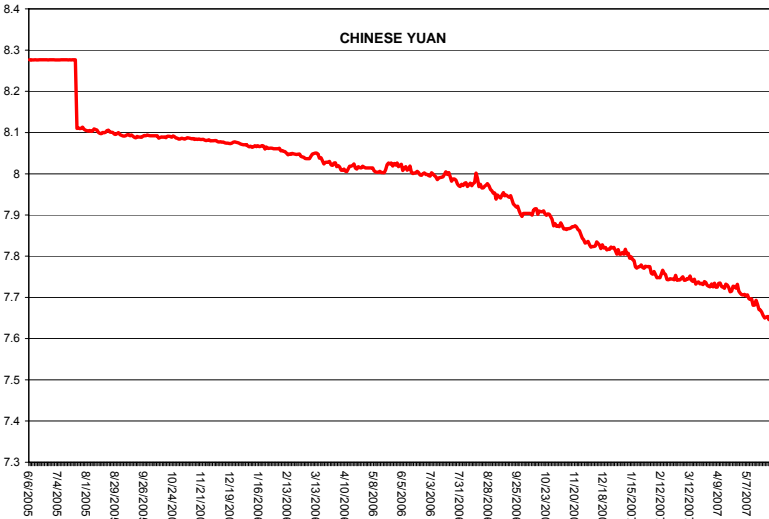


Global Macro – Currency

The Japanese Yen is increasingly important in global market movements. An appreciating Yen induced sharp global corrections in May 2006 and Feb. 2007



Conversely, the weakening Yen over the last 3 months has increased risk-appetite and leads to increasing risk-appetite



Source: HSBC, Bloomberg



Global Macro – Currency

Investors in the last 6 months (could) have made 15% in the Yen carry trade between INR and JPY

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Percent Change: Currencies Page 1/ 5

Total: 72 Currencies Ret Period 5 Region 0 Base Curr USD	
Best Performing Vs. USD	
1) COLOMBIAN PESO	21.37
2) BRAZIL REAL	10.43
3) INDIAN RUPEE	10.21
4) NEW TURKISH LIRA	10.02
5) NEW ZEALAND DOLLAR	9.95
6) ICELAND KRONA	9.59
7) THAI BAHT	8.55
8) CANADIAN DOLLAR	8.47
9) PHILIPPINES PESO	7.89
10) AUSTRALIAN DOLLAR	7.44

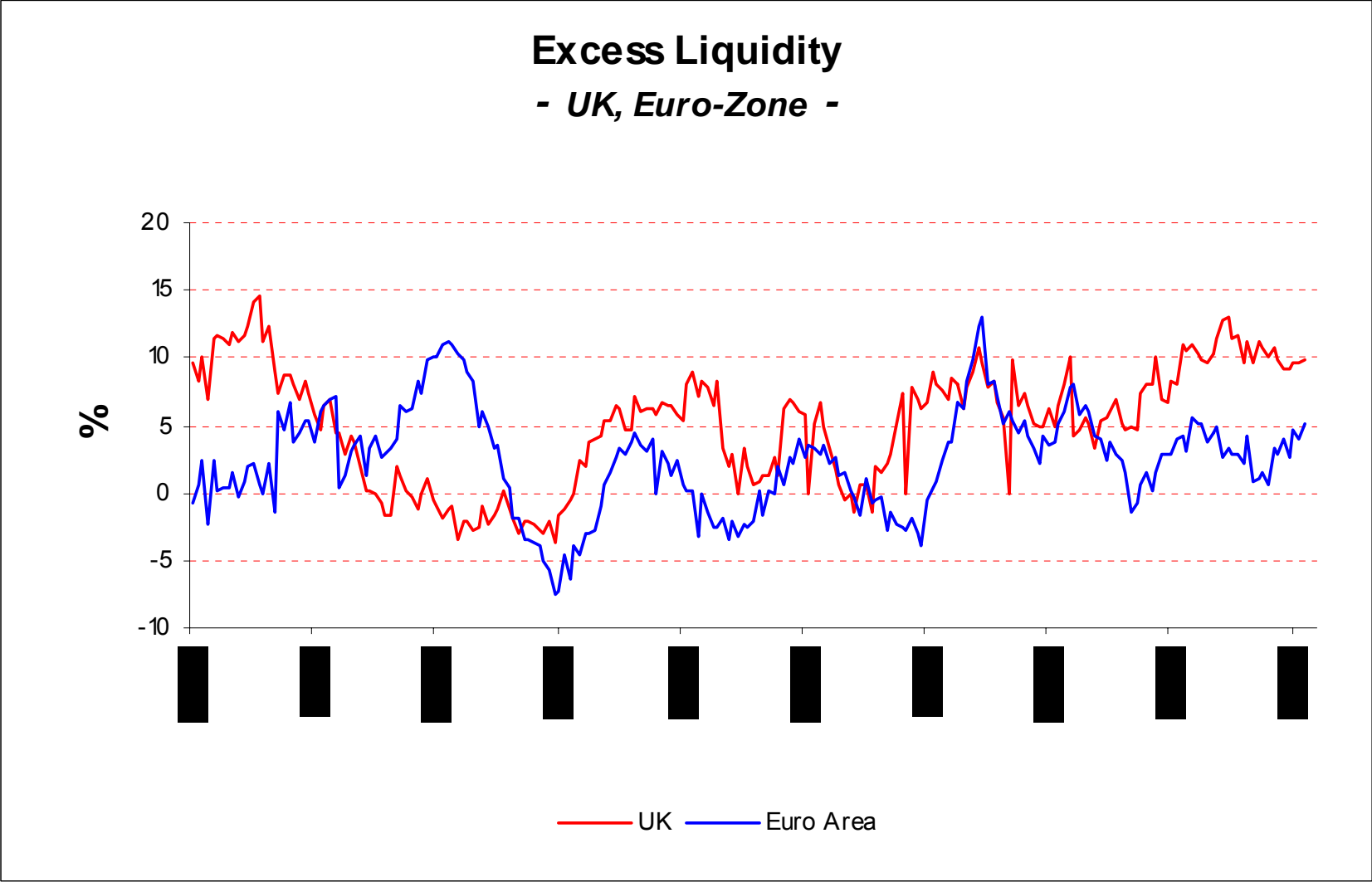
World Currencies	
Start Date	End Date
12/ 6/06 -	6/ 6/07

Worst Performing Vs. USD	
11) ARGENTINE PESO	-0.63
12) SWEDISH KRONA	-1.04
13) SOUTH AFRICAN RAND	-1.16
14) SOUTH KOREAN WON	-1.17
15) SWISS FRANC	-1.81
16) JAMAICA DOLLAR	-1.88
17) TAIWAN DOLLAR	-2.22
18) NICARAGUA CORDOBA	-2.39
19) SRI LANKAN RUPEE	-2.73
20) JAPANESE YEN	-5.01

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Global Macro : Excess Liquidity

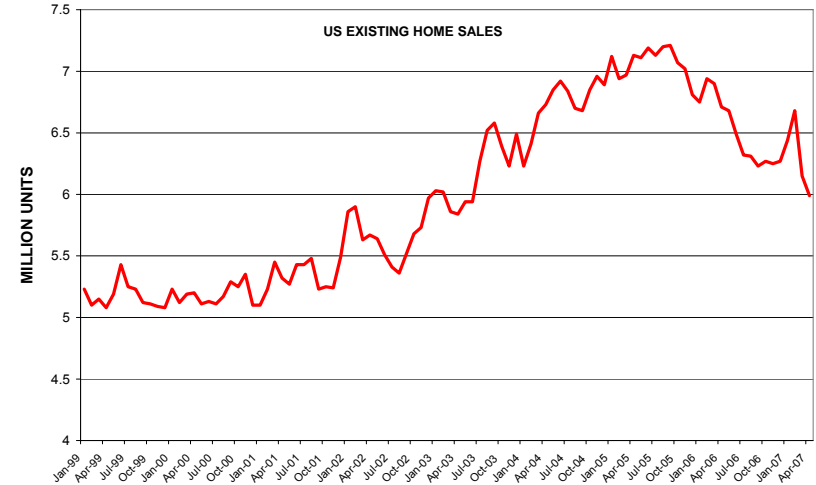
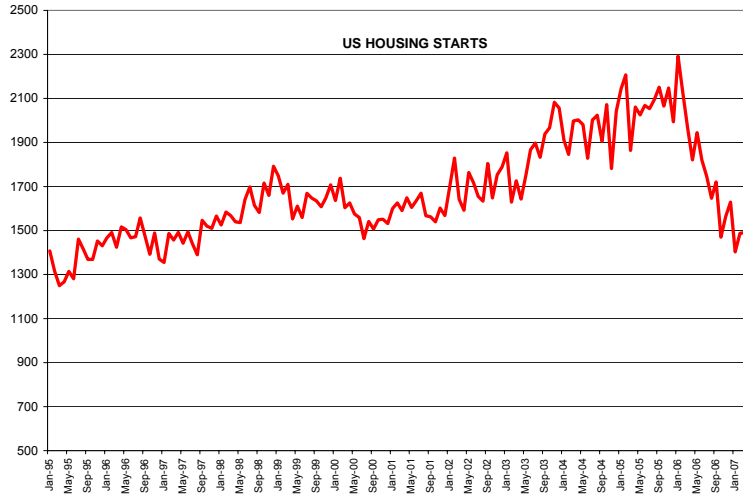
Excess liquidity may still fuel inflation – which is what central bankers are trying to control by raising rates



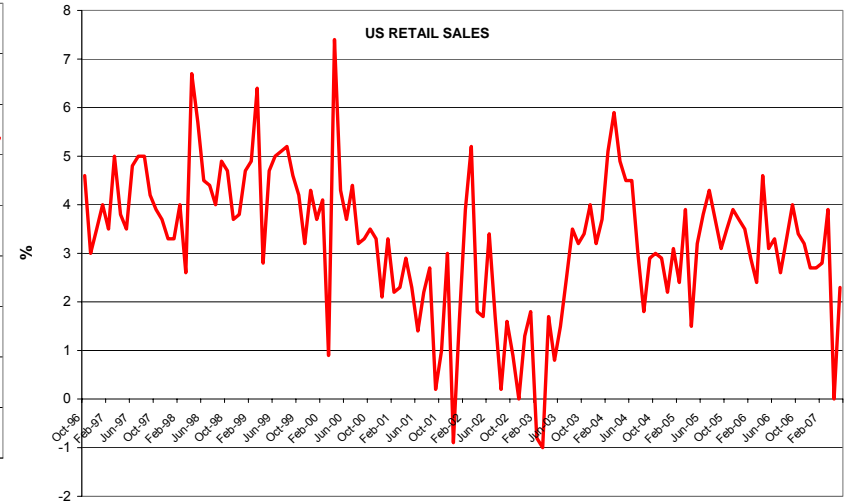
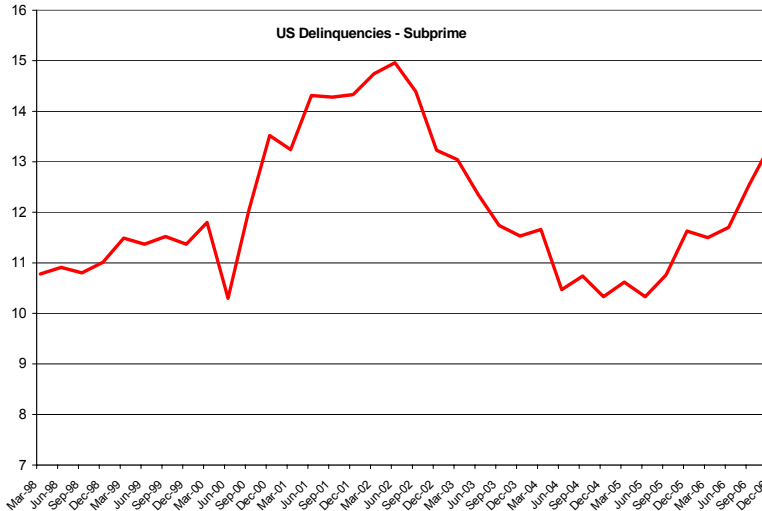
Global Macro : US Housing / Retail

The other major concern in the global investors' mind is the US Housing market.

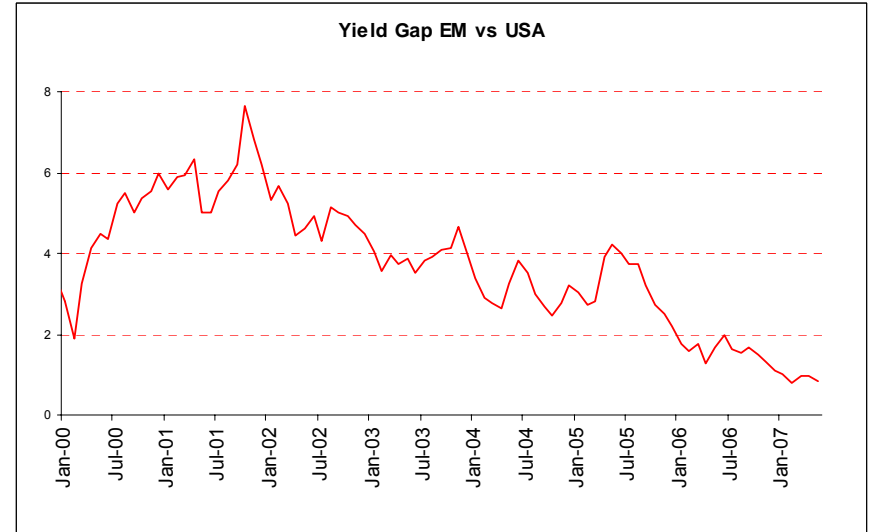
There are many data points reflecting a slowdown in this segment.



However, it is not certain if this will lead to a slowdown in consumption

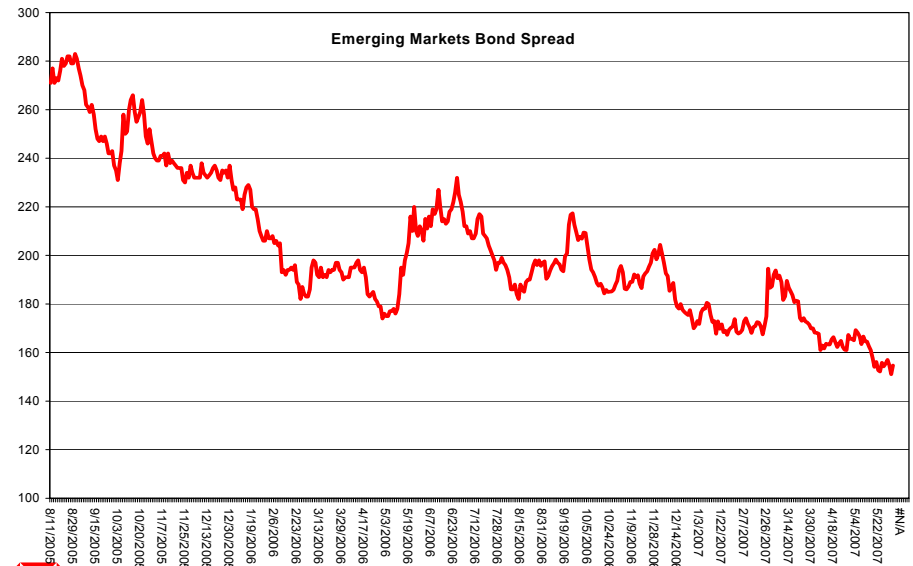


Risk appetite – reaching all time highs



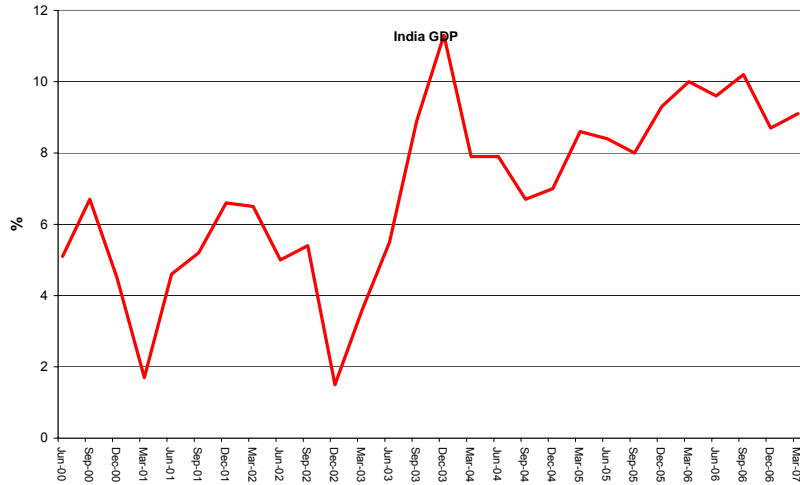
Valuation gap between developed and emerging markets narrowing

Emerging market bond spreads jumped up in February, now back to historical lows – signaling high risk appetite

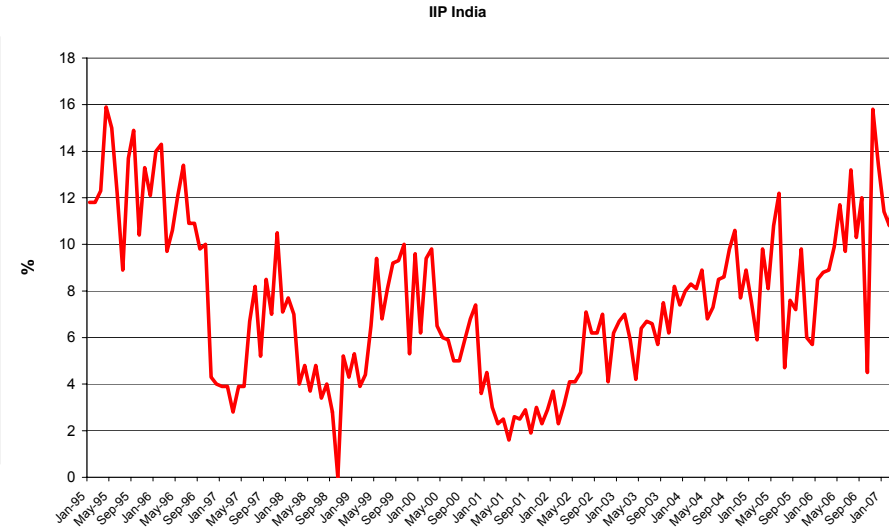
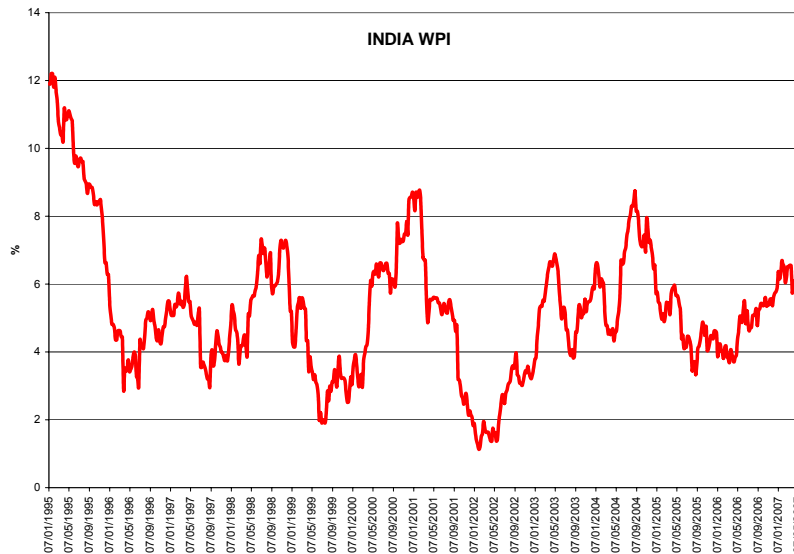


India Macro

GDP growth and Industrial production data still healthy....

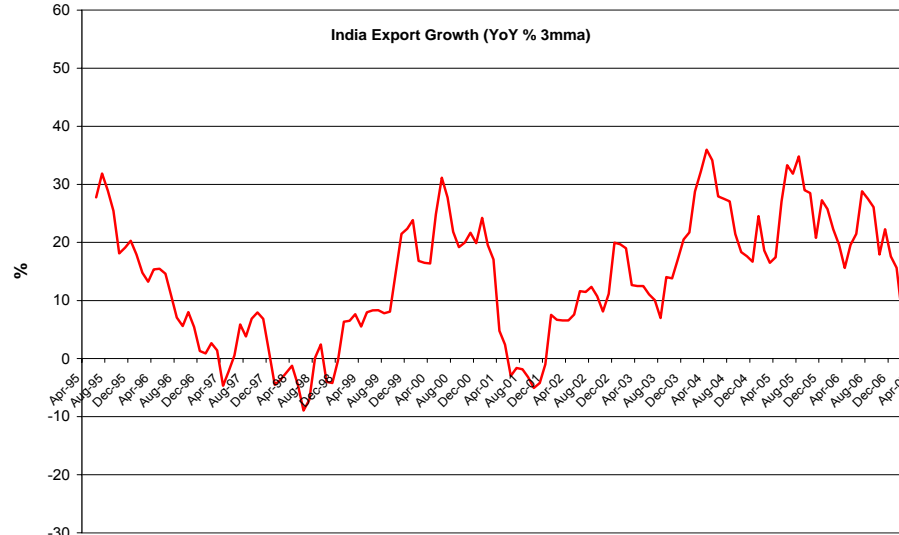


...but INFLATION is the key concern for the Government and RBI now

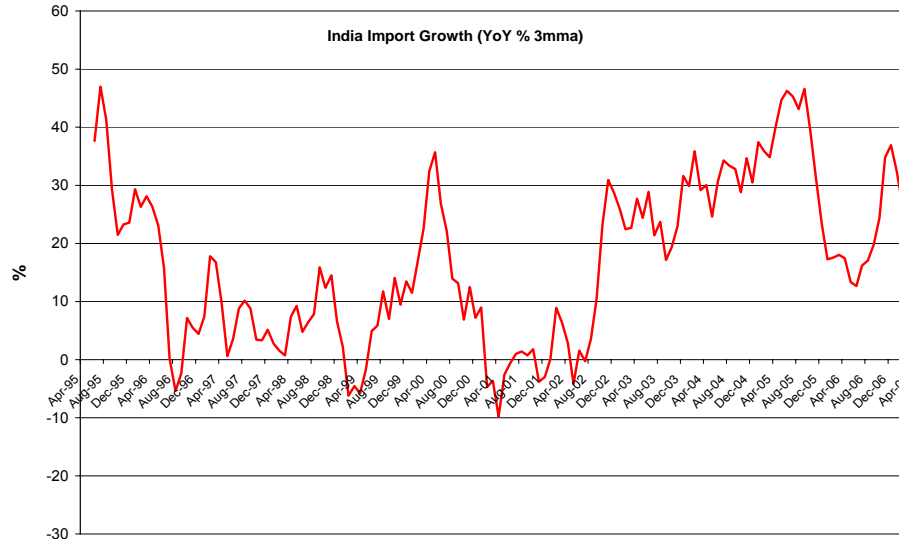


India Macro

Export growth
slowing down
(currency?)...



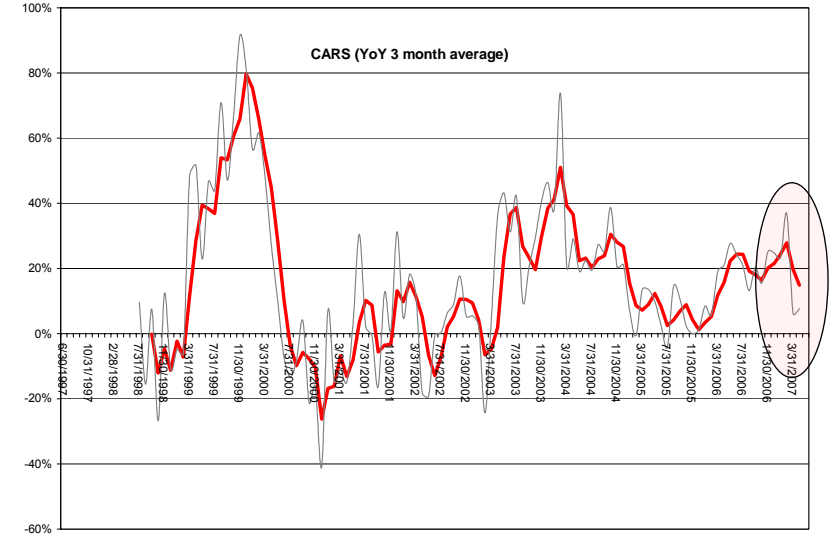
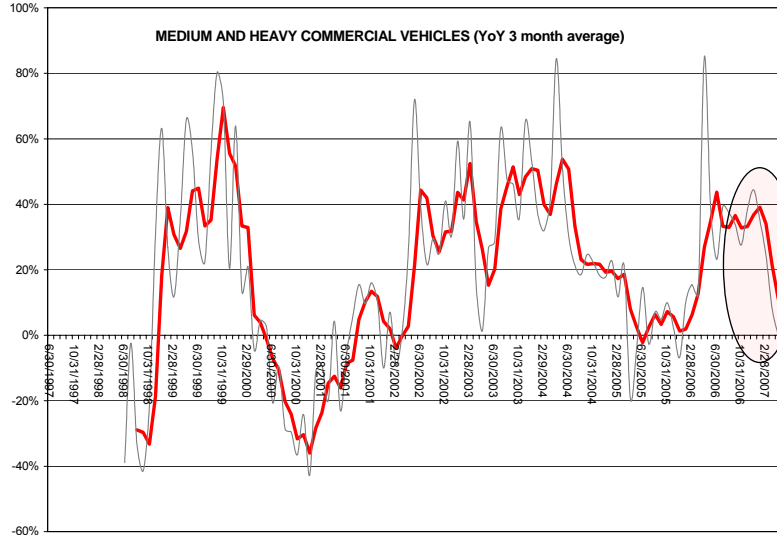
...imports rising,
resulting in
widening trade
deficit



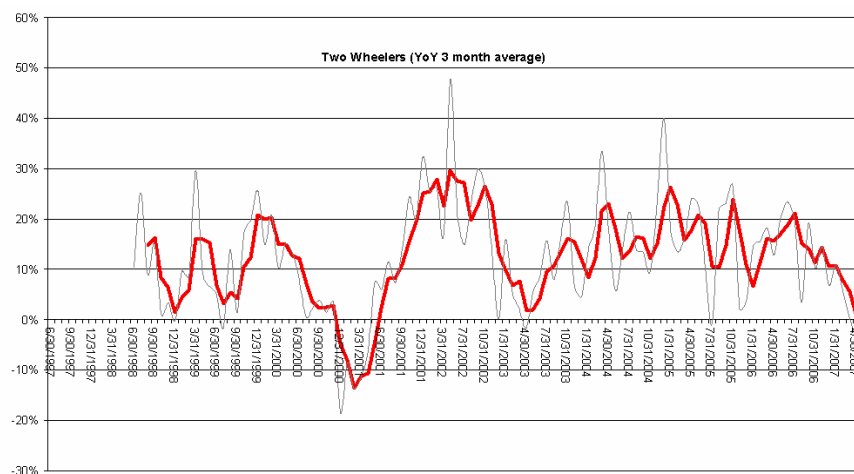
India Macro

Automobiles
showing signs of
cyclical
slowdown

COMMERCIAL
VEHICLES
CARS

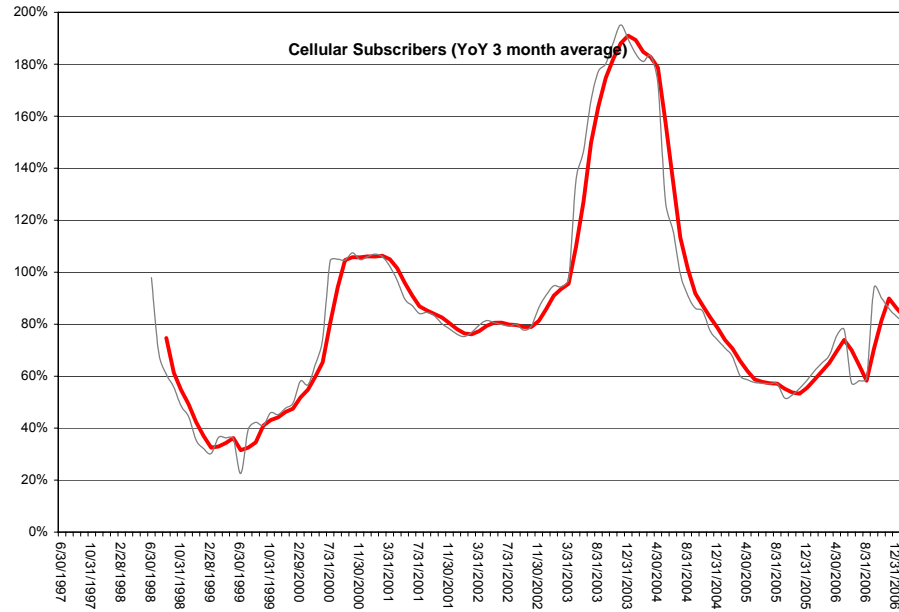


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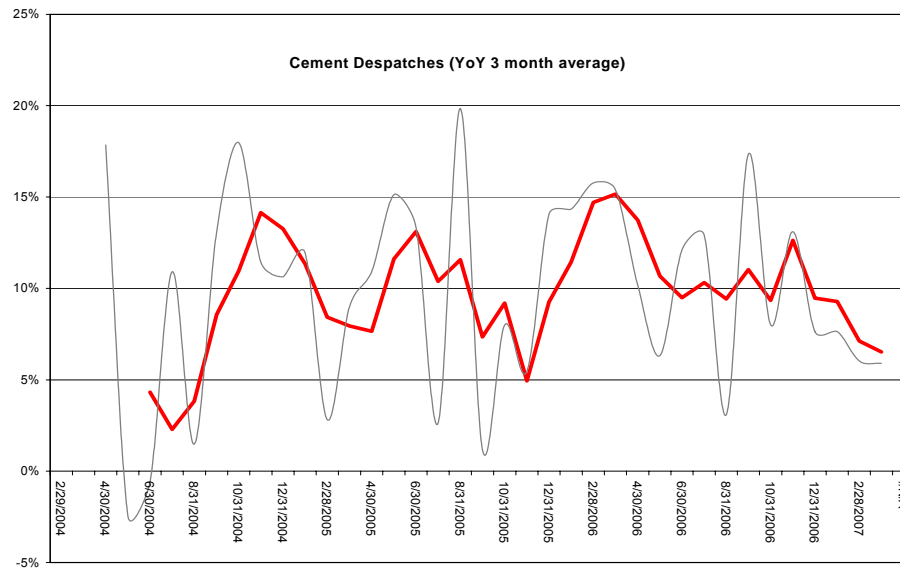


India Macro

Cellular subscribers growth



Cement despatches

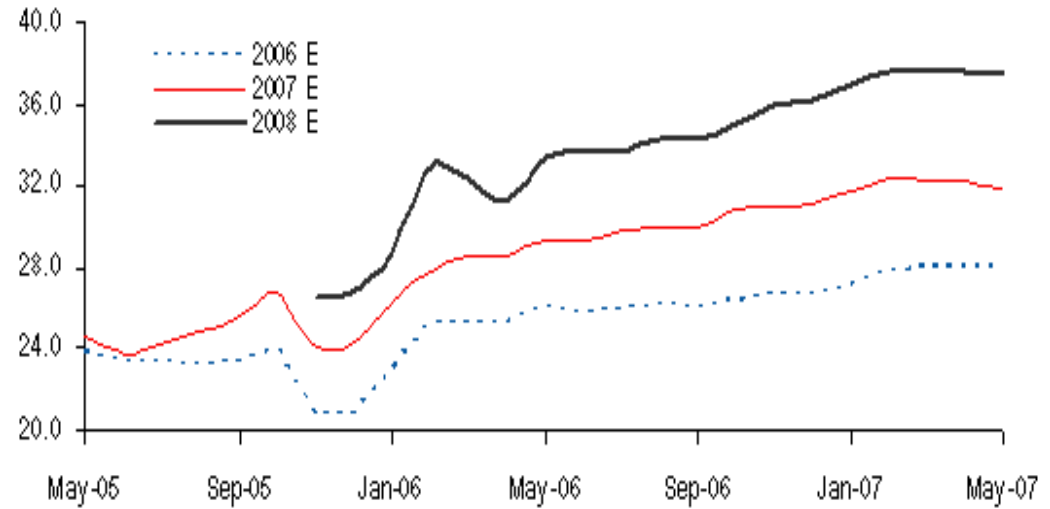


Source: HSBC, Bloomberg

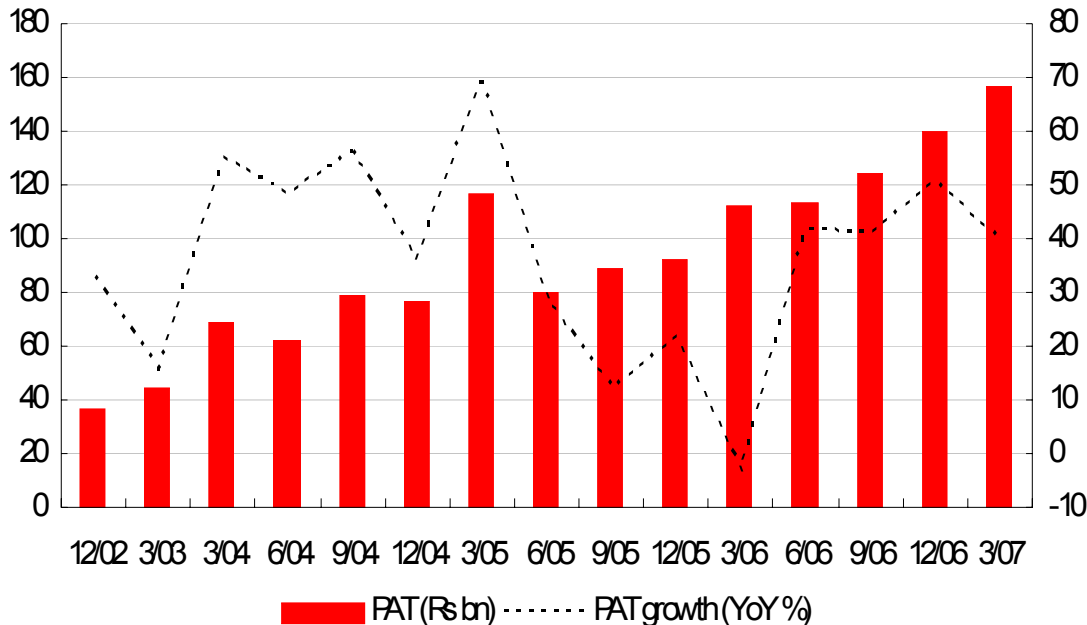
Indian Markets: Earnings

Earnings momentum still robust, though no major upgrades seen recently. Some sectors like cement, construction, cigarettes etc. see downgrades

EPS Estimates



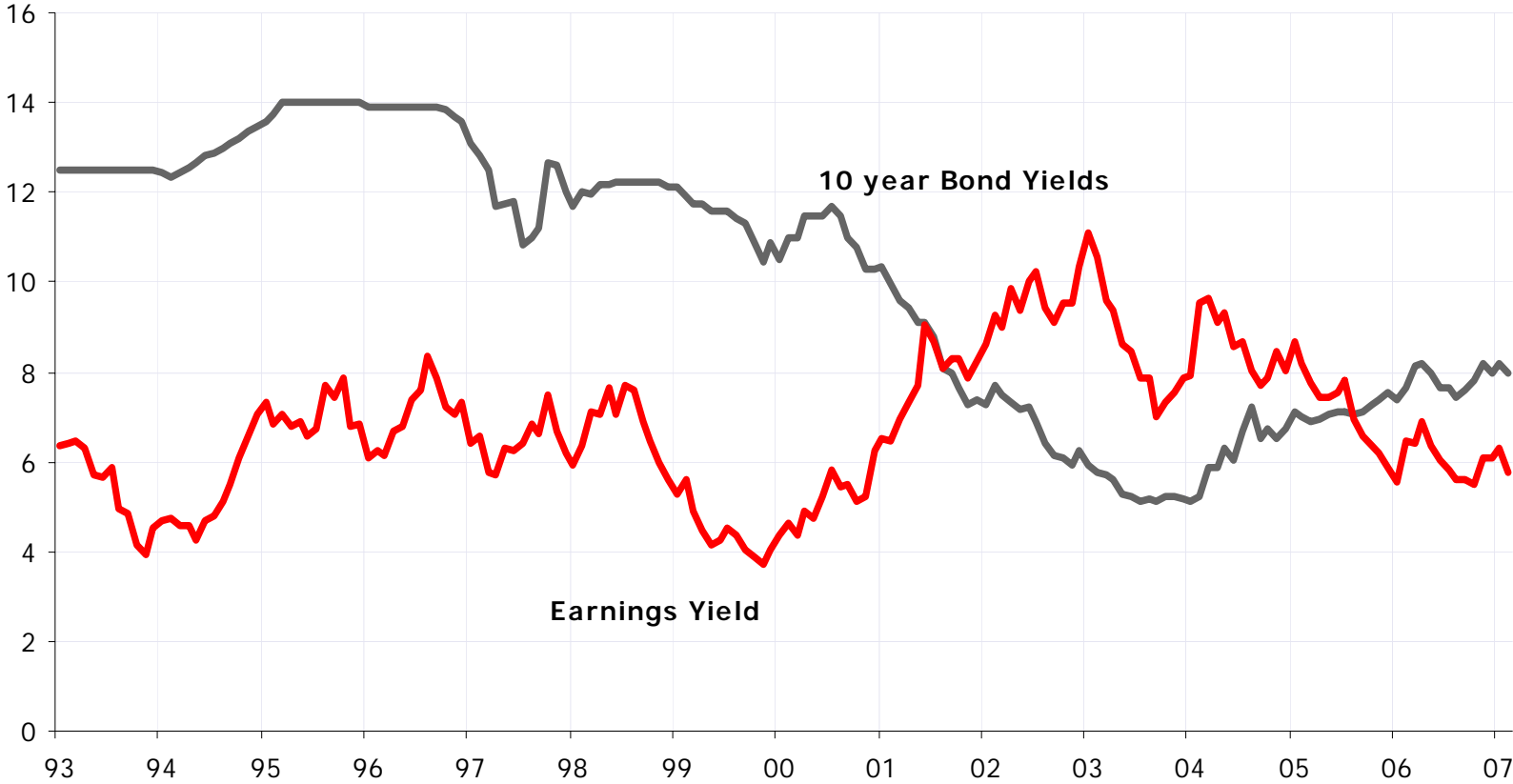
Source: J P Morgan



Profit for S&P CNX Nifty (ex financials/oil & gas) over the last 16 quarters, Source: Deutsche Bank

Indian Markets : Valuations

Rising interest rates - reducing the relative attractiveness of equities versus bonds



Source: CLSA

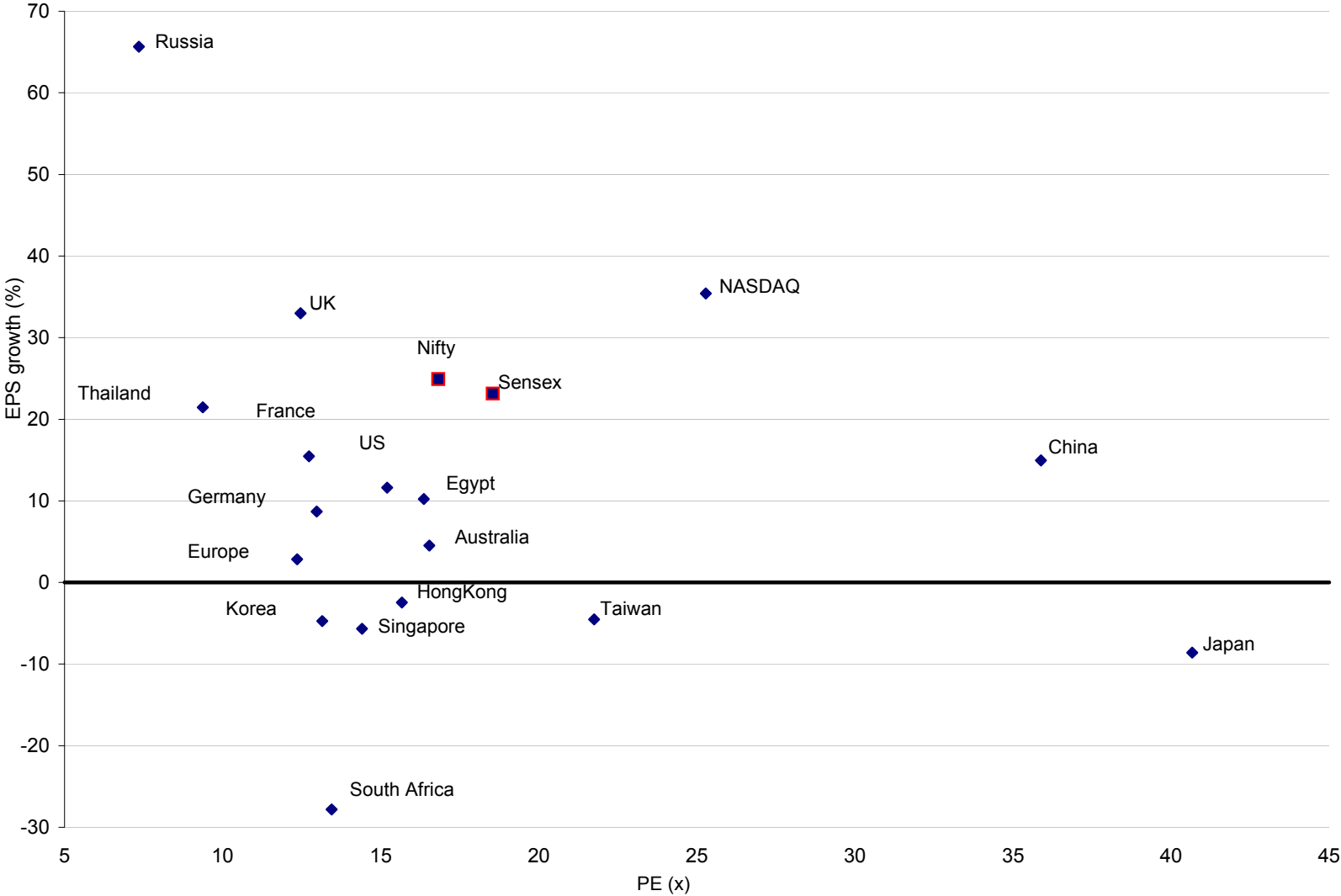
Indian Markets : Valuations



Source: CLSA Asia-Pacific Markets



Valuations

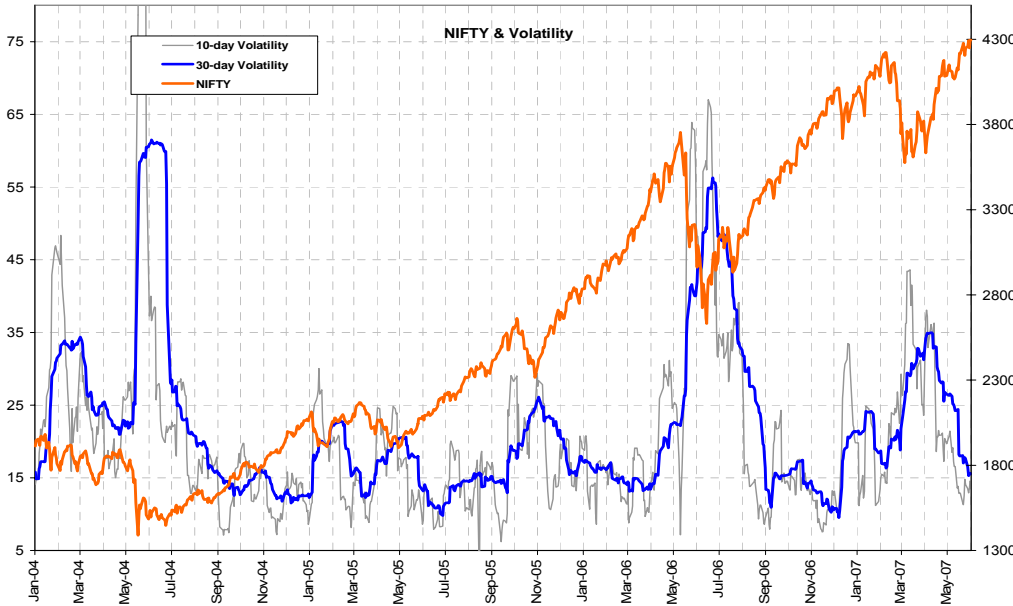
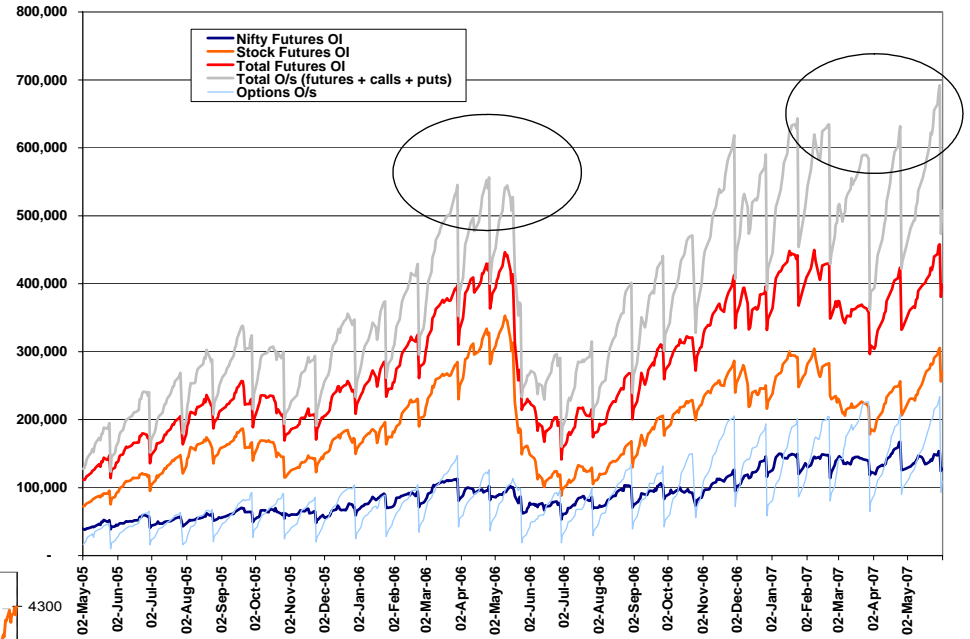


Source: Deutsche Securities



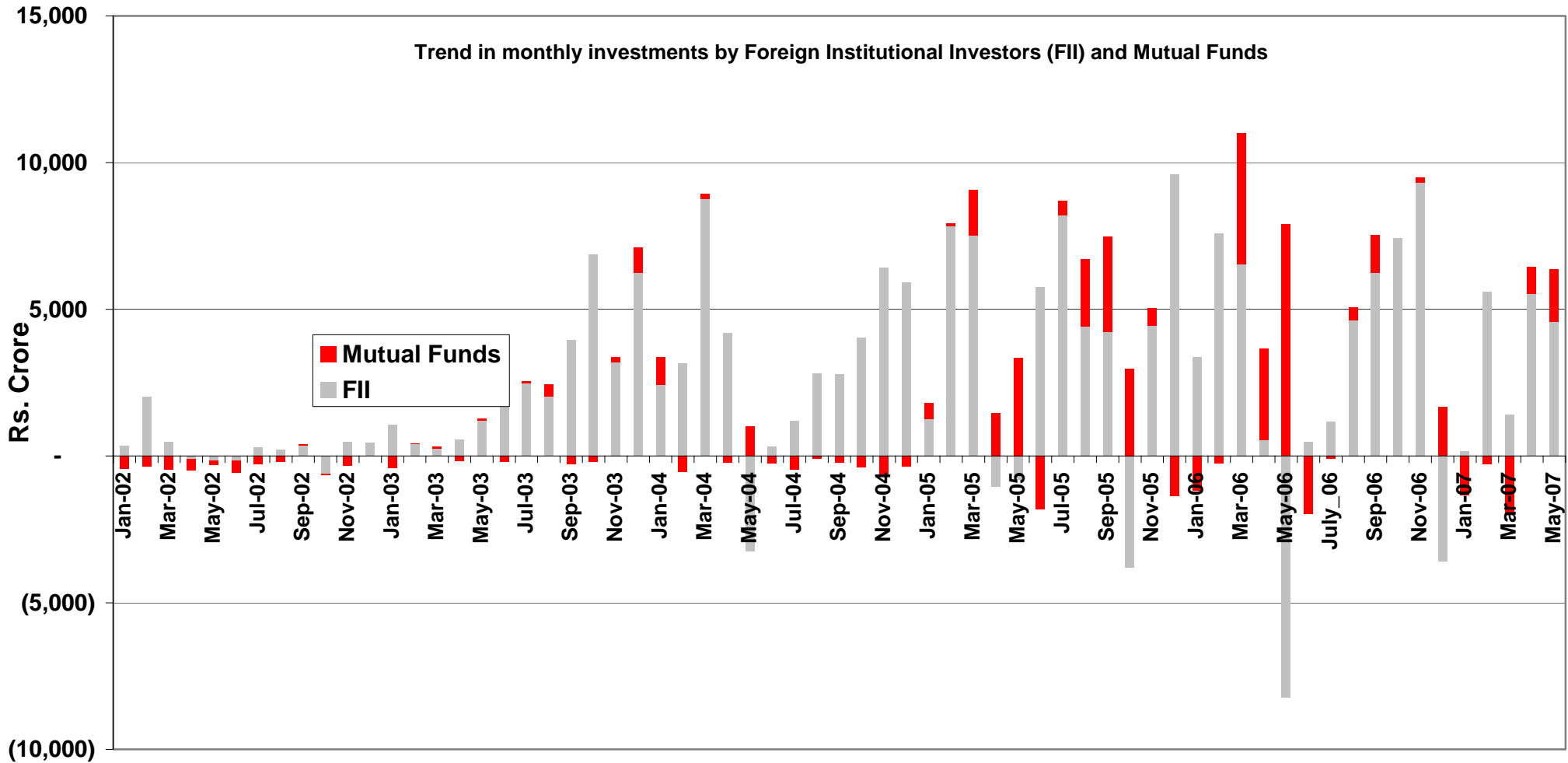
Indian Markets : Volatility

In the derivatives segment,
futures positions at new
highs.....



..and volatility at
lows....complacent markets

Indian Markets : FII, Mutual Funds

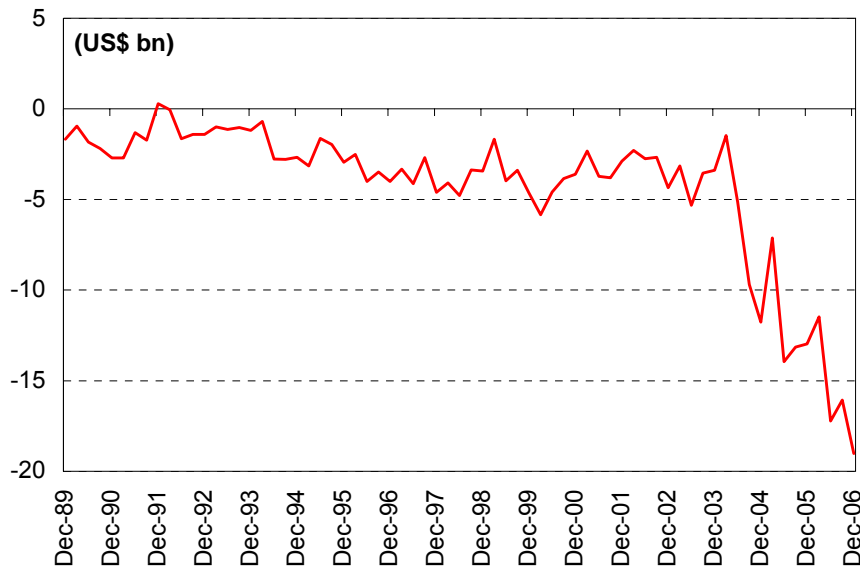


Source: HSBC, Bloomberg



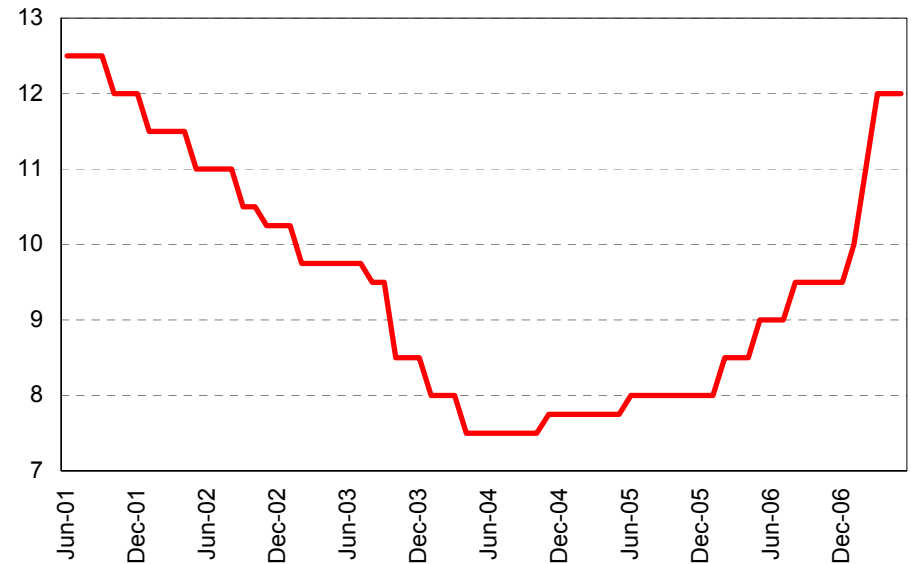
Risks and Concerns

Quarterly Trade Deficit (\$ billion)



Source: Morgan Stanley Research

Trend of Mortgage Lending Rates in India

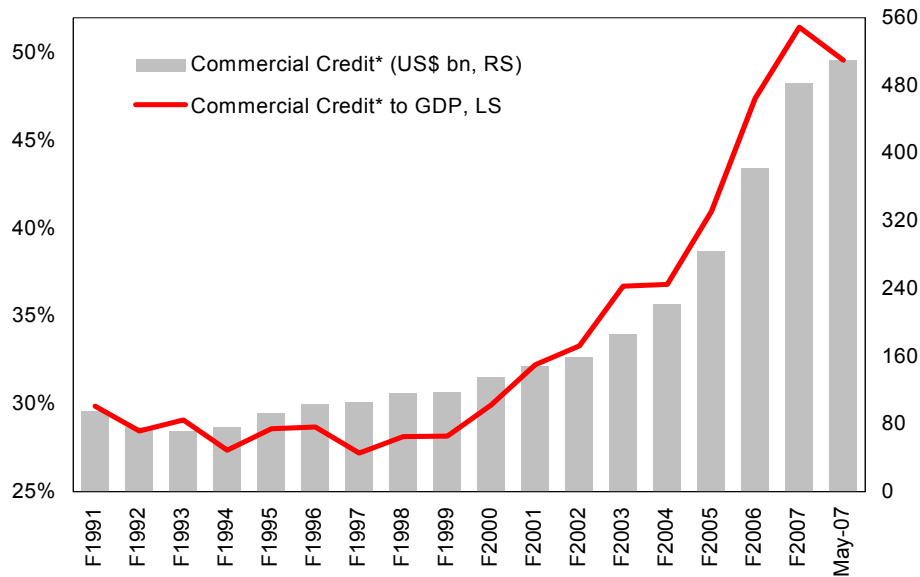


Source: Morgan Stanley Research

Widening trade deficit, inflation and rising interest rates are key concerns

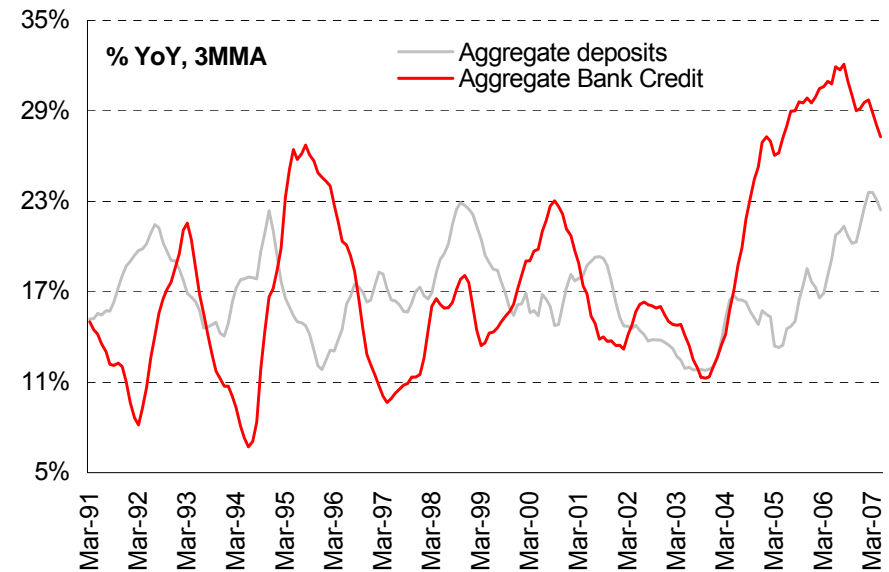
Risks and Concerns

Trend in Credit Outstanding



Source: CEIC, FIMMDA, RBI, Morgan Stanley Research

Gap Between Credit and Deposit Growth Remains High

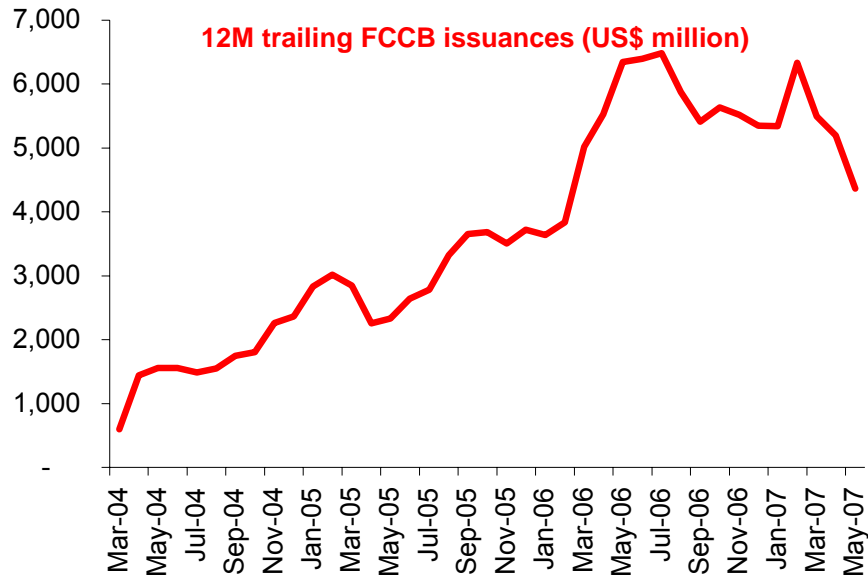


Source: CEIC, FIMMDA, RBI, Morgan Stanley Research

Rapid growth of credit not matched by growth in deposits, driving interest rates higher

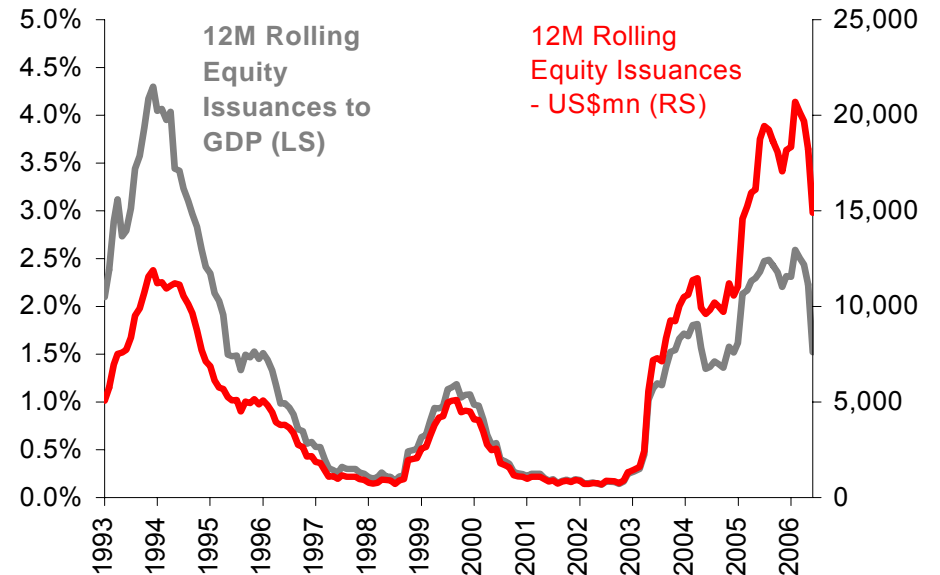
Risks and Concerns

FCCBs: Spurt in issuances in the last 2 years



Source: Prime Database, Morgan Stanley Research

Equity Issuances: at a record high in value terms, but not yet as % to GDP



Source: CMIE, CSO, Morgan Stanley Research

Large amount of equity issuances may cause an overhang on the markets

Overall

- **Global currency trades an increasingly important factor for markets like India**
- **Growth in developed economies tapering off, India too seems to have reached a cyclical peak**
- **Inflation increasingly a more important agenda for global central bankers; in India, elections brought a shift in focus to inflation control**
- **Increased VOLATILITY likely to be a feature globally as economies try to balance inflation versus growth**
- **Earnings estimates for FY08 and FY09 have seen no major upgrades in recent months**
- **In India, a lot now depends on Government in reducing bottlenecks in infrastructure and to stimulate investments in manufacturing capacity - which are required to sustain GDP growth at 9-10% over the long term**

Market View

- **GDP growth of 8.5% and earnings growth of 15-20% p.a. expected for FY08**
- **Industrial production and services sector growth still good but may have peaked**
- **Some sectors showing signs of slowdown (automobiles, mortgages)**
- **Valuations still reasonable on FY08 and FY09 basis**
- **However, valuations discount good growth and any disappointment could have a sharp impact**
- **Still scope for selective stock/ sector picking**
- **Indian markets expected to offer a good risk-reward balance over the medium term. Return expectations, though still attractive, should be lower than what has been achieved in the last 3 years**

Presentation Structure

India – Long Term Perspective

Current Market Overview

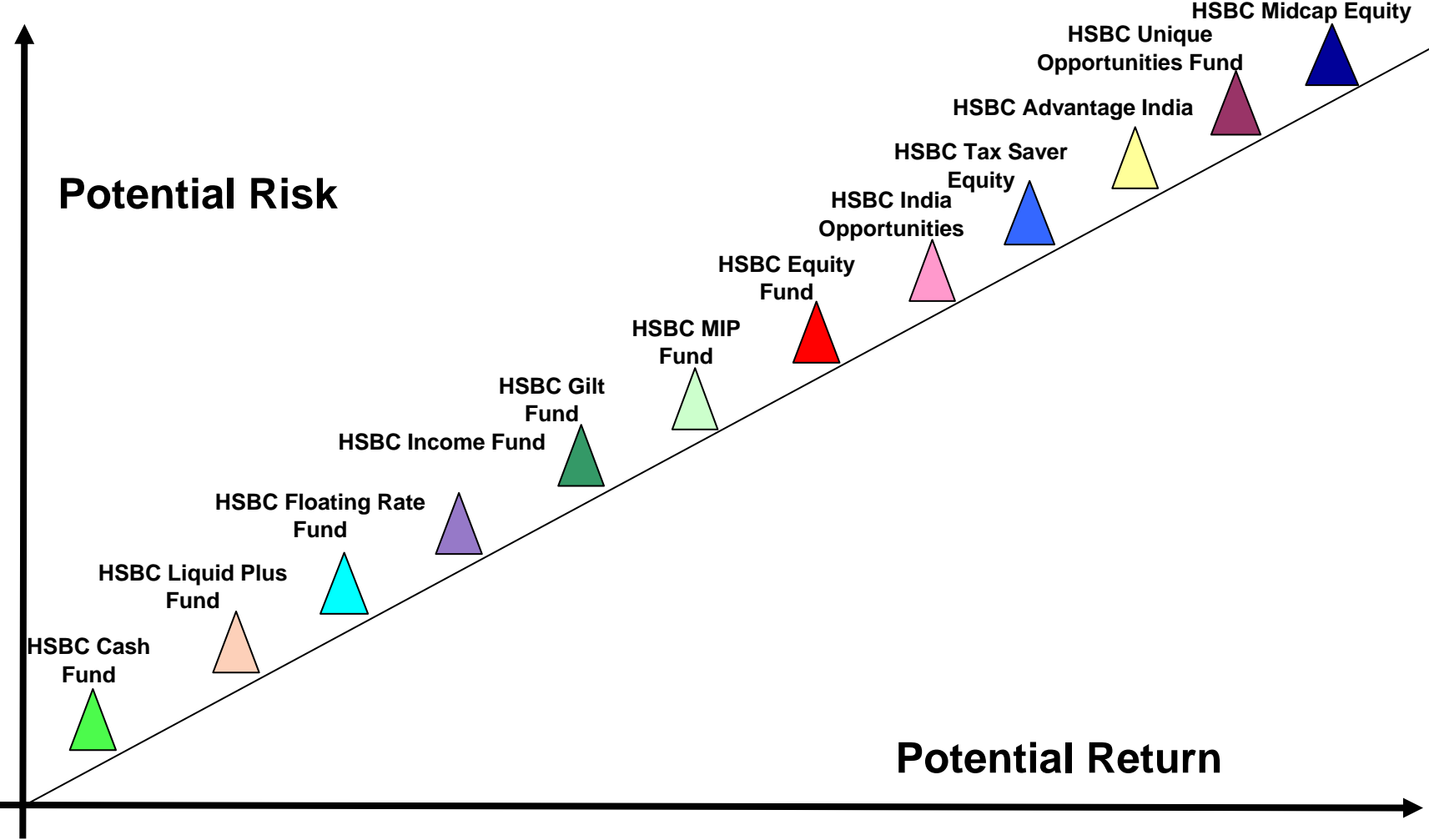
Product Review



Fund Positioning

Fund	Positioning
HSBC Equity Fund (HEF)	Invests in predominantly larger cap companies.
HSBC India Opportunities Fund (HIOF)	Invests across market caps. Flexi-cap style.
HSBC Advantage India Fund (HAIF)	Invests predominantly in themes that drive India's growth.
HSBC Midcap Equity Fund (HMEF)	Invests predominantly in mid-cap companies. Can also invest in small cap companies.
HSBC Tax Saver Equity Fund (HTSF)	Invests across small, mid and large caps. Flexi-Cap style.
HSBC Unique Opportunities Fund (HUOF)	Invests in 'out of ordinary' situations; Flexi - cap and Flexi - style

Product Range



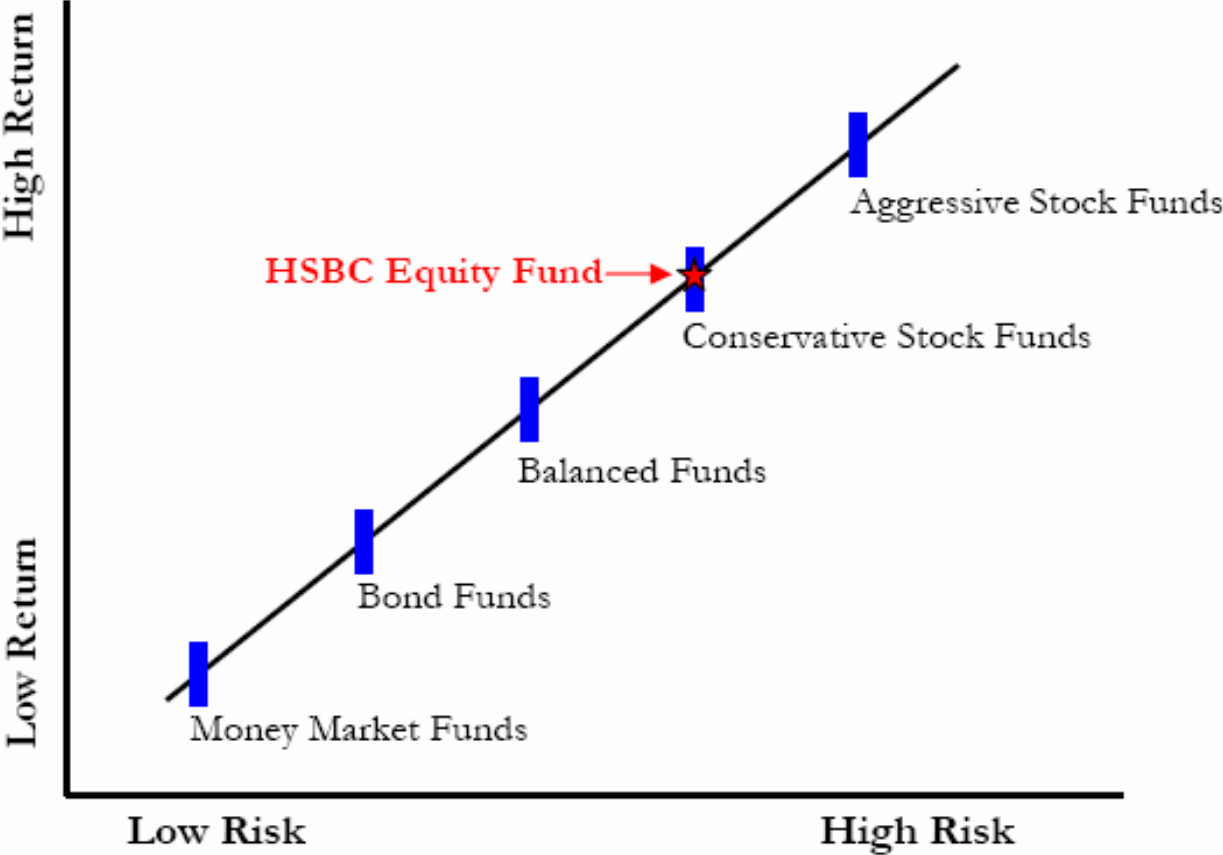
HSBC Equity Fund

Investment Style

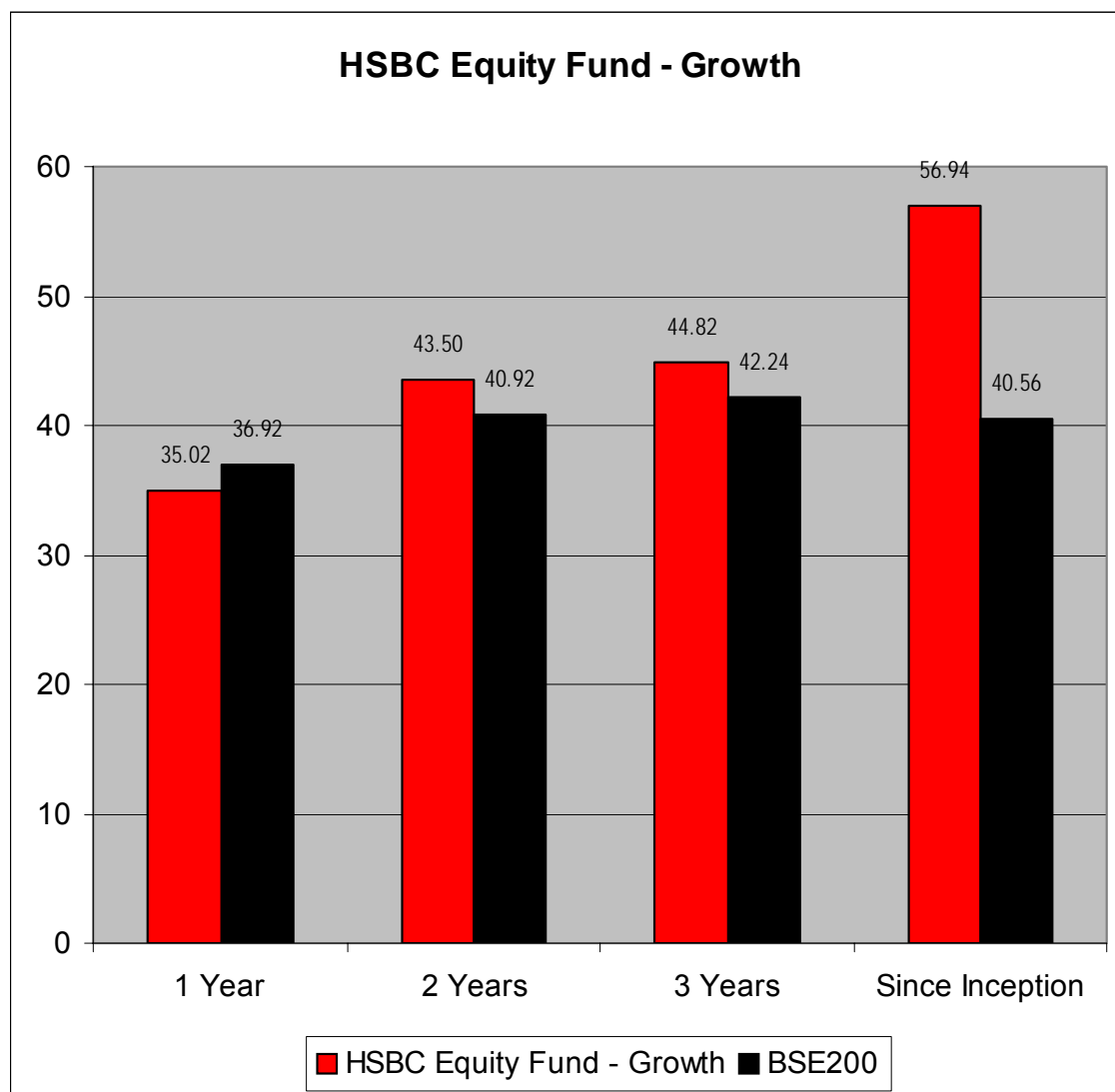
	Value	Blend	Growth	
				Large
				Medium
				Small

(Market cap)

Risk - Return Mapping



Performance - HSBC Equity Fund (As on 31 May 2007)



Date of Inception – 10/12/2002

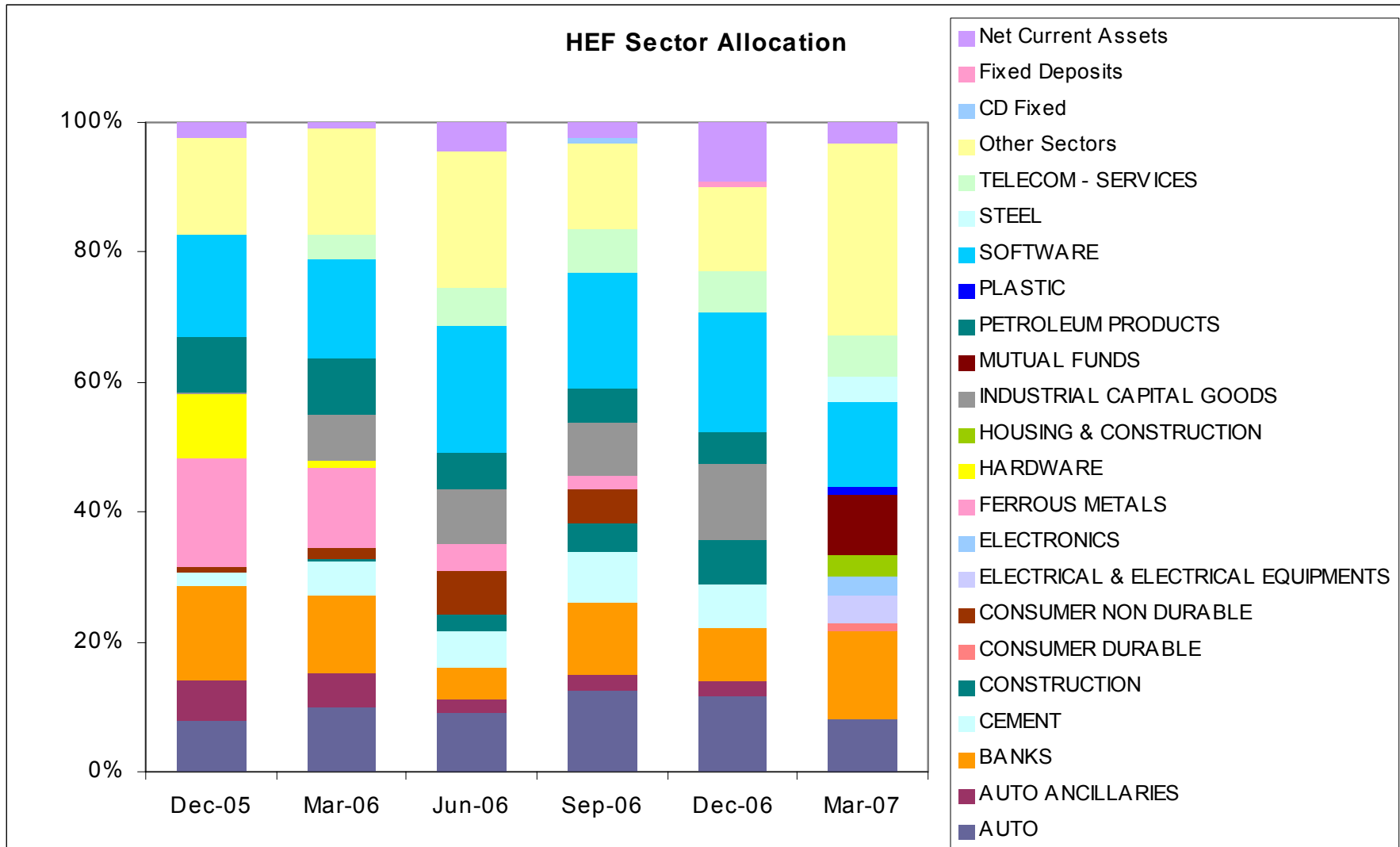
Returns \leq 1 year are Absolute

Returns $>$ 1 year are Compounded Annualized

Past performance may or may not be sustained in the future.

As per SEBI requirements for performance reporting, the 'since inception' returns are calculated on Rs 10 invested at inception. Calculations are based on Growth NAVs.

Sector Movement – HEF



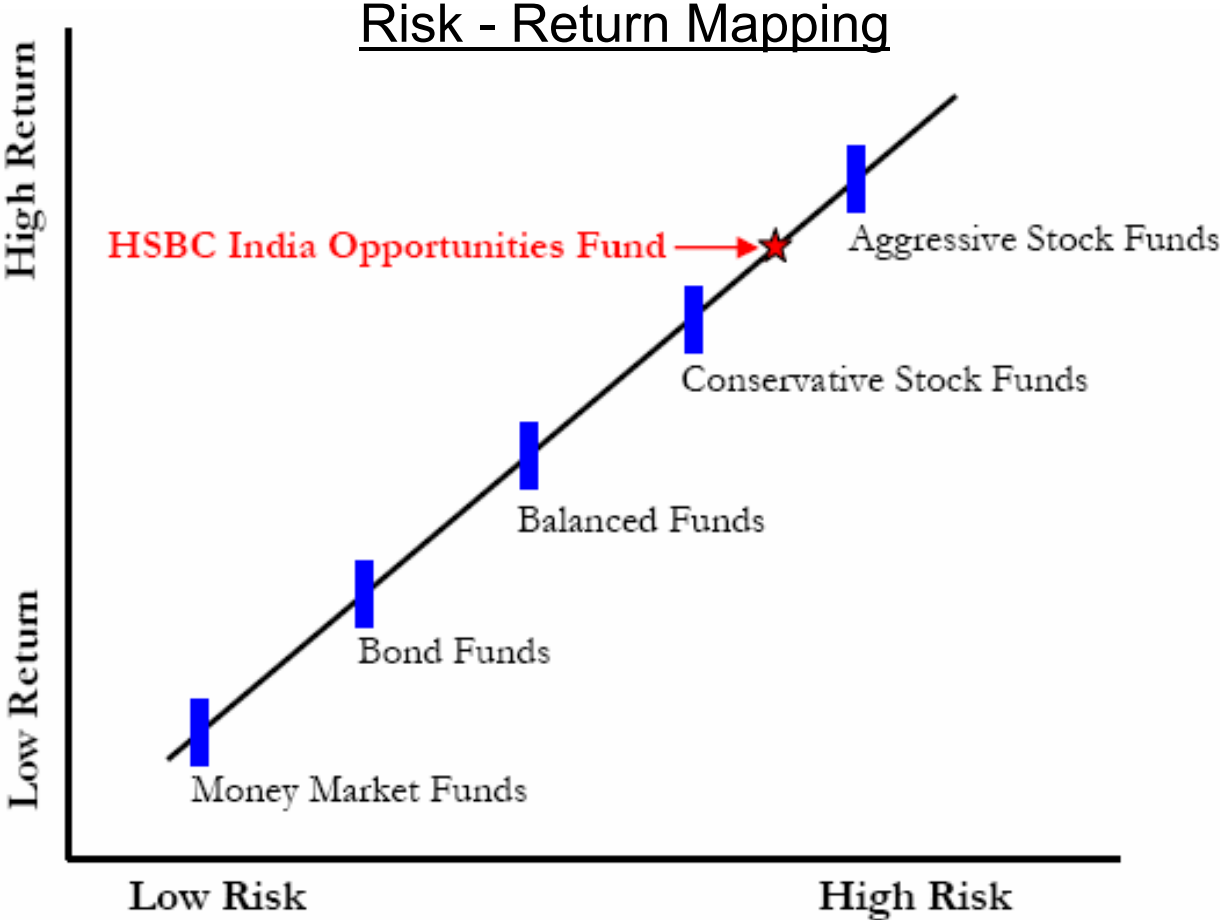
Other Sectors include Chemicals, Finance, Gas, Industrial Products, Lotteries, Media & Entertainment, Minerals/Mining, Non - Ferrous Metals, Oil, Pesticide, Power, Retailing, Textile Products, Transportation and Pharmaceuticals

HSBC India Opportunities Fund

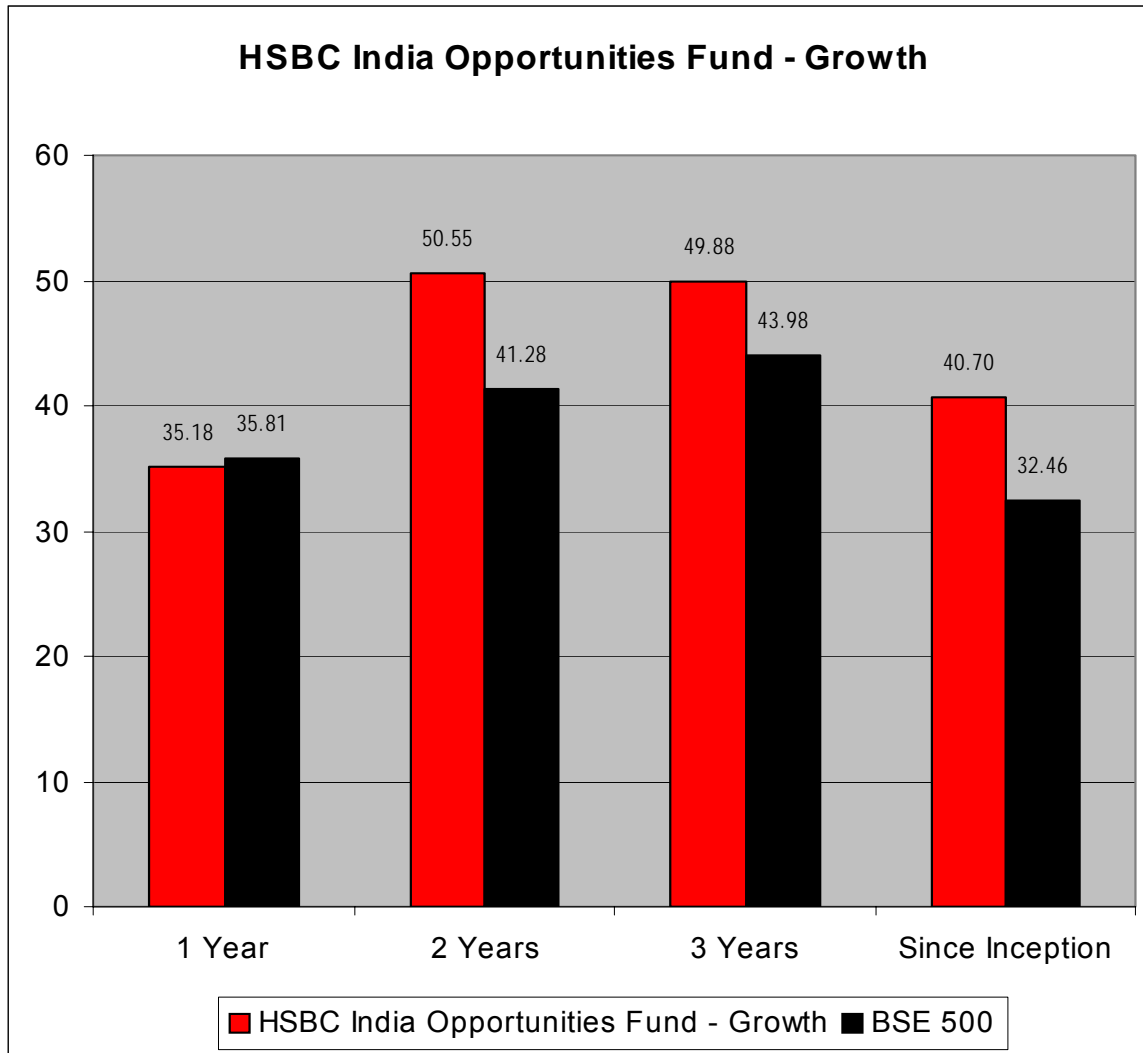
Investment Style

	Value	Blend	Growth	
				Large
				Medium
				Small

(Market cap)



Performance - HSBC India Opportunities Fund (As on 31 May 2007)



Date of Inception – 24/02/2004

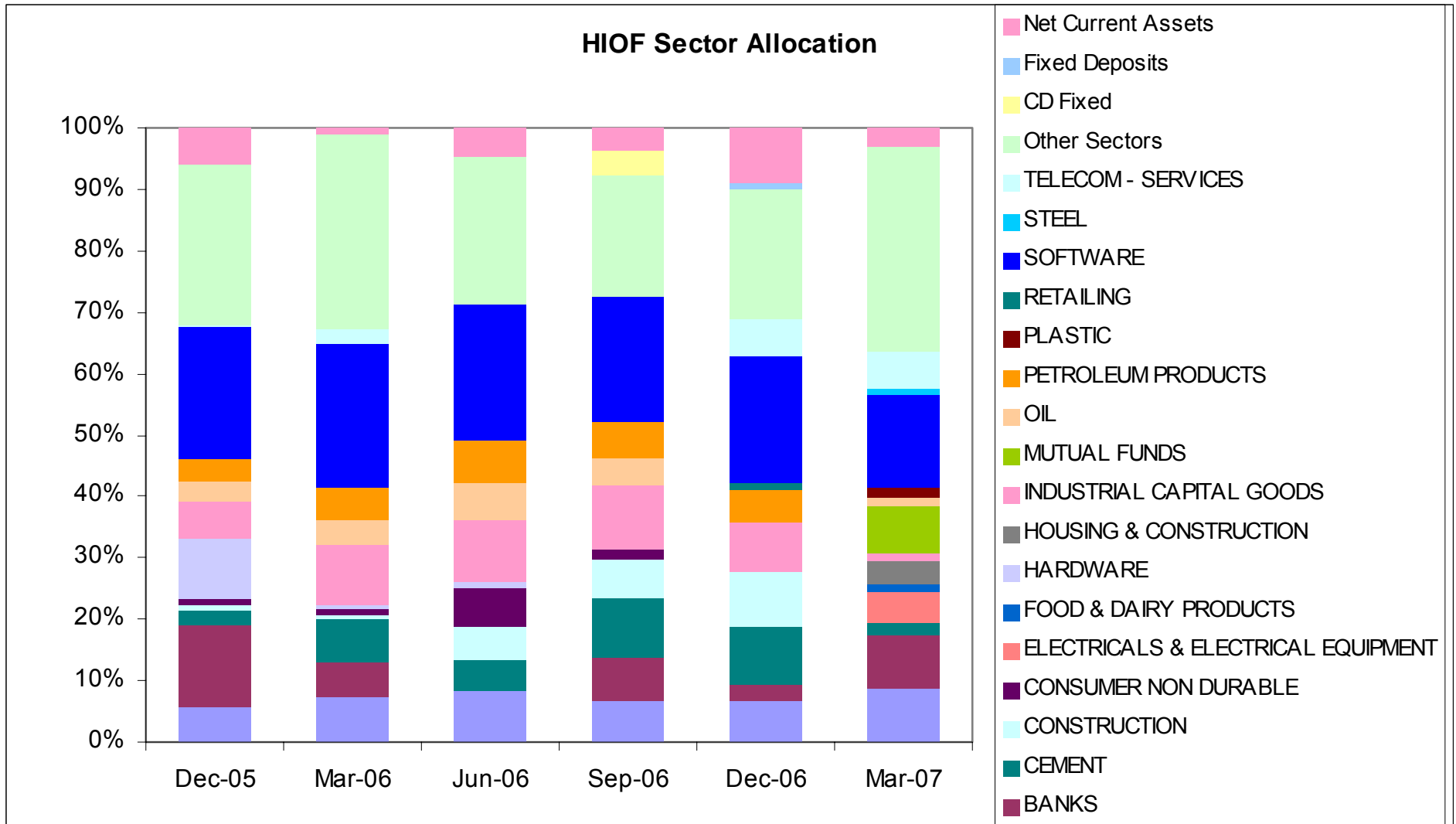
Returns ≤ 1 year are Absolute

Returns > 1 year are Compounded Annualized

Past performance may or may not be sustained in the future.

As per SEBI requirements for performance reporting, the 'since inception' returns are calculated on Rs 10 invested at inception. Calculations are based on Growth NAVs.

Sector Movement – HIOF



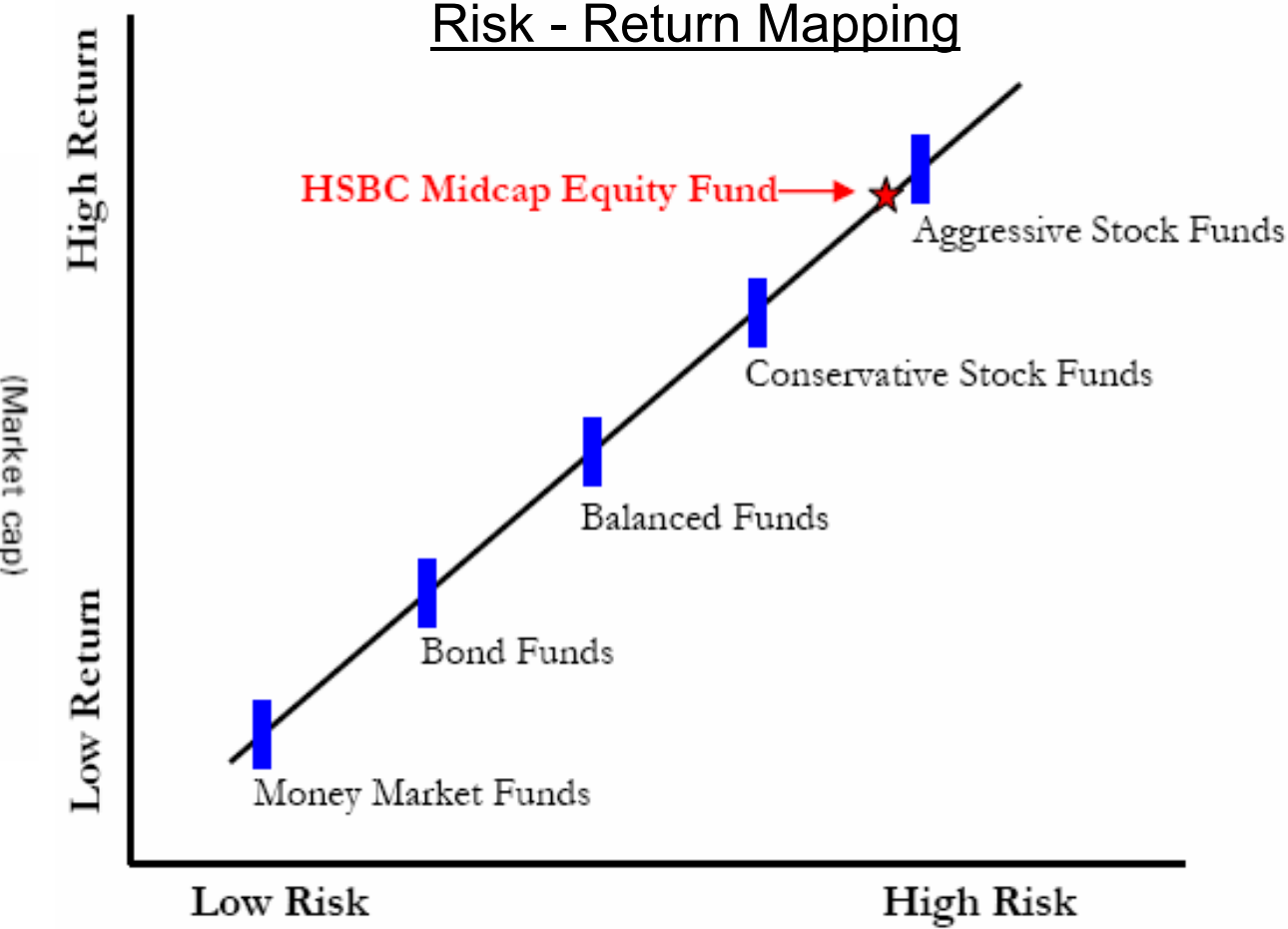
Other Sectors include Auto Ancillaries, Consumer Durables, Ferrous Metals, Fertilisers, Finance, Gas, Hotels, Industrial Products, Lotteries, Media & Entertainment, Non - Ferrous Metals, Power, Textiles – Cotton, Transportation, Chemicals, Pharmaceuticals and Textile Products.

HSBC Midcap Equity Fund

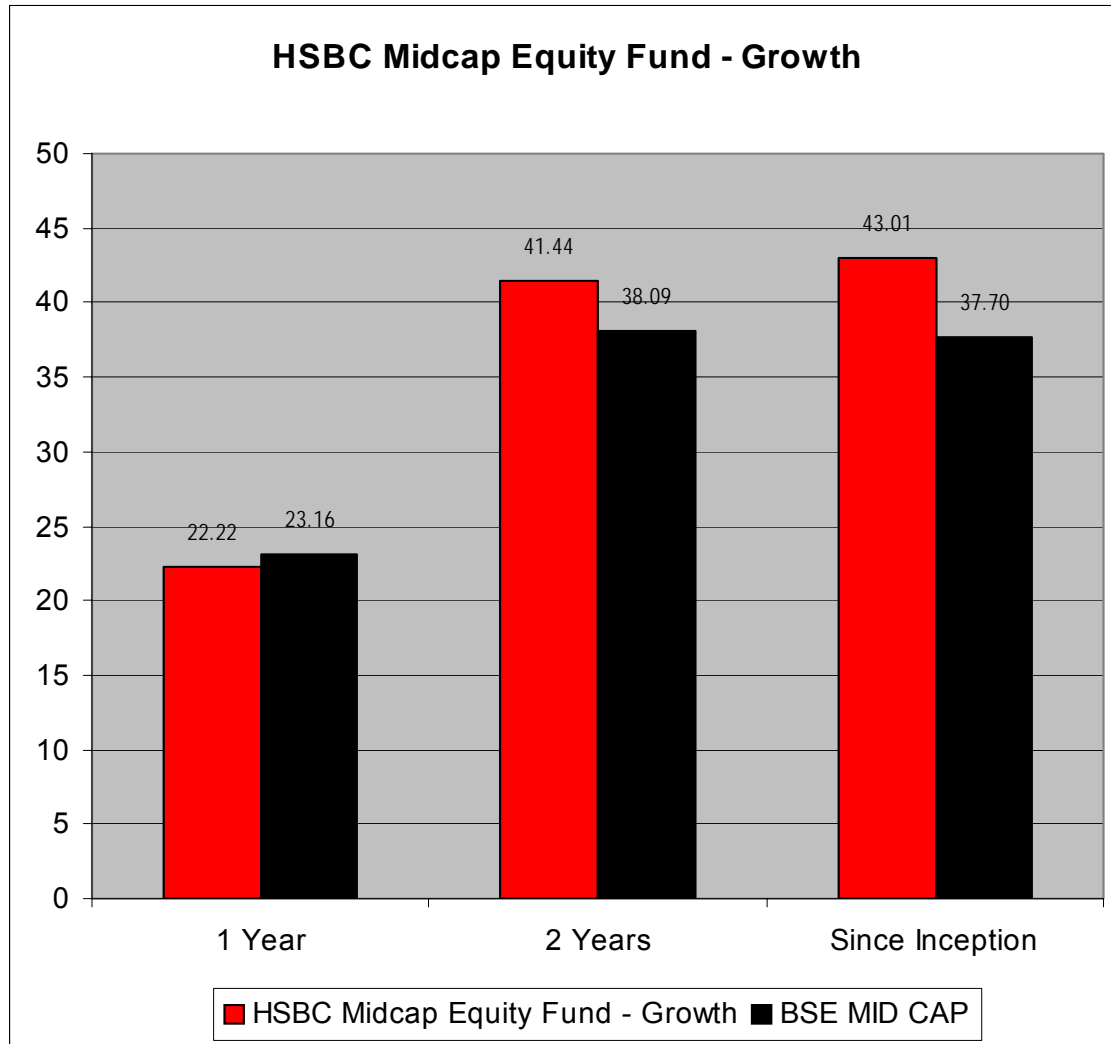
Investment Style

	Value	Blend	Growth	
				Large
				Medium
				Small

(Market cap)



Performance - HSBC Midcap Equity Fund (As on 31 May 2007)



Date of Inception – 19/05/2005

Returns \leq 1 year are Absolute

Returns $>$ 1 year are Compounded Annualized

Past performance may or may not be sustained in the future.

As per SEBI requirements for performance reporting, the 'since inception' returns are calculated on Rs 10 invested at inception. Calculations are based on Growth NAVs.

HSBC Advantage India Fund

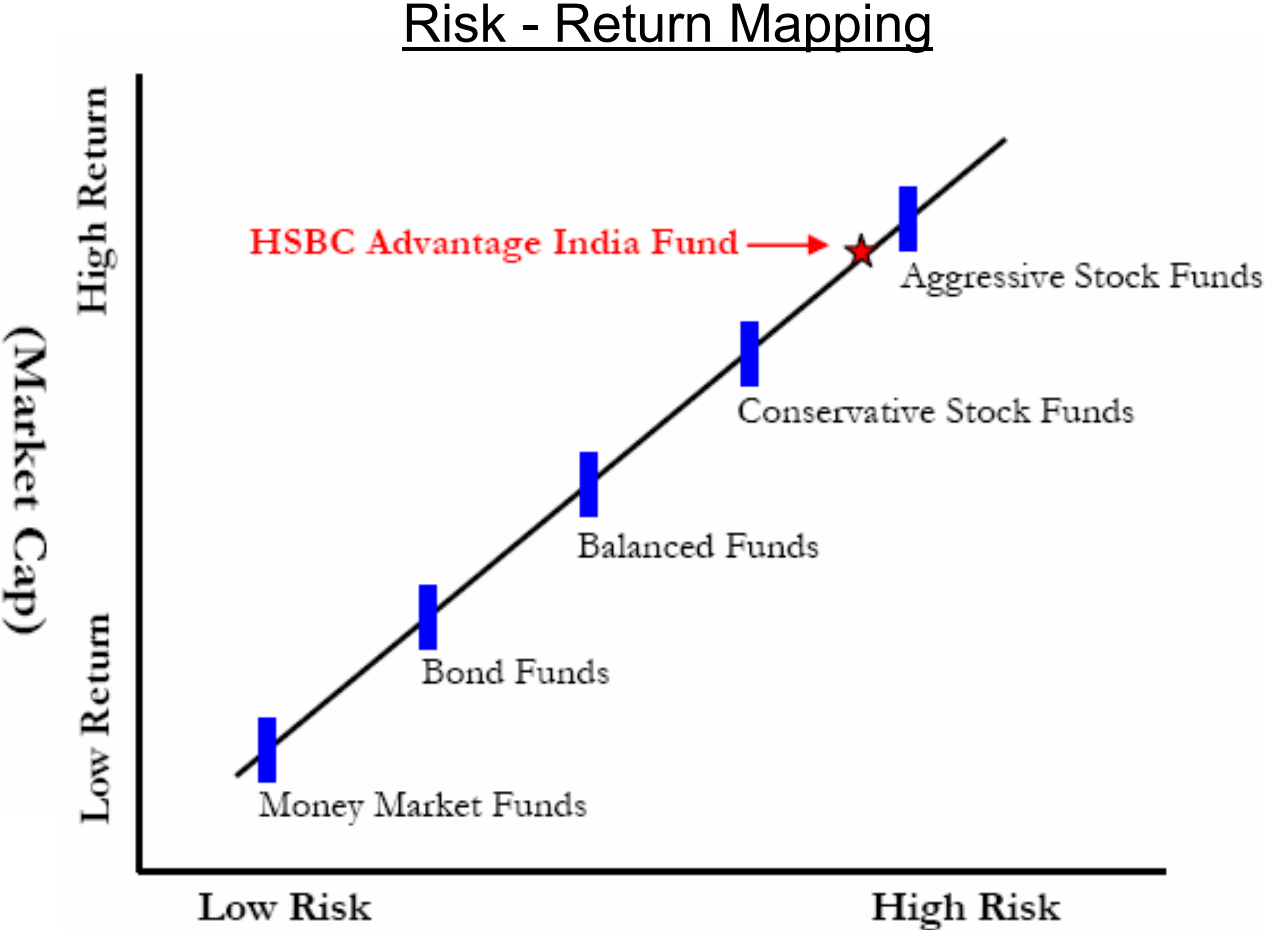
- Aims to generate long-term capital appreciation
- Invests primarily in sectors, areas and themes that play an important role in, and/or benefit from India's progress, reform process and economic development.
- Medium to long term horizon
- Flexibility of shifting between themes as and when deemed fit (*Flexi-theme approach*)
- No capitalisation bias
- 5 broad focus areas:
 - Infrastructure
 - Consumption
 - Outsourcing
 - Global Competitiveness
 - Reforms
- Benchmark: BSE 200

HSBC Advantage India Fund

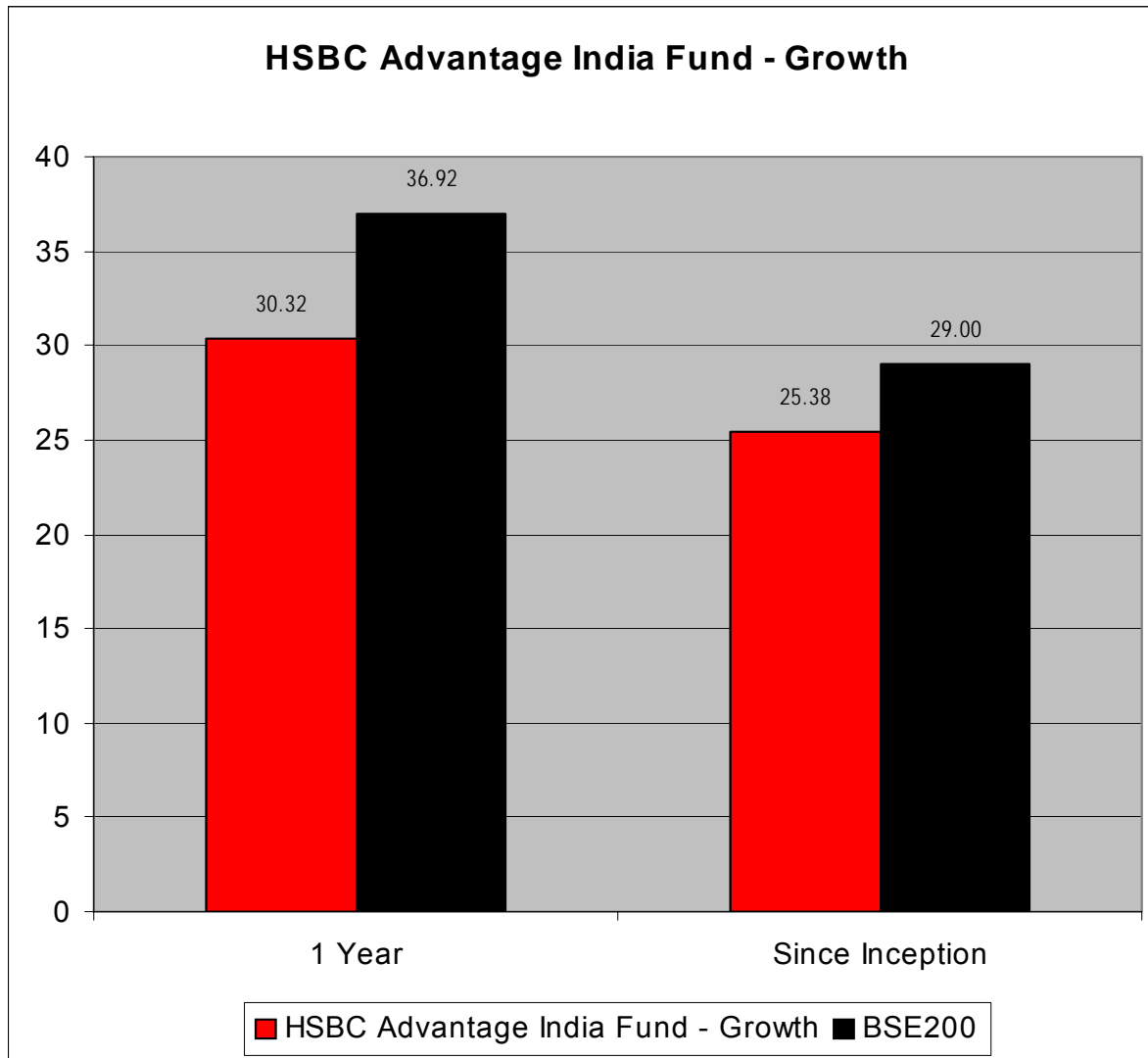
Investment Style

Value	Blend	Growth

Large
Medium
Small



Performance - HSBC Advantage India Fund (As on 31 May 2007)



Date of Inception – 23/02/2006

Returns \leq 1 year are Absolute

Returns $>$ 1 year are Compounded Annualized

Past performance may or may not be sustained in the future.

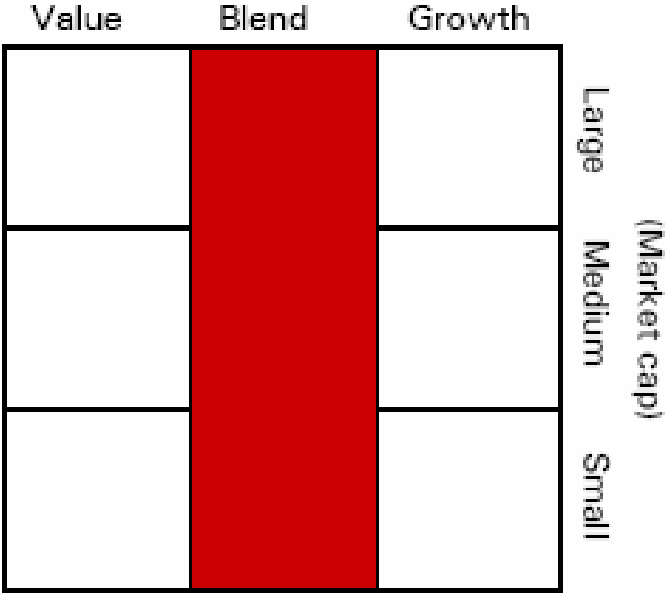
As per SEBI requirements for performance reporting, the 'since inception' returns are calculated on Rs 10 invested at inception. Calculations are based on Growth NAVs.

HSBC Tax Saver Equity Fund

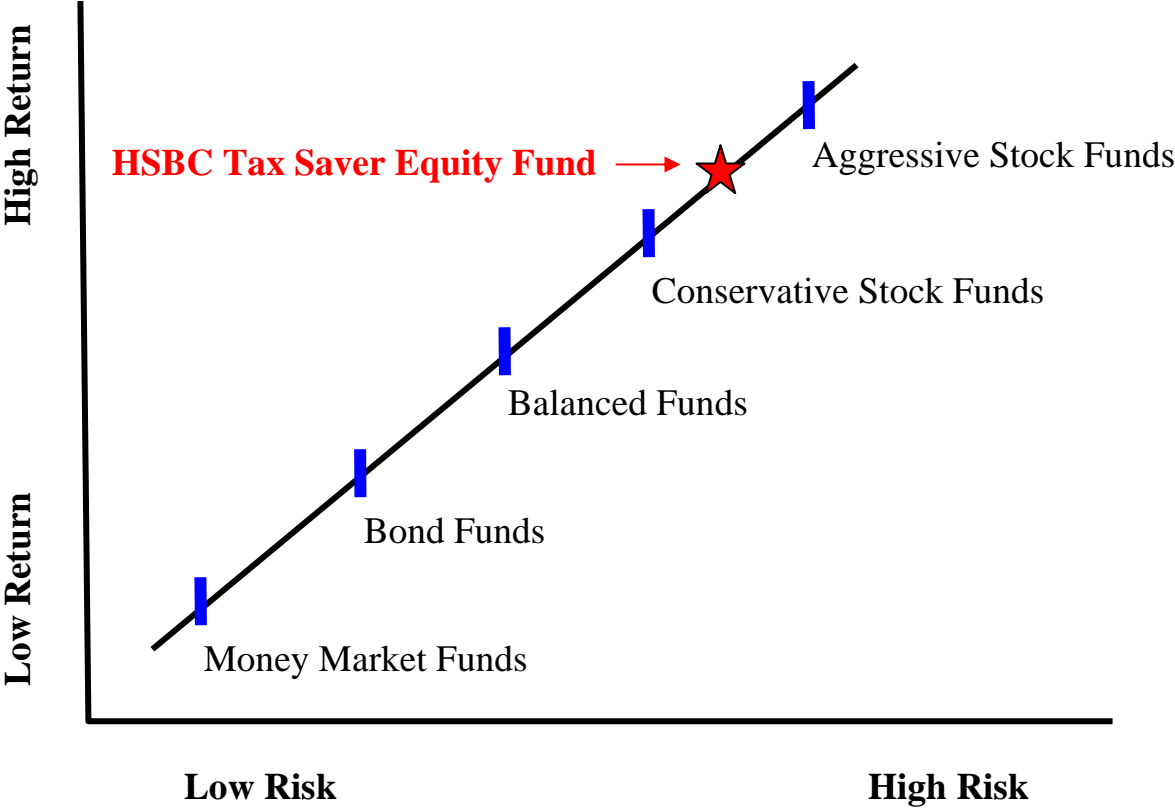
- Investment Objective –
 - To provide long term capital appreciation by investing in a diversified portfolio of equity & equity related instruments of companies across various sectors and industries, with no capitalisation bias.
 - The Fund may also invest in fixed income securities.
 - Offers Section 80C Benefit
- Benchmark – BSE 200

HSBC Tax Saver Equity Fund

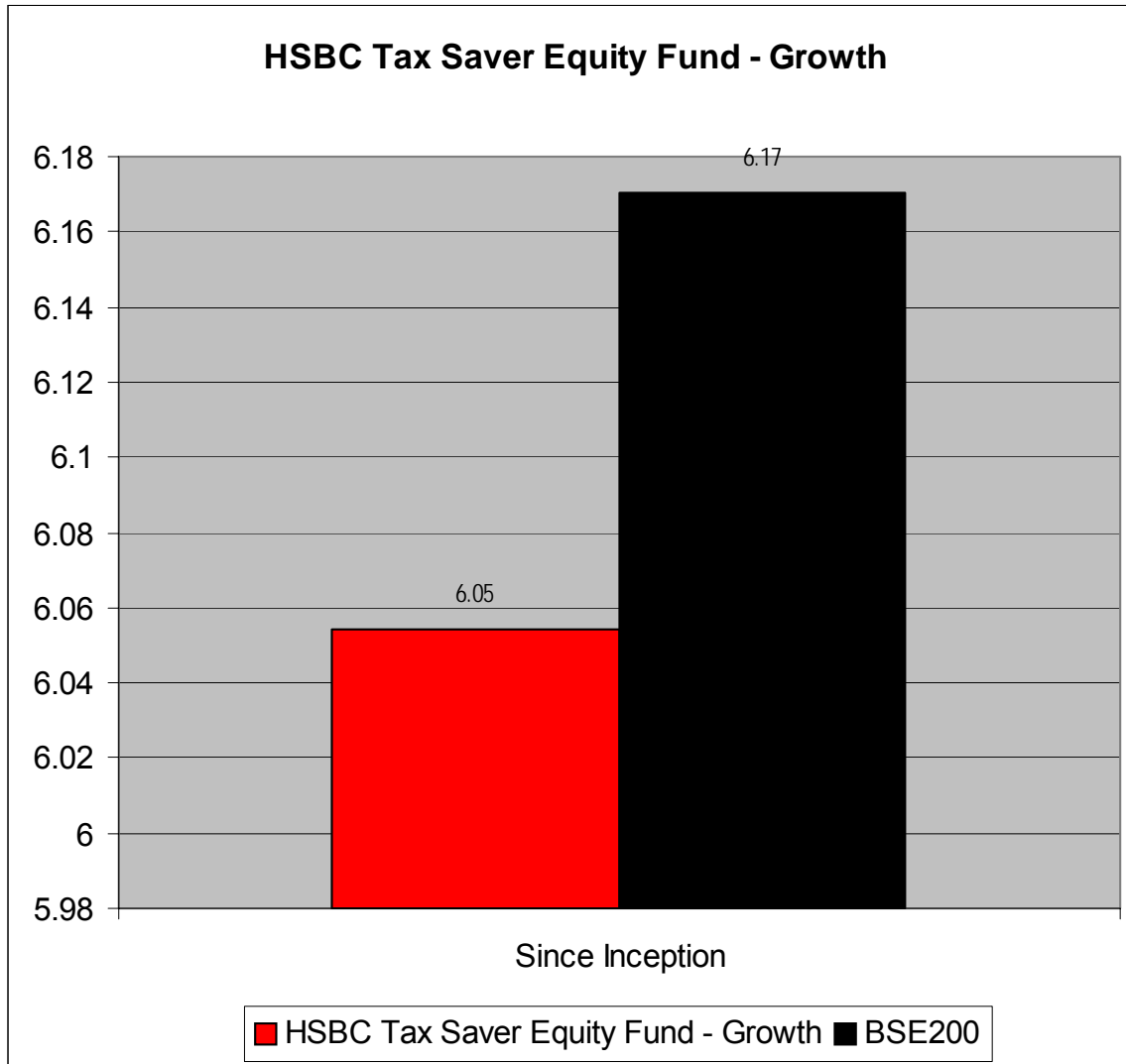
Investment Style



Risk - Return Mapping



Performance - HSBC Tax Saver Equity Fund (As on 31 May 2007)



Date of Inception – 05/01/2007

Returns \leq 1 year are Absolute

Returns $>$ 1 year are Compounded Annualized

Past performance may or may not be sustained in the future.

As per SEBI requirements for performance reporting, the 'since inception' returns are calculated on Rs 10 invested at inception. Calculations are based on Growth NAVs.

HSBC Unique Opportunities Fund

- Investment Objective – To provide long-term capital growth from a diversified portfolio of equity and equity related instruments. The focus would be to invest in stocks of companies facing “out-of-ordinary” conditions
- Benchmark – BSE 200

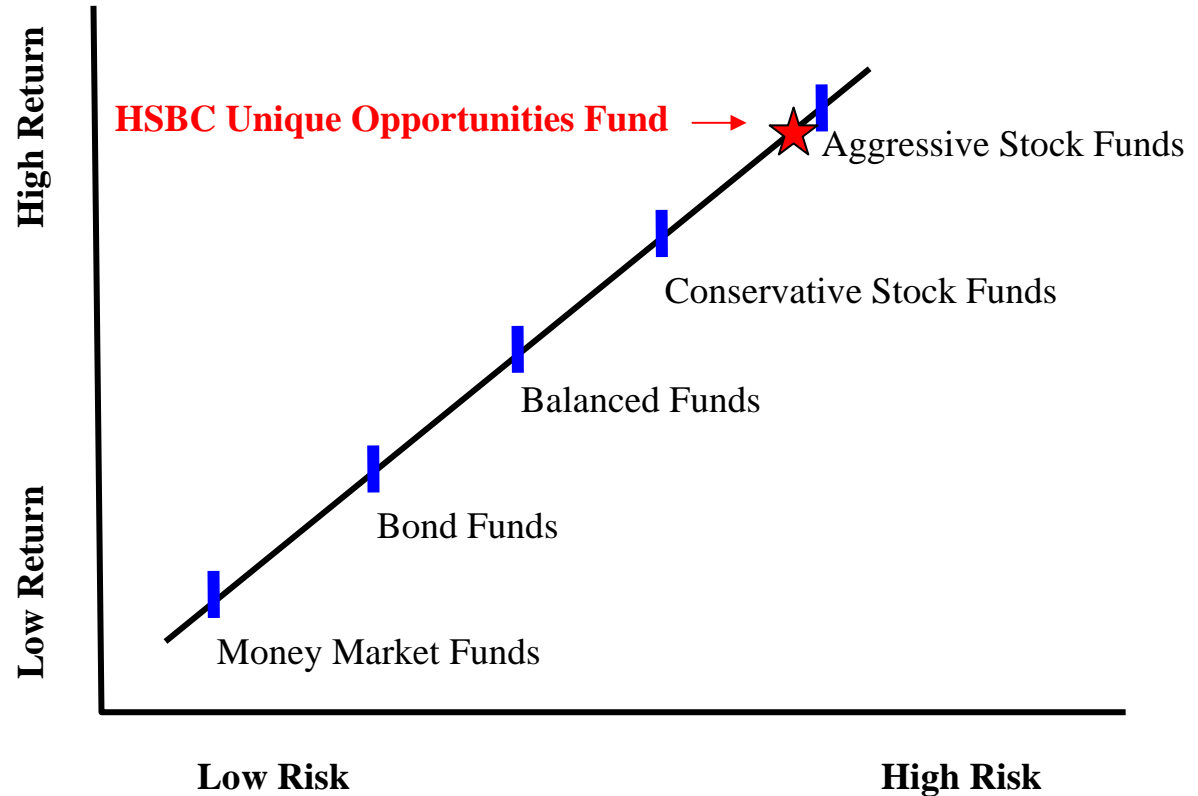
HSBC Unique Opportunities Fund

Investment Style

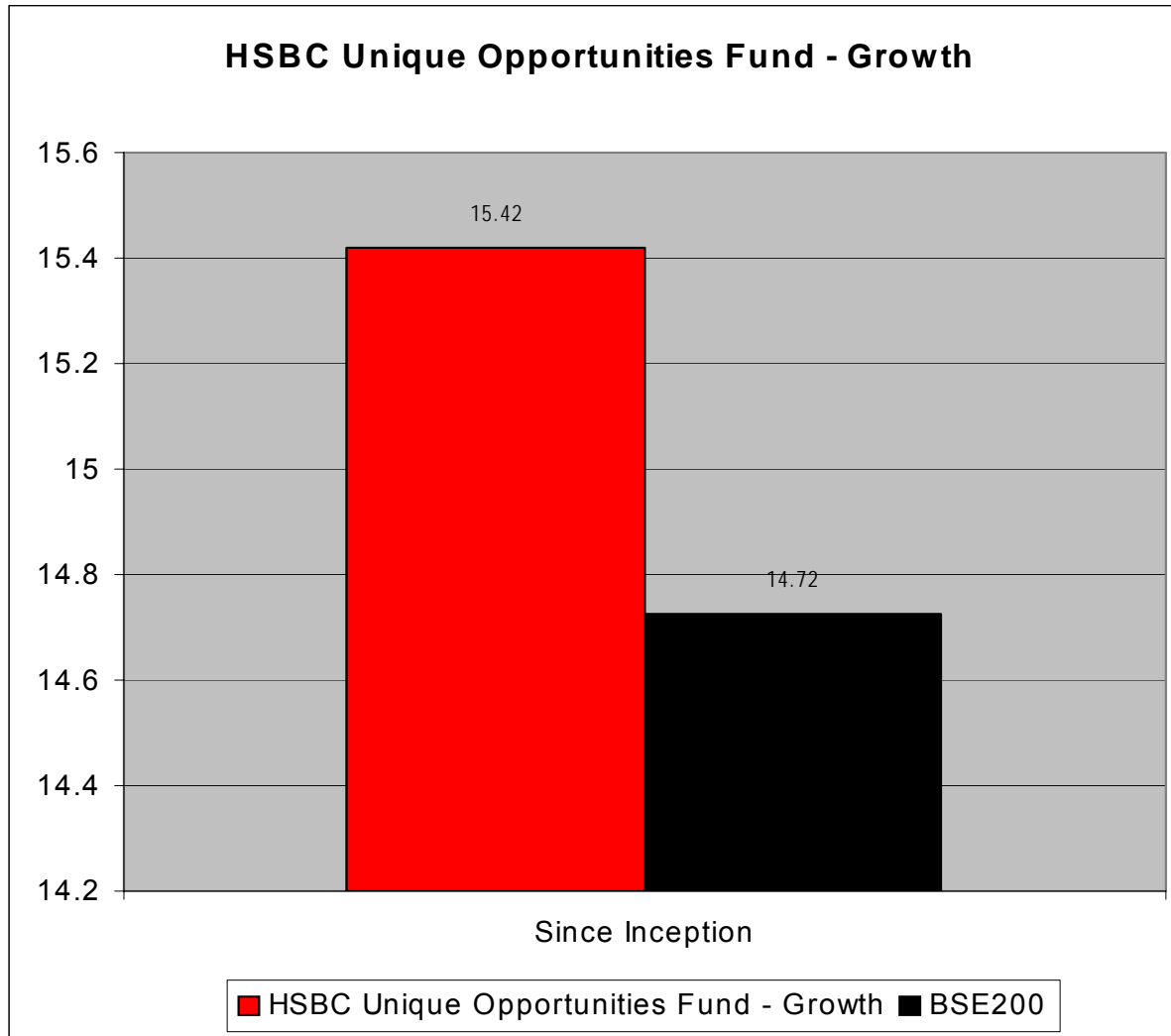
Value	Blend	Growth
		Large
		Medium
		Small

Large
Medium
Small
(Market Cap)

Risk - Return Mapping



HSBC Unique Opportunities Fund (As on 31 May 2007)



Date of Inception: 21 March 2007

Returns \leq 1 year are Absolute

Returns $>$ 1 year are Compounded Annualized

Past performance may or may not be sustained in the future.

As per SEBI requirements for performance reporting, the 'since inception' returns are calculated on Rs 10 invested at inception. Calculations are based on Growth NAVs.

Disclaimer

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HSBC Asset Management (India) Private Limited; 314, D. N. Road, Fort, Mumbai 400 001. Tel: 6614 5000.

Risk Factors

Investors may obtain Offer Documents and Key Information Memorandums along with application forms from the office of HSBC Mutual Fund, 314 D. N. Road, Fort, Mumbai 400 001. Tel: 022-6666 8819.

Statutory Details: HSBC Mutual Fund has been set up as a trust by HSBC Securities and Capital Markets (India) Private Limited (liability restricted to the corpus of Rs 1 lakh). The Sponsor / associates of the Sponsor/ Asset Management Company (AMC) are not responsible or liable for any loss or shortfall resulting from the operation of the Schemes. The Trustees of HSBC Mutual Fund have appointed HSBC Asset Management (India) Private Limited as the Investment Manager.

Risk Factors: All investments in mutual funds and securities are subject to market risks and the Net Asset Value (NAV) of the Scheme(s) may go up or down depending on the factors and forces affecting the securities markets. There can be no assurance that the objectives of the Scheme(s) will be achieved. Past performance of the Sponsor, AMC, Mutual Fund or any associates of the Sponsor/AMC does not indicate the future performance of the Scheme(s) of the Mutual Fund. HSBC Equity Fund (HEF), HSBC India Opportunities Fund (HIOF), HSBC Midcap Equity Fund (HMEF), HSBC Advantage India Fund (HAIF), HSBC Tax Saver Equity Fund (HTSF), HSBC Unique Opportunities Fund (HUOF), HSBC Income Fund (HIF), HSBC Gilt Fund (HGF), HSBC Cash Fund (HCF), HSBC Liquid Plus Fund (HLPF), HSBC MIP (HMIP), HSBC Floating Rate Fund (HFRF) & HSBC Fixed Term Series (HFTS) are the names of the Schemes and do not in any manner indicate the quality of the Schemes or their future prospects or returns.

Scheme Classification: HEF (an open-ended diversified equity Scheme) aims to generate long term capital growth from an actively managed portfolio of equity and equity related securities. HIOF (an open-ended flexi-cap equity Scheme) seeks long term capital growth through investments across all market capitalisations, including small, mid and large cap stocks. It aims to be predominantly invested in equity & equity related securities. However it could move a significant portion of its assets towards fixed income securities if the fund manager becomes negative on equity markets. HMEF (an open-ended diversified equity Scheme) seeks to generate long term capital growth from an actively managed portfolio of equity and equity related securities primarily being midcap stocks. However, it could move a portion of its assets towards fixed income securities if the fund manager becomes negative on the Indian equity markets. HAIF (an open-ended flexi-theme equity Scheme) seeks to generate long term capital growth from an actively managed portfolio of equity and equity related securities by investing primarily in sectors, areas and themes that play an important role in, and/or benefit from India's progress, reform process and economic development. HTSF (an open ended Equity Linked Savings Scheme) seeks to provide long term capital appreciation by investing in a diversified portfolio of equity & equity related instruments of companies across various sectors and industries, with no capitalisation bias. The Fund may also invest in fixed income securities. HUOF (a 3 year close ended equity scheme with automatic conversion into open ended equity scheme at the end of 3 years from the date of allotment of units) seeks to provide long-term capital growth from a diversified portfolio of equity and equity related instruments. The focus would be to invest in stocks of companies facing "out-of-ordinary" conditions.

Risk Factors contd...

HIF (an open-ended income Scheme) aims to provide reasonable income through a diversified portfolio of fixed income securities. The AMC's view of interest rate trends and the nature of the Plans will be reflected in the type and maturities of securities in which the Short Term and Investment Plans are invested. HGF (an open-ended gilt scheme) aims to generate reasonable returns through investments in Government Securities of various maturities. HCF (an open-ended liquid scheme) aims to provide reasonable returns, commensurate with low risk while providing a high level of liquidity, through a portfolio of money market and debt securities. HLPF (an open-ended debt Scheme) seeks to provide liquidity and reasonable returns by investing primarily in a mix of short term debt and money market instruments. HMIP (an open-ended Fund with Regular & Savings Plans. Monthly income is not assured and is subject to availability of distributable surplus.) seeks to generate reasonable returns through investments in Debt and Money Market Instruments. The secondary objective of the scheme is to invest in equity and equity related instruments to seek capital appreciation. HFRF (an open-ended income scheme) seeks to generate a reasonable return with commensurate risk through investments in floating rate debt instruments and fixed rate debt instruments swapped for floating rate returns. The Scheme may also invest in fixed rate money market and debt instruments. HFTS (a close-ended Income Scheme) seeks to generate reasonable returns by investing in a portfolio of fixed income instruments normally maturing in line with the time profile of the respective Plan(s).

HFTS: Asset Allocation: Money market instruments and cash – Up to 100%. Short term and medium term debt instruments and securitised debt – Up to 100%.

Terms of Issue: Units of the Scheme(s) are being offered at NAV based prices, subject to prevailing loads. The AMC calculates and publishes NAVs and offers for sale, redemption and switch outs, units of the Scheme(s) on all Business Days, at the Applicable NAV. HFTS - Units of the Scheme are being offered at Rs. 10 per unit for cash at par plus applicable load at the time of the NFO. The AMC will calculate and publish the first NAV of the Scheme not later than 30 days from the closure of the NFO. However HUOF & HFTS will not be open for ongoing subscriptions / switch ins. HUOF would be available for sale on an ongoing basis (after a period of 3 years from the date of allotment). Conversion of HUOF to an open-ended scheme will be done only after the balance unamortized amount has been fully recovered from the Scheme. Units can be redeemed / switched out on every Business Day at NAV based prices, subject to prevailing exit load.

Load Structure (includes SIP/STP): HEF, HIOF, HMEF, HAIF – Entry – 2.25% for investments/switch ins* < Rs 5 crores, otherwise Nil. Exit – 0.5% for < Rs 5 crores, if redeemed/switched out* within 6 months from date of investment, otherwise Nil. HTSF: Entry - 2.25% for investments / switch ins* < Rs 1 crore, otherwise Nil. Exit – Nil. HUOF: During close ended period - Exit - Nil. However the investor will have to bear the proportionate unamortized initial issue expenses for exiting during the close ended period. SIP/SEP/STP in HUOF available after conversion to an open-ended scheme. HMIP – Entry – Nil. Exit - 0.5% for Investments < Rs 10 lakhs, if redeemed/switched out* within 6 months from date of investment. For STP/SEP – Nil. In case of HIF-IP & HFRF-LTP - Entry - Nil. Exit - 0.5% for < Rs 10 lakhs in Regular Option, if redeemed/switched out* within 6 months from the date of investment. For STP/SEP – Nil. *No load in case of switches between equity Schemes of HSBC Mutual Fund. No load in case of HCF, HGF, HLPF, HIF-ST & HFRF-ST. HFTS - Entry - Nil. Exit - HFTS 28 - 2%, HFTS 29 - 1.5%, HFTS 30 - 2%. All other HFTS – Consult the nearest investor service centre for details. Load in case of dividend reinvestments: Entry - 2.25% in case of Weekly Dividend sub-option under Institutional & Institutional Plus Option of HCF & HFRF-STP. Exit – Nil. No load in case of investments by Fund-of-Funds, FIs & their sub-accounts. The entry / exit load set forth above is subject to change at the discretion of the AMC and such changes shall be implemented prospectively. Read the Offer Document carefully before investing.

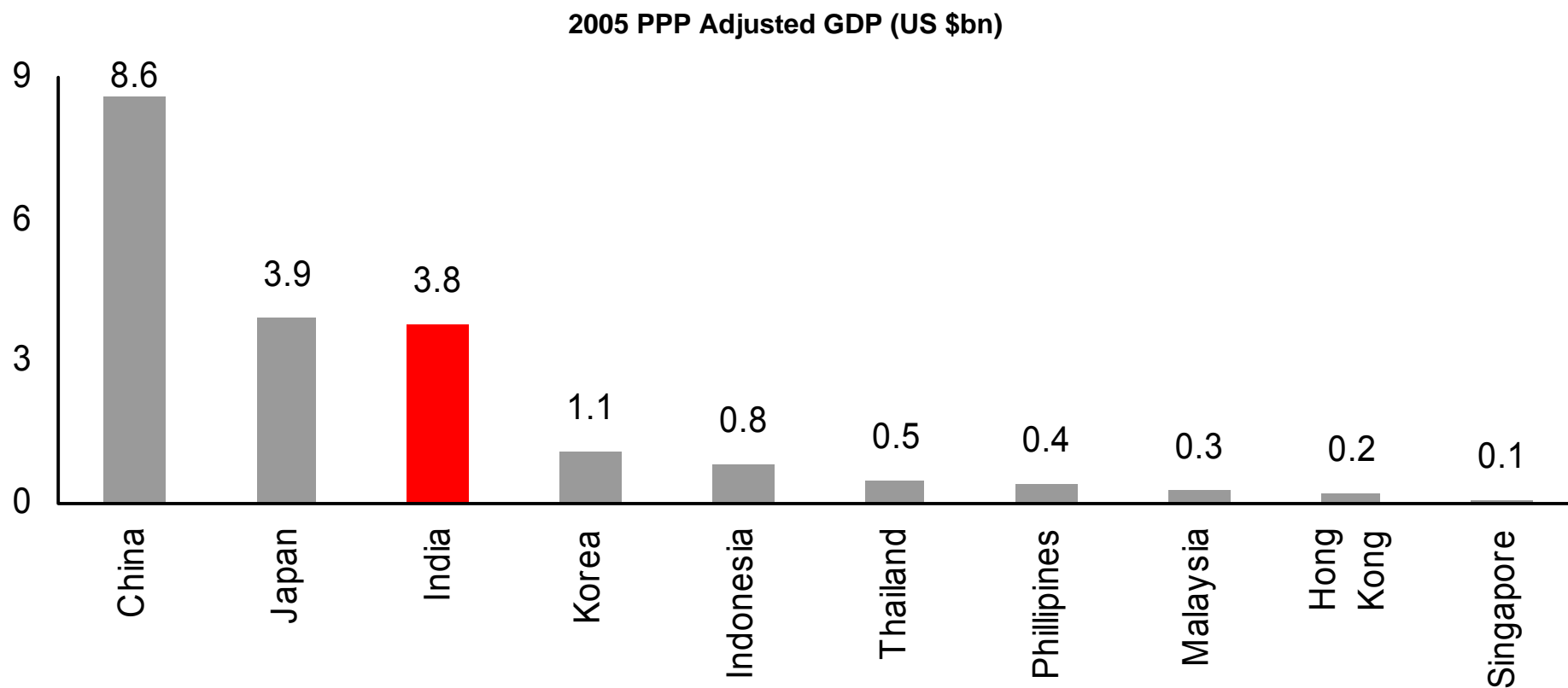
Thank you

Questions...

APPENDIX I

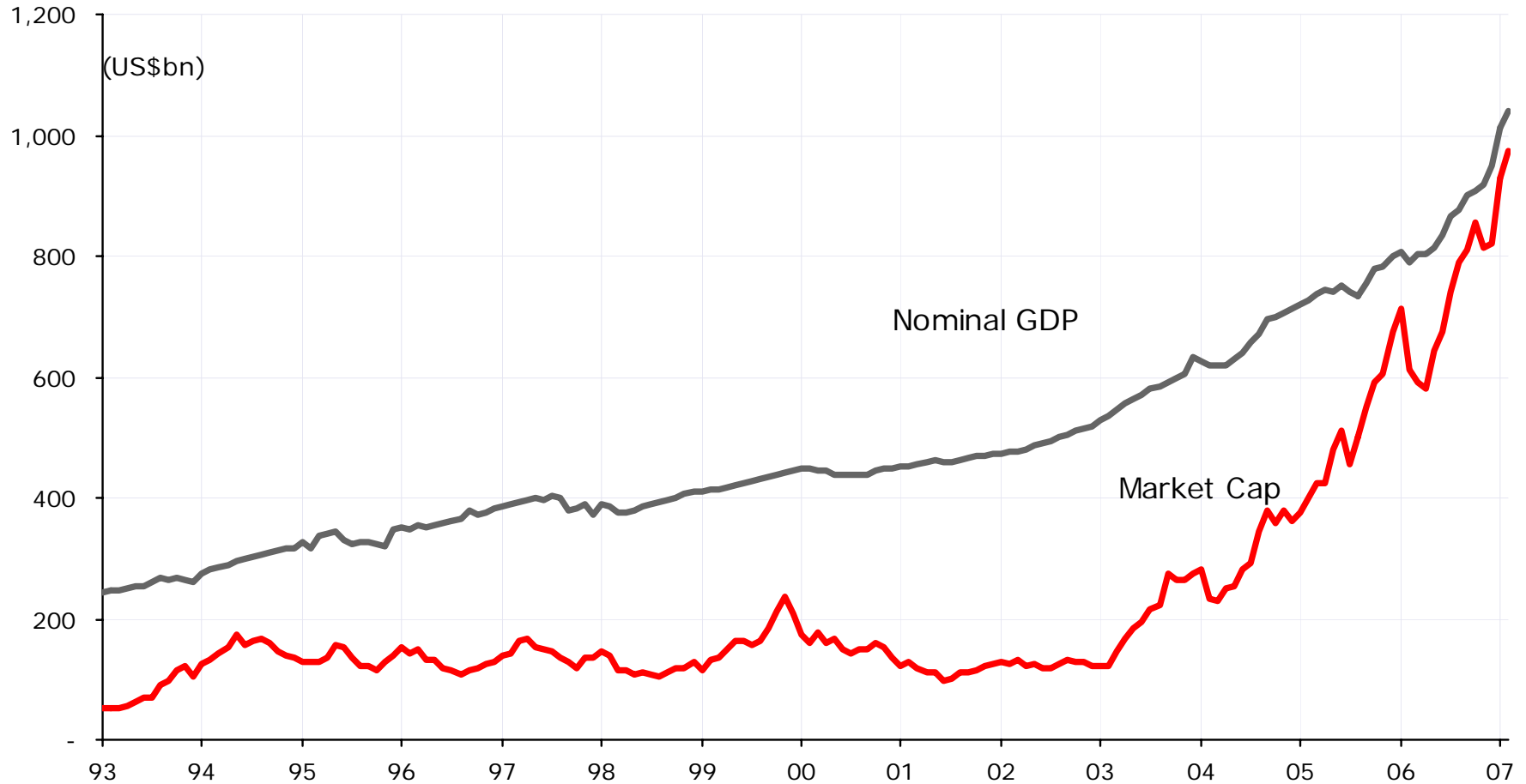
INDIA : MACRO-ECONOMIC OVERVIEW

India – Too big to ignore -- The Present



Indian share of Global GDP is likely to grow even bigger

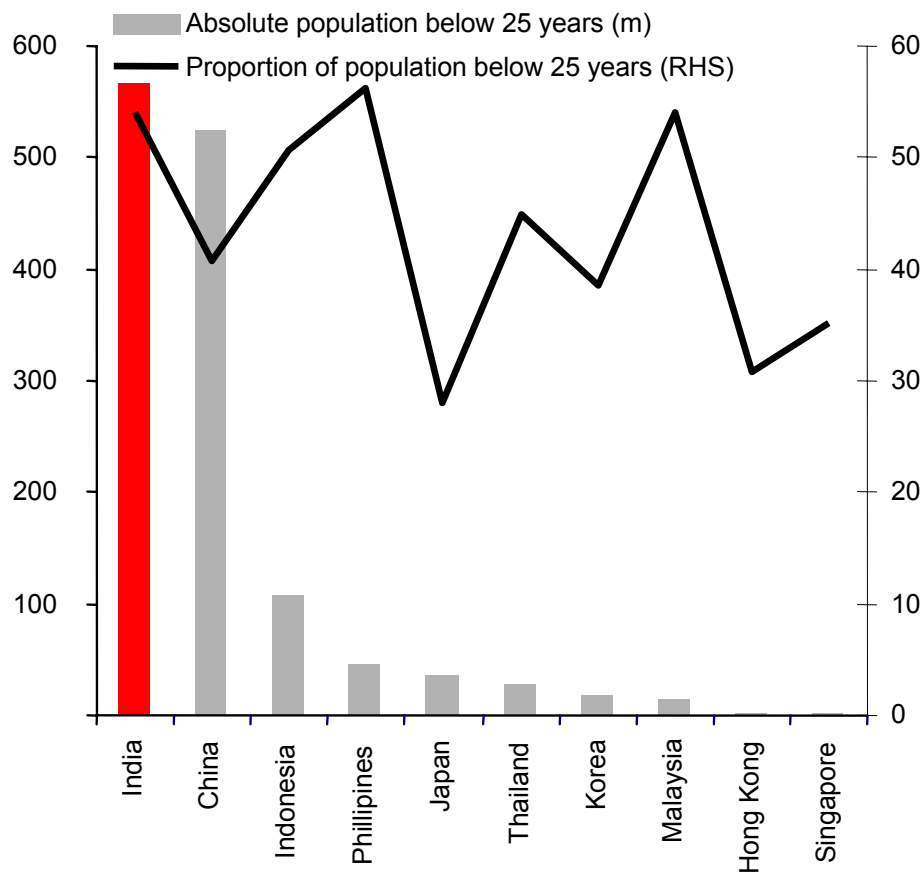
A US\$ 1 trillion economy by 2007-08?



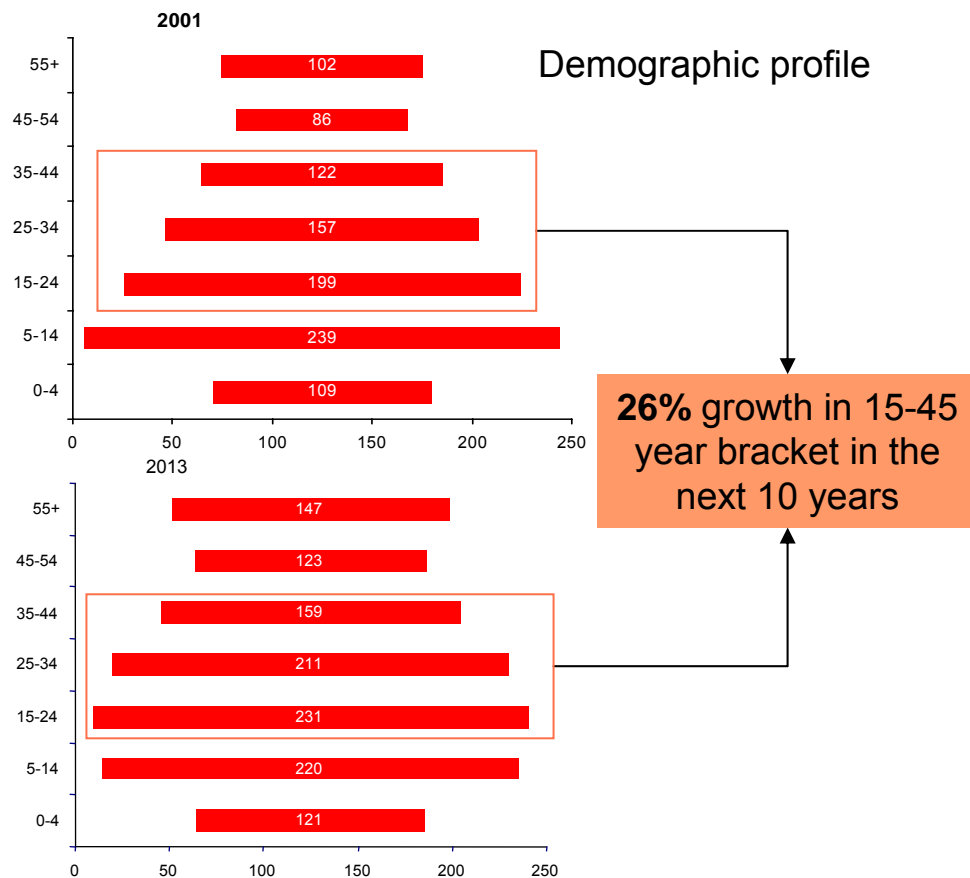
Source: CLSA Asia-Pacific Markets

Unmatched demographic profile – boomers of the new millennium

India's youth & vigour....



..is driving unparalleled change

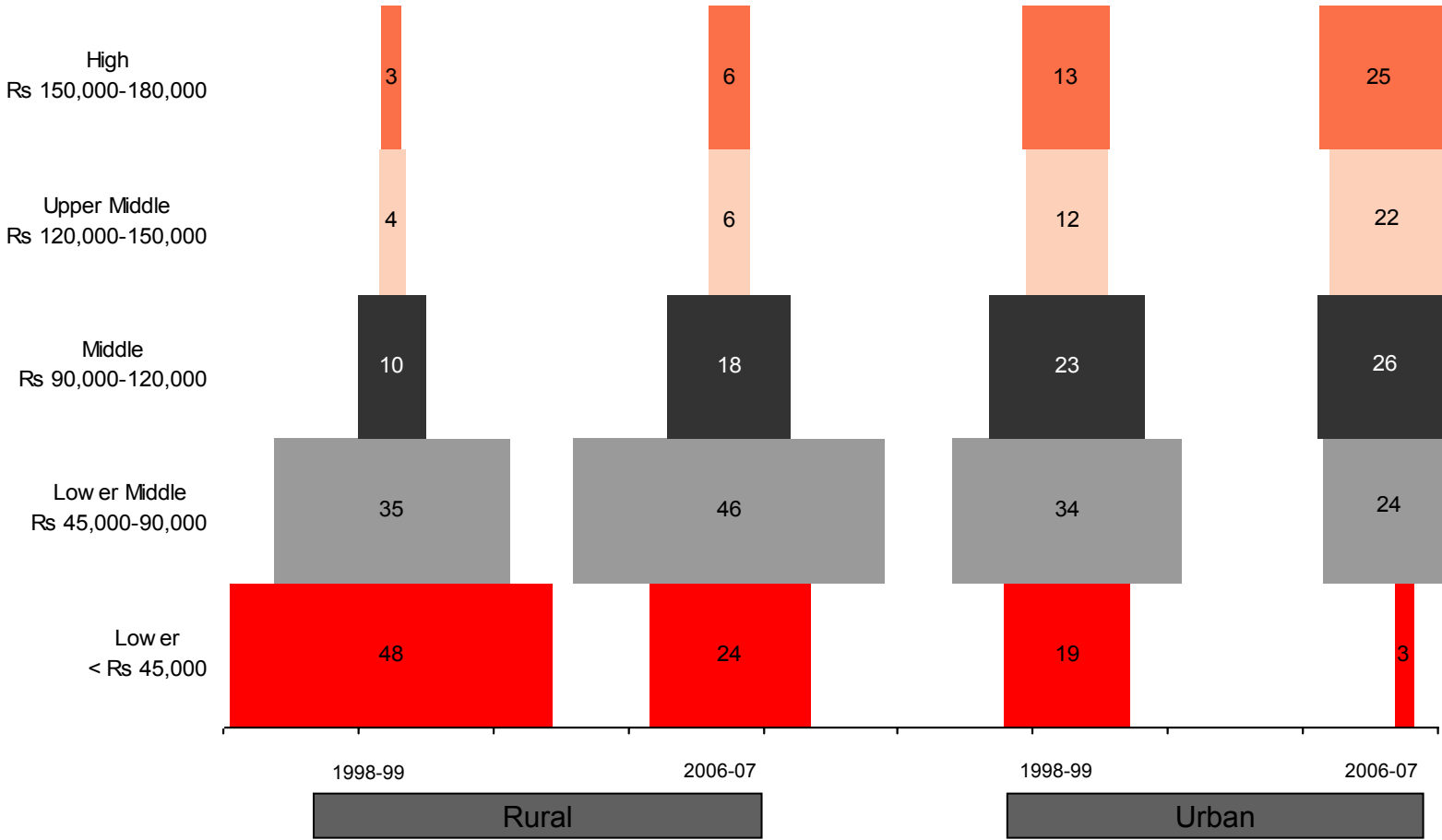


Source: CLSA Asia-Pacific Markets, CSO

Source: CLSA Asia-Pacific Markets, www.childdatabank.org

India : Household Income Statistics

Distribution of households by income (%)

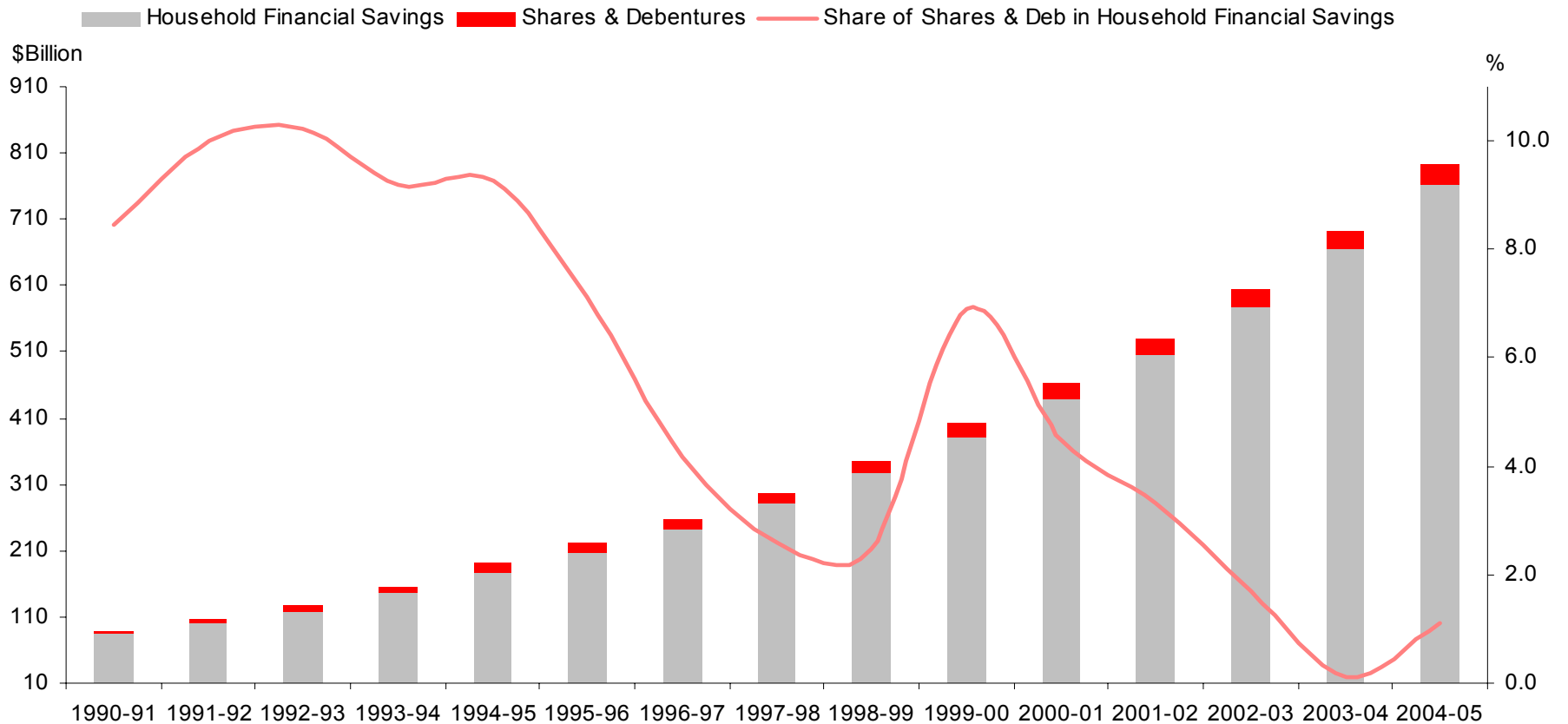


Source: NCAER, CLSA



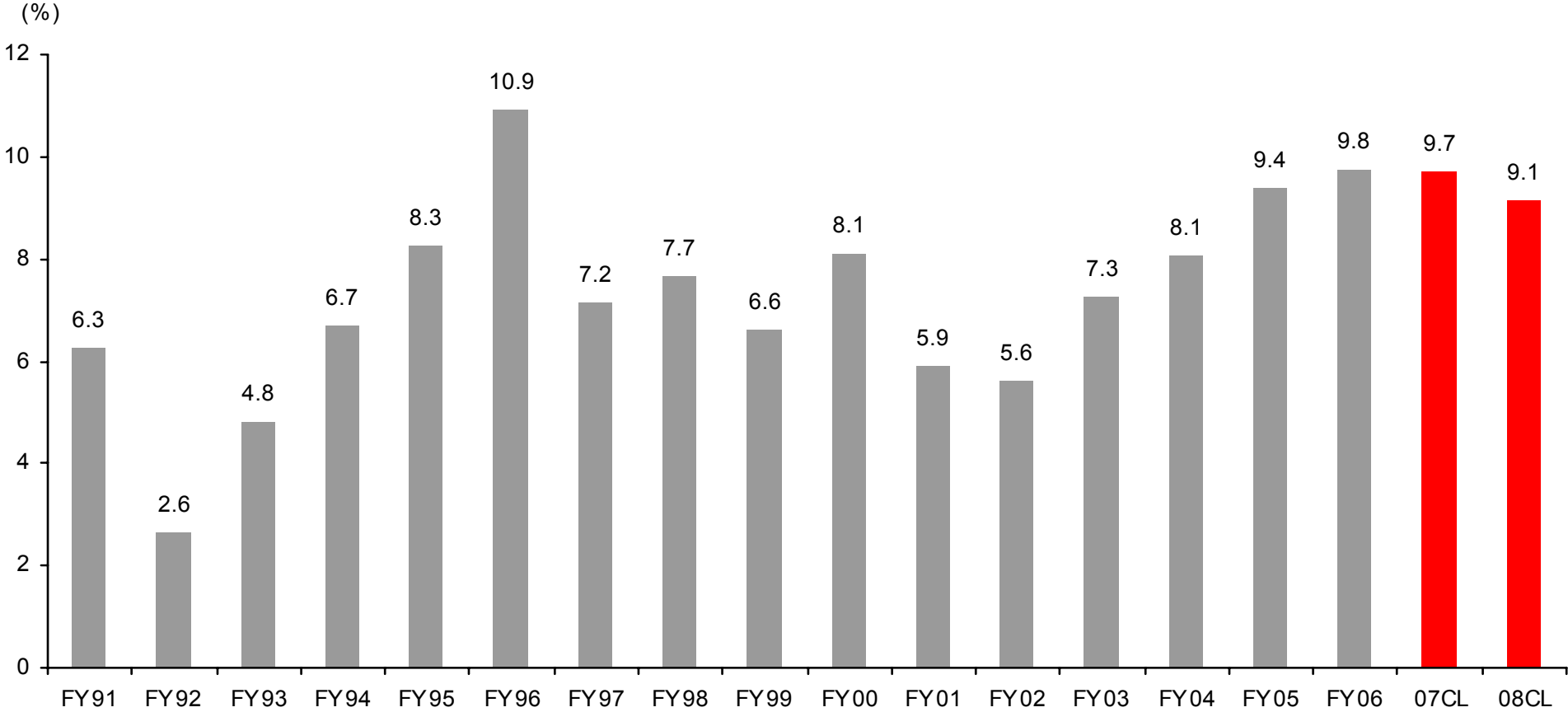
Indians are under invested

1% shift into equities = \$8 billion !



Source : RBI, CLSA

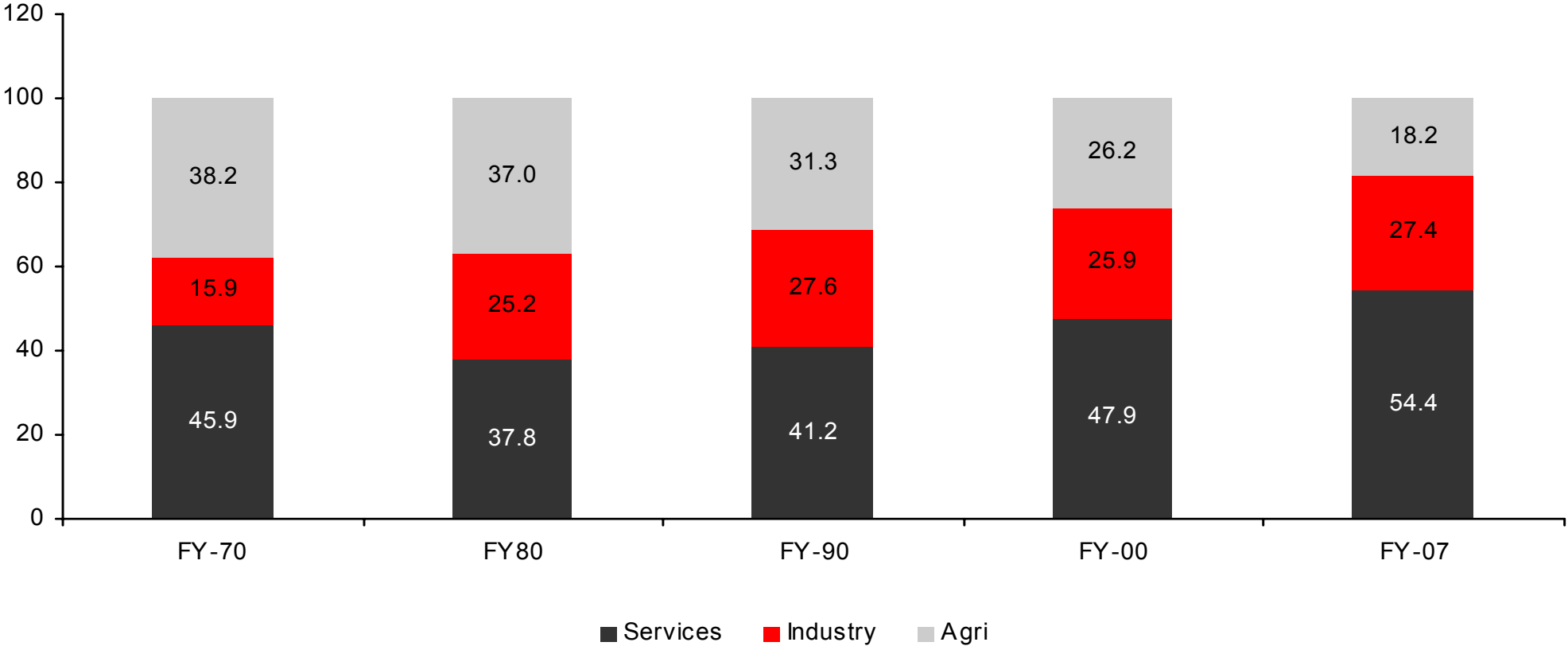
India : Real GDP Growth (Ex-Agri)



Source: CLSA

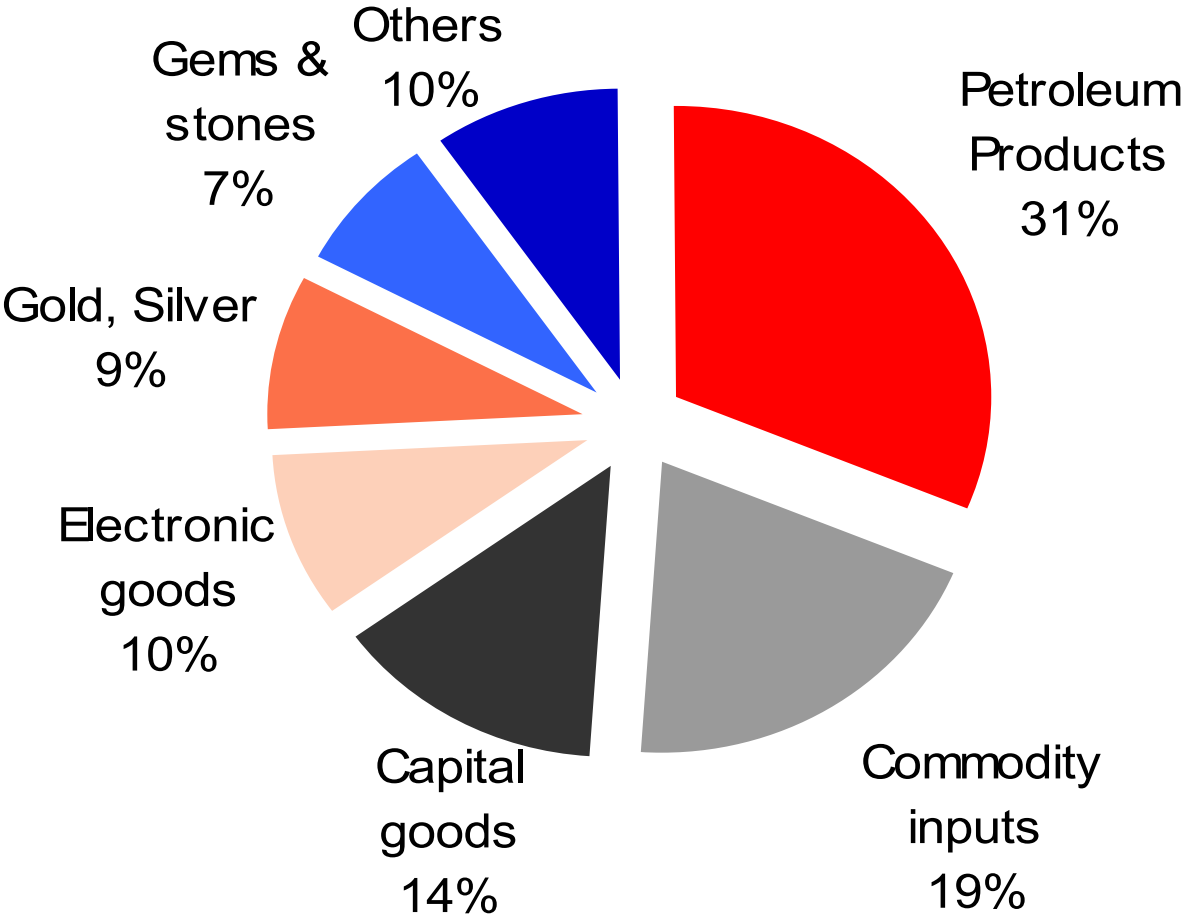
India : GDP Break-up

(% of total GDP)



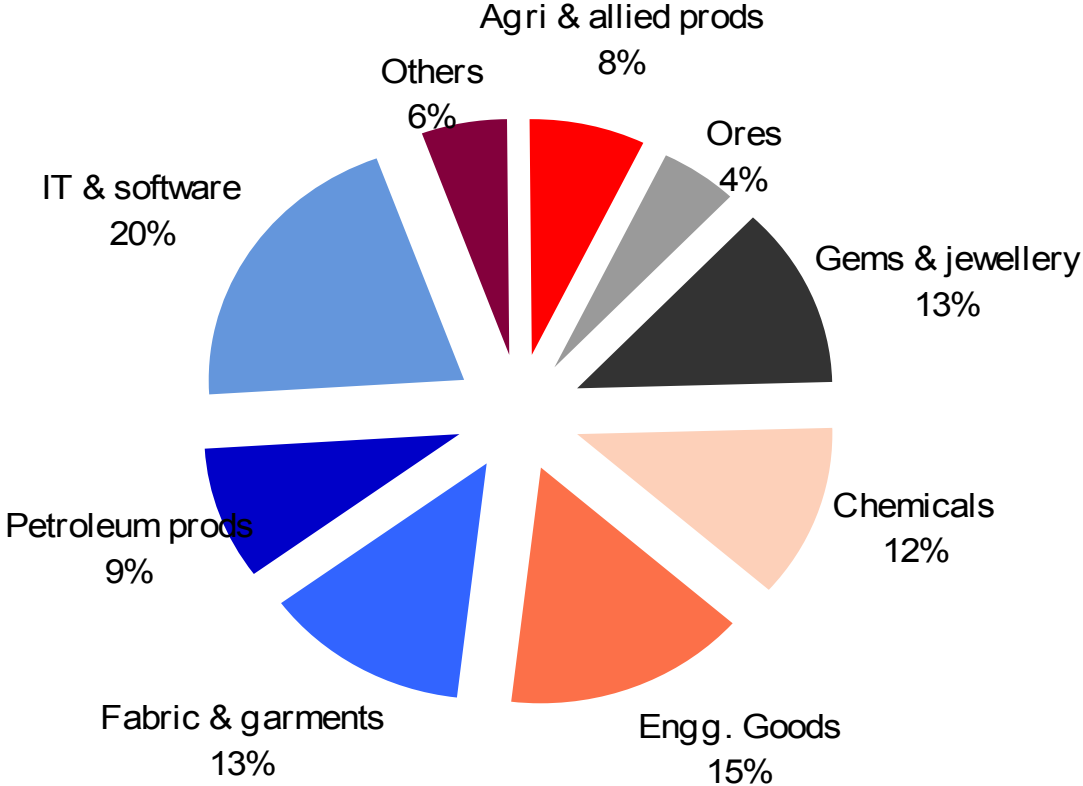
Source: CLSA

India : Imports Break-up



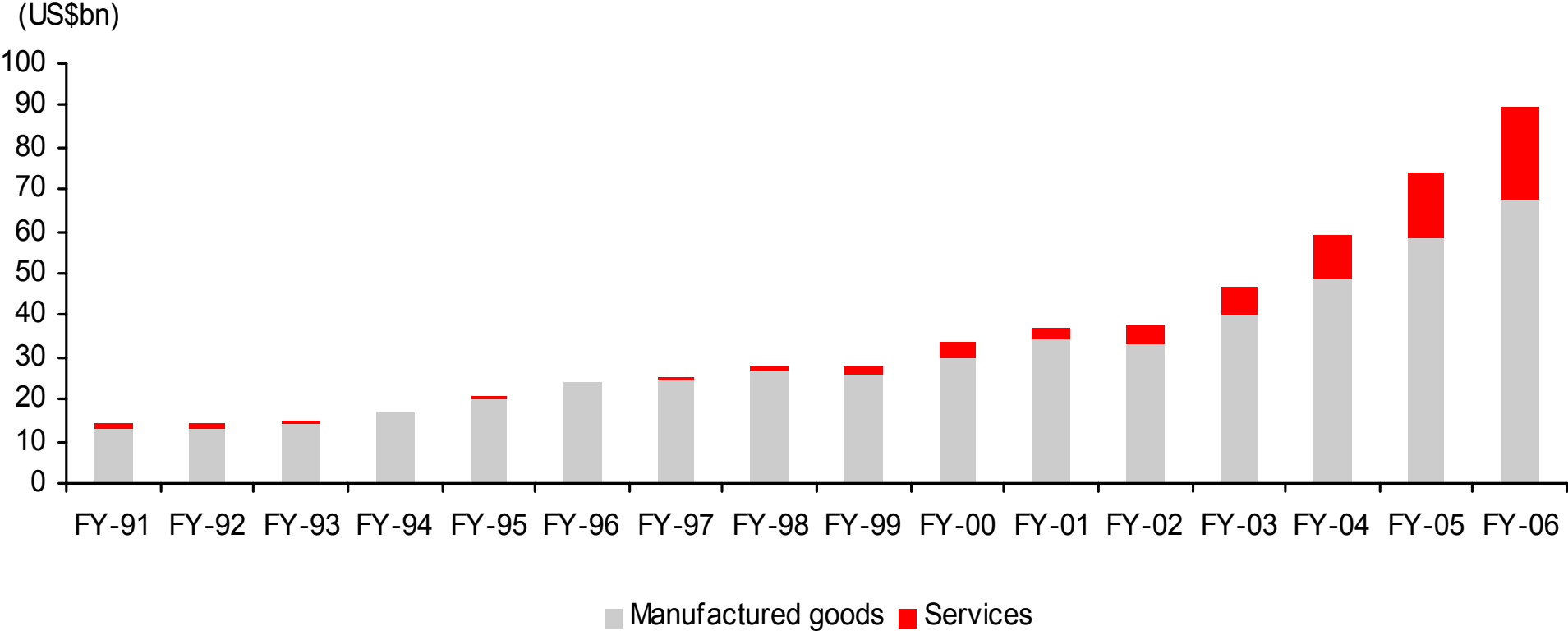
Source: CLSA

India : Exports Break-up



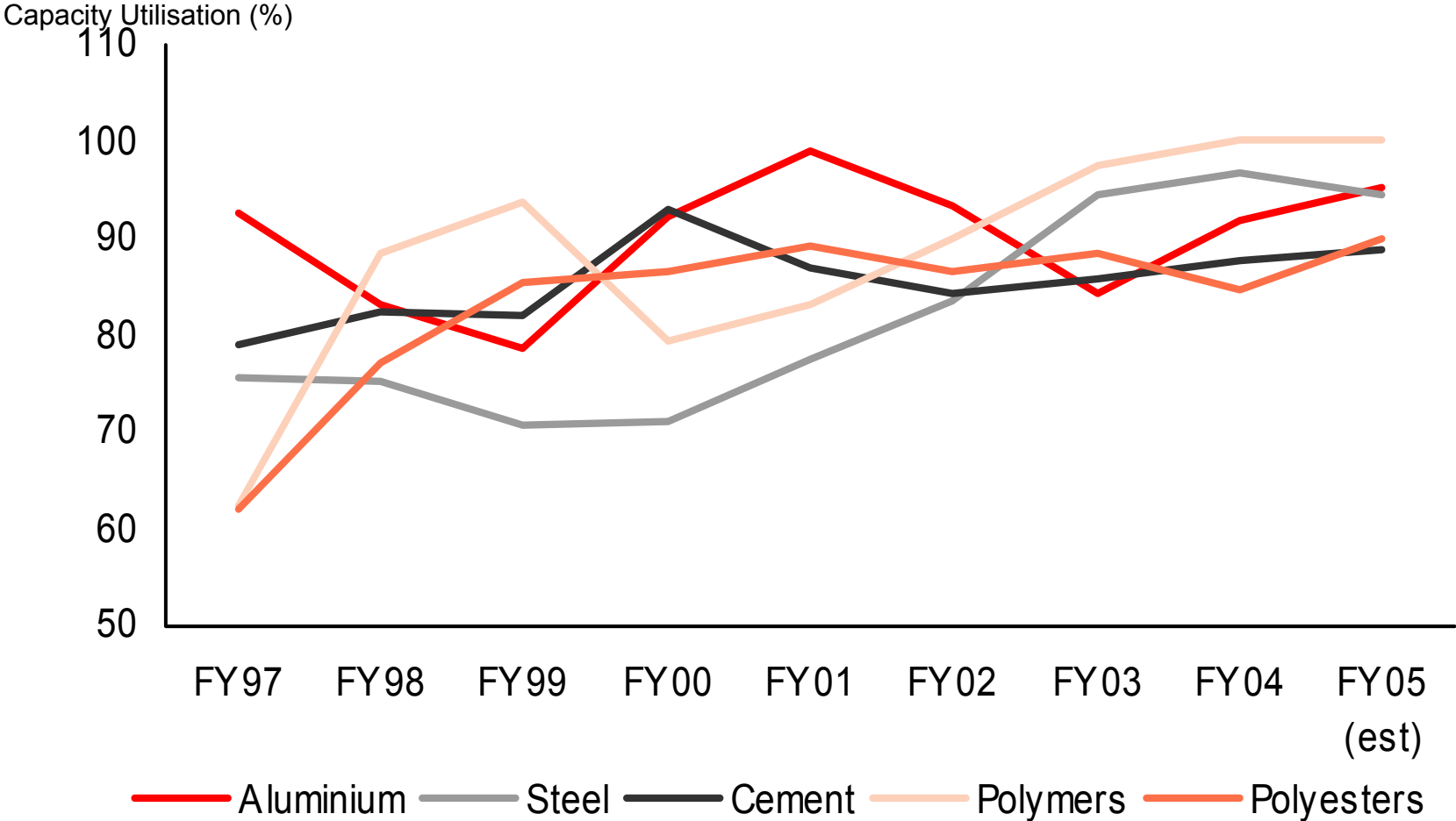
Source: CLSA

India : Sector-wise Exports



Source: CLSA

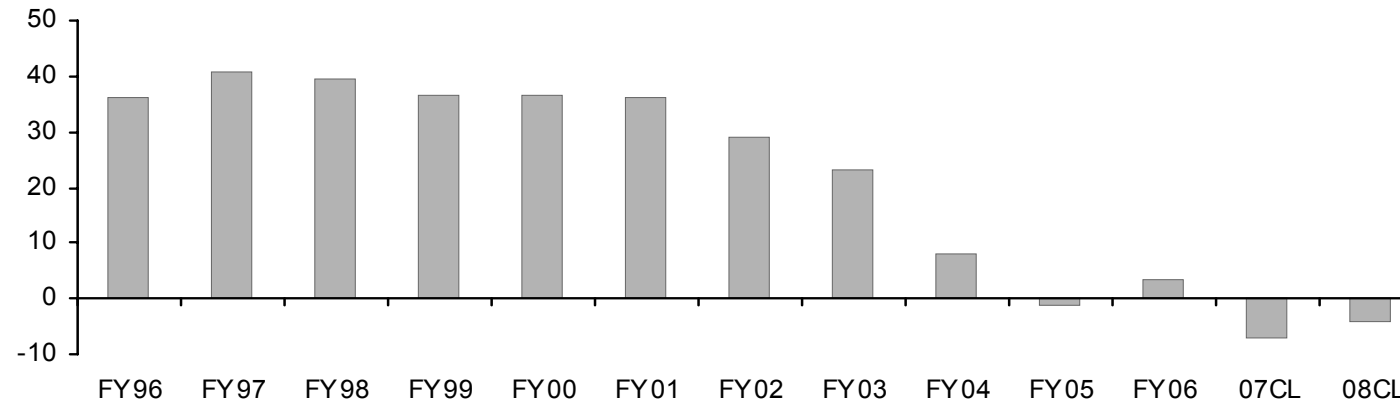
India : Industrial Capacity Utilisation



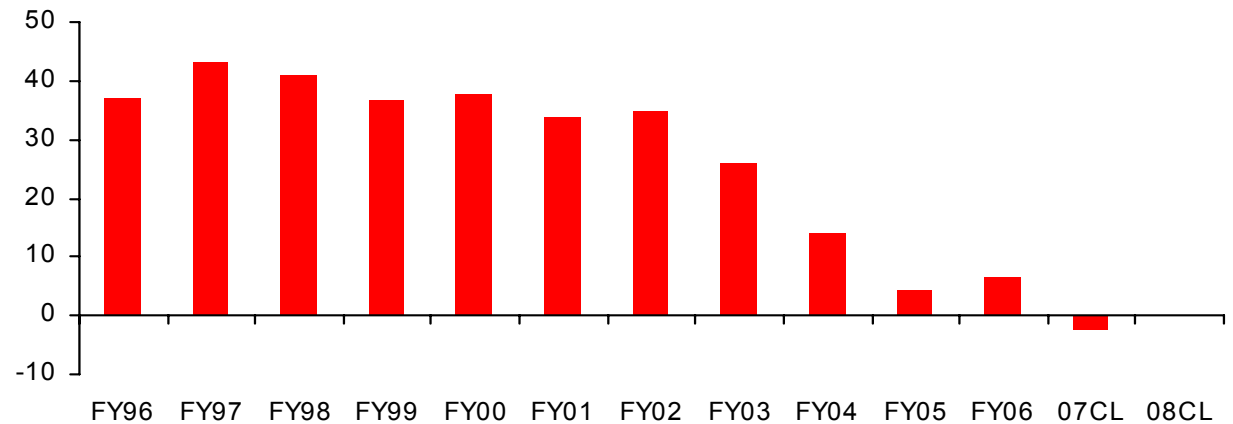
Source: CLSA

India : Net Gearing

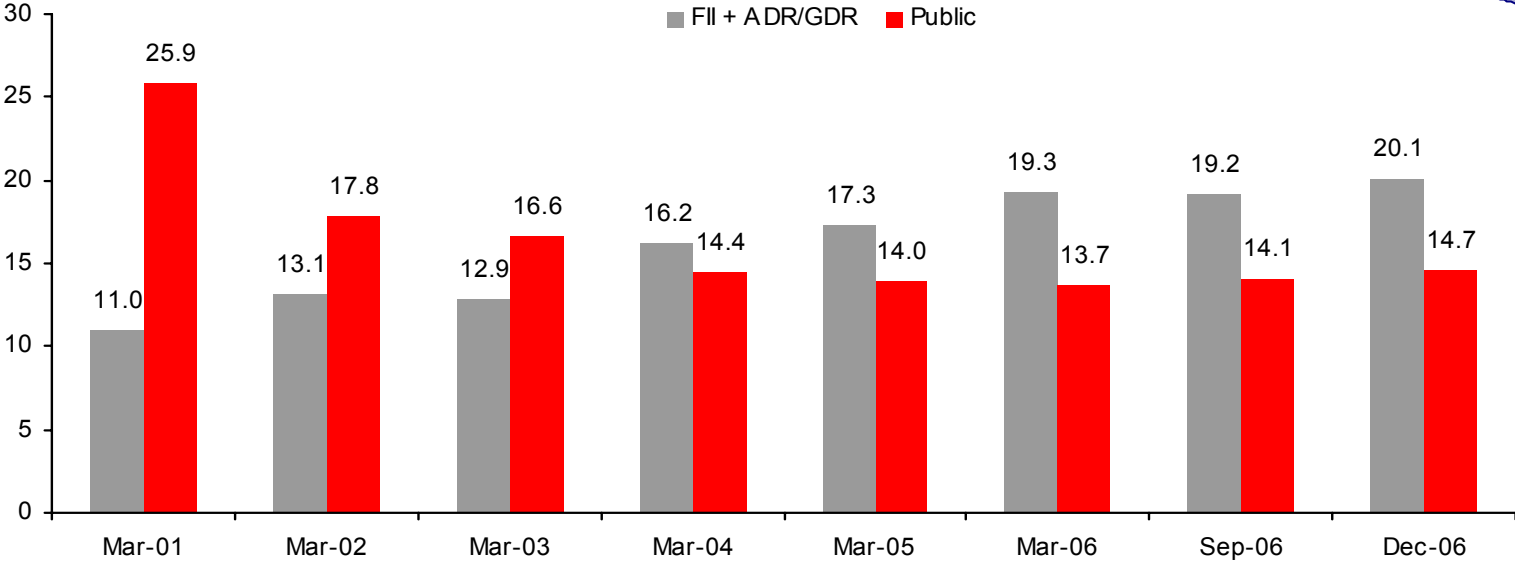
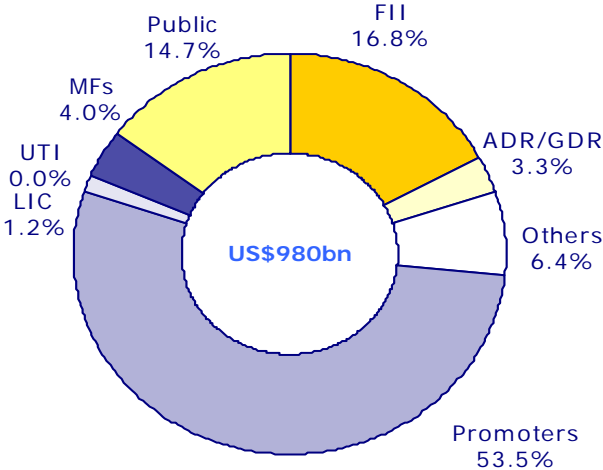
**Sensex
Net Gearing (%)**



**CLSA Universe
Net Gearing (%)**

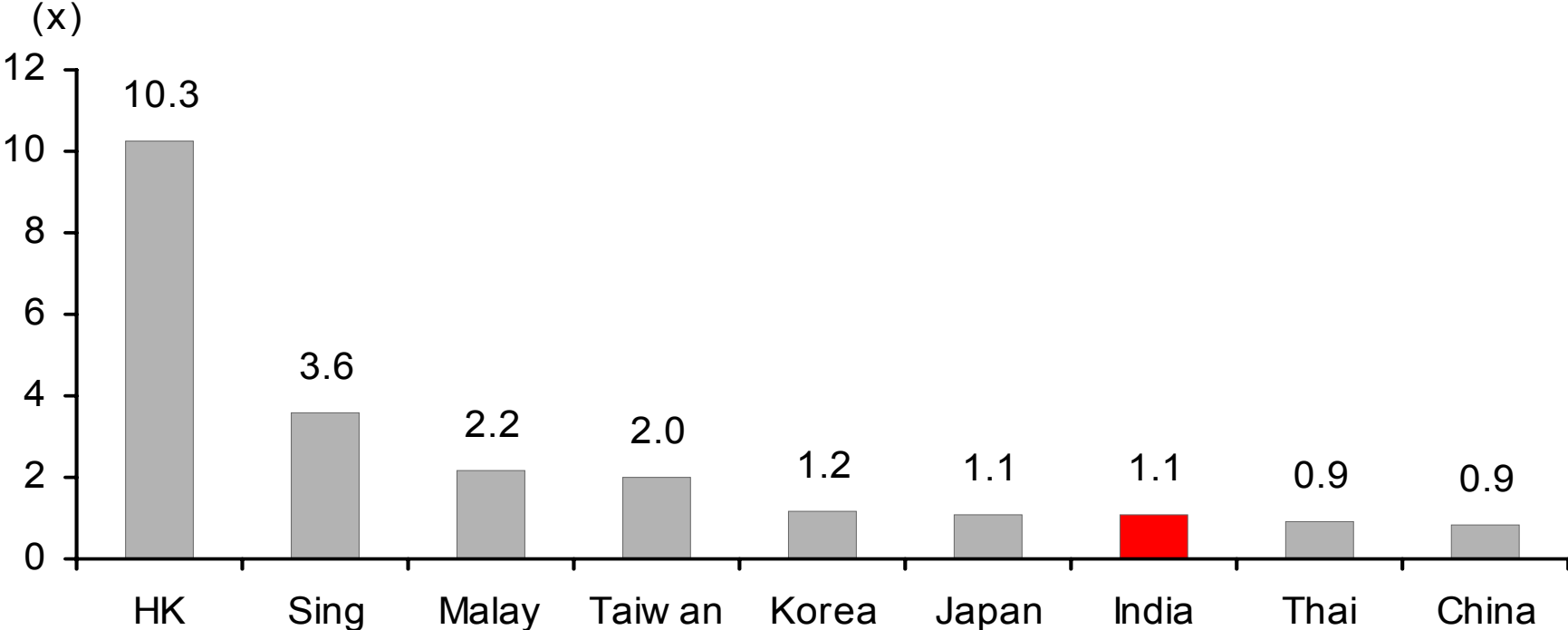


India : Corporate Shareholding Break-up



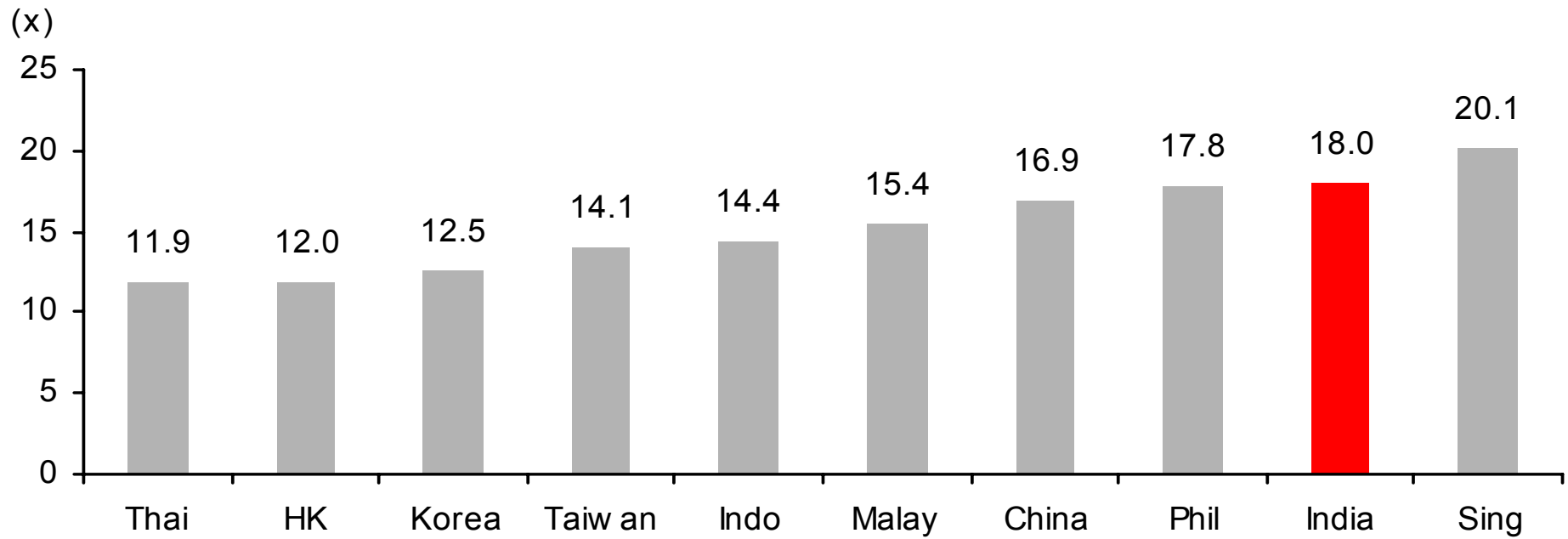
Source: CLSA

India : Market Capitalisation to GDP

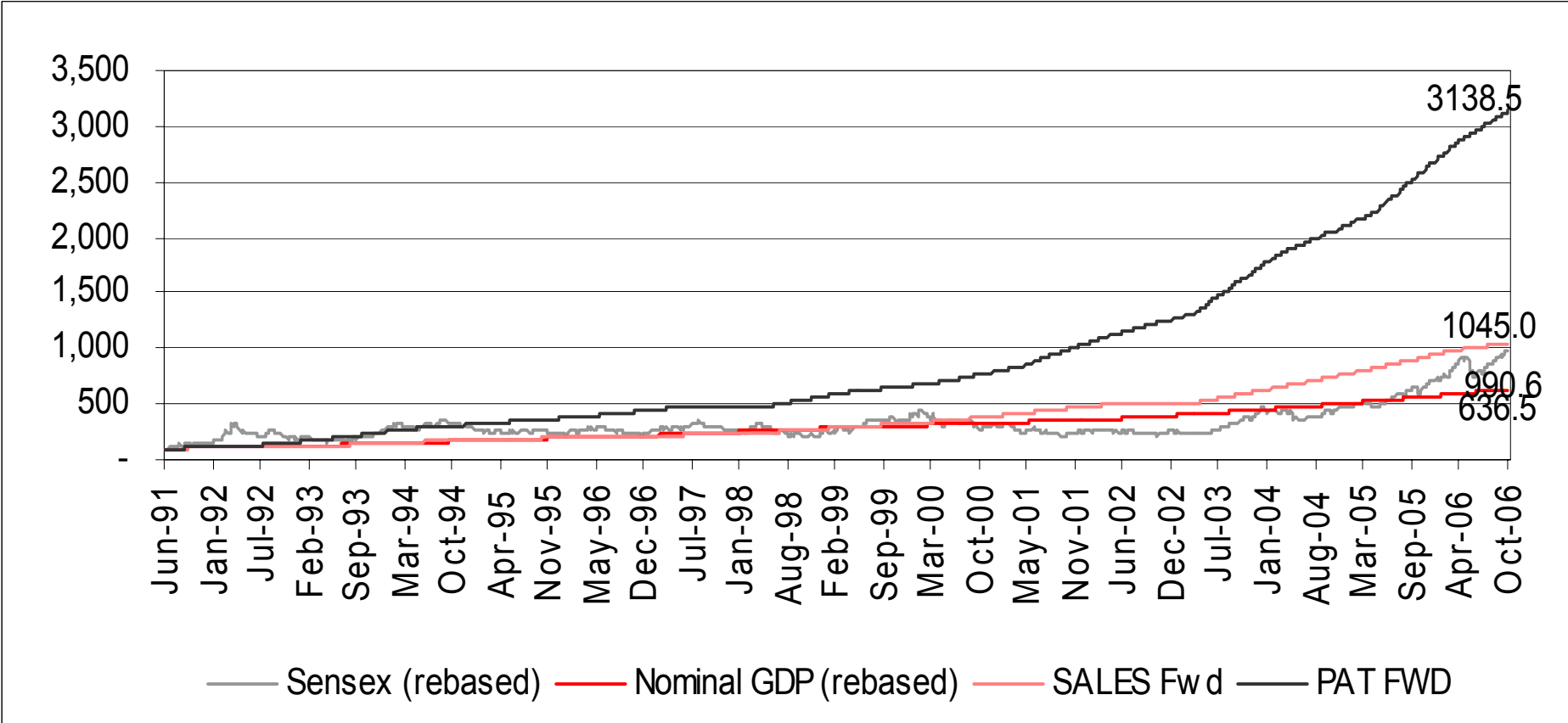


Source: CLSA

India : Comparative P/E Ratio (2007)



Sensex in perspective



Source: ABN AMRO Equities

APPENDIX II

**ABOUT HSBC ASSET
MANAGEMENT**

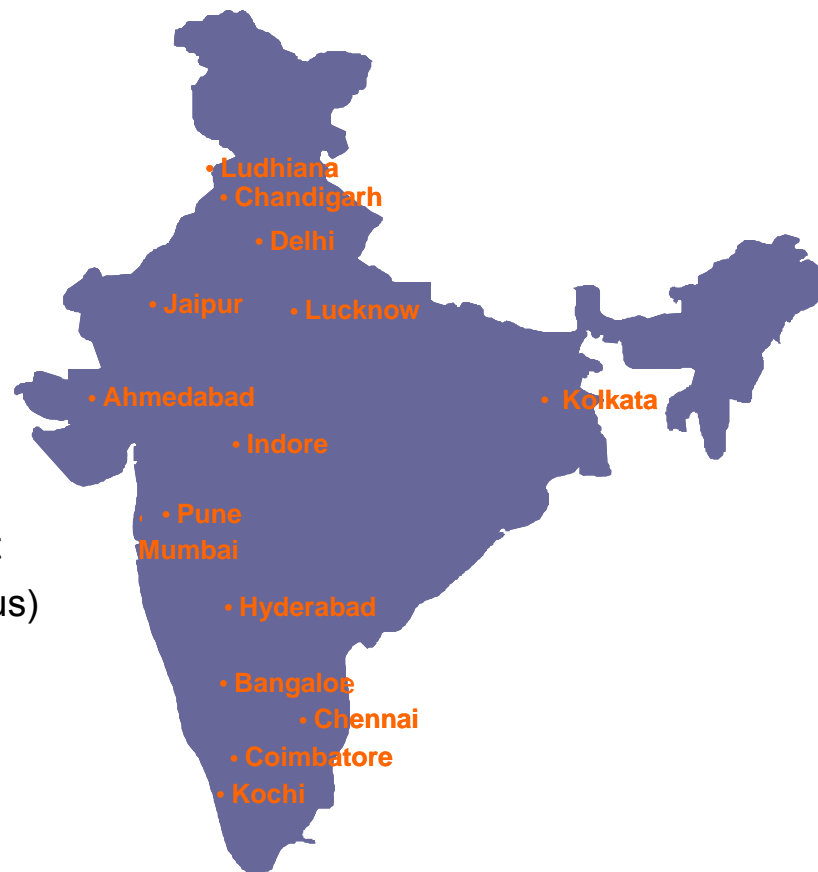
HSBC Asset Management: India

■ First set of products launched in Nov / Dec 2002

■ Offices in 16 cities

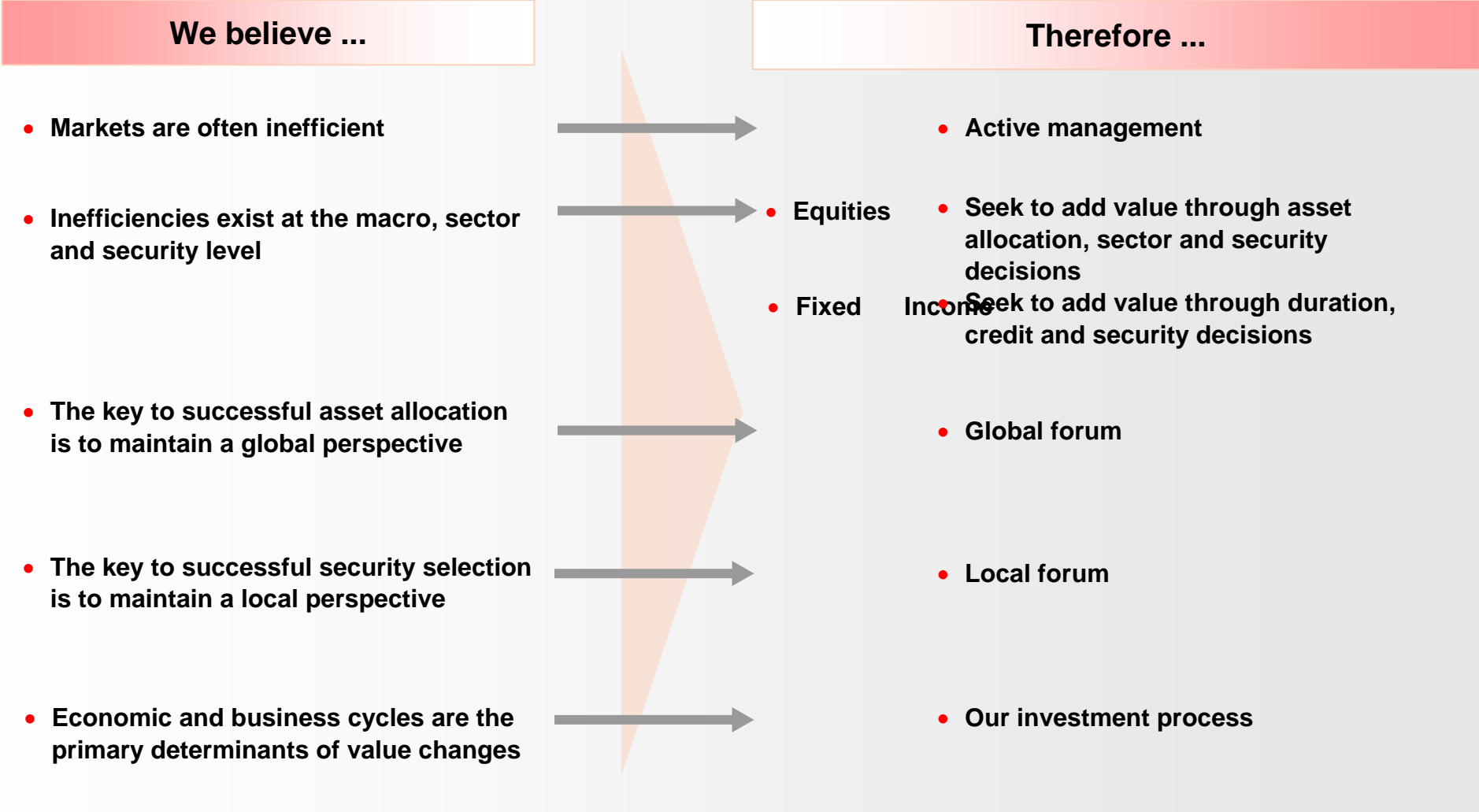
• Current products

- HSBC Advantage India Fund
- HSBC Equity Fund
- HSBC India Opportunities Fund
- HSBC Midcap Equity Fund
- HSBC Tax Saver Equity Fund
- HSBC Unique Opportunities Fund
- HSBC MIP (An open ended Fund. Monthly income is not assured and is subject to availability of distributable surplus)
- HSBC Income Fund – Short Term & Investment Plan
- HSBC Floating Rate Fund – Short & Long Term Plan
- HSBC Gilt Fund
- HSBC Fixed Term Series
- HSBC Liquid Plus Fund
- HSBC Cash Fund



■ Current Assets under Management – Rs. 14585.6407 Crores (31 May 2007)

Investment Philosophy



Investment Process

- Analysis of global and local economic cycles and styles
- Select growth and/or value at the appropriate time in the economic cycle
- Combination of Top-down style/sector allocation and Bottom-up stock selection
- Government policy and reforms
- Secular and structural opportunities

