

HSBC Global Markets Indices

HSBC Optimised GEM Index

March 2008

HSBC Global Markets Indices

Ground Rules for HSBC Optimised GEM Index

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Definitions

Annual Review	Annual Review of market / regional weightings as described in Section 1.8
Annual Review Date	The Semi-annual Review date which occurs in February each year
Average Daily Traded Value	Average daily value of shares traded over a specified period of time
Calculation Agent	HSBC's Quantitative Techniques business (QT) – a division of HSBC and an independent Calculation Agent which provides data and calculates indices for parts of HSBC Group, including to the Global Research Department and to organisations outside of HSBC
Capital Adjustment	Adjustment to a company's share capital resulting from bonus issues, rights issues, subdivisions, consolidations, capital repayments, mergers, demergers and other events of a related nature
Creation Date	31 January 2008
Currency Adjusted Market Capitalisation	Total value of a company's issued share capital expressed in US dollars
Data Disruption	Event involving unavailability of data as defined in Section 4.6
Effective Date	Date on which constituent changes from a Semi-annual Review take effect in the calculation of the Index
Financial Stock	A stock which has one of the following GICS (Global Industry Classification Standard) sector classifications: Banks (4010), Diversified Financials (4020), Insurance (4030).
Free-float	Shares of a company which are freely available for purchase in stock markets
GEM	Global Emerging Markets
Ground Rules	The rules defining calculation, maintenance, governance and publication of the Index
Index	HSBC Optimised GEM Index
Index Constituent	Company whose shares are used to calculate the Index Value
Index Shares	The number of shares of an Index Constituent used to calculate the Index Value
Index Value	Calculated value of the Index. Applies to both capital (price) return and total return calculations
Optimised Indices Oversight Committee	A committee of HSBC Global Markets professionals charged with issues of index governance
Market Disruption	Event where trading or index calculation does not take place as defined in Section 4.6
Semi-annual Review	Procedure for reviewing the list of constituents which make up the Index
Semi-annual Review Date	Date from which data for the Semi-annual Review is taken which is the last Business Day in the UK in the months of February and August
Weighting Factor	Multiplier applied to Index Shares in order to restrict maximum weight at Semi-annual Review or Foreign Ownership Review to 15%

1. Introduction

1.1 HSBC Optimised GEM Index overview

The HSBC Optimised GEM Index (the “Index”) is promoted by HSBC Global Markets, a business area of HSBC Bank plc. The Index is provided as two series: The HSBC Optimised GEM Total Return Index, which includes ex-dividend adjustments; and the HSBC Optimised GEM Price Return Index, which excludes the effects of dividends.

The purpose of the Index is to provide investors with a benchmark which gives exposure to up to 50 companies from up to 10 emerging market countries or regions. Each stock must be open to foreign investment and normally have a minimum Average Daily Traded Value of USD 2 million over a three-month period at each Semi-annual Review Date. The largest stocks (by market capitalisation) in each market or region are selected. The minimum Average Daily Traded Value may be lowered if there are below 30 companies or only 5 markets/regions represented.

Table 1 gives the weights for each country/region, the number of constituents for each country/region and weights constituents on the start date in the Index. Only securities incorporated and listed on regulated stock exchanges in the following markets are eligible for inclusion in the Index.

Table 1

Market or Region	Initial weight (%)	Number of constituents	Weight per constituent	Notes
China	30	10	3%	Only “H” shares listed on the Hong Kong Stock Exchange are included.
Russia	14	5	2.8%	
Brazil	12	5	2.4%	
India	10	5	2%	
South Korea	7	5	1.4%	Until HSBC Global Markets is able to freely access the Indian domestic market, only eligible ADRs and GDRs will be included.
New Europe	7	5	1.4%	
Mexico	6	4	1.5%	
Taiwan	5	4	1.25%	Excluding securities with primary listing outside of South Africa
South Africa	5	4	1.25%	
Turkey	4	3	1.333%	
Total	100	50		

Appendix B details the list of constituents and their weightings as of 31 January 2008.

1.2 HSBC Optimised GEM Index currencies

The Index Values shall be calculated in USD only.

1.3 Weighting

For rebalancing purposes, the starting point is that all constituents of the universe from which Index Constituents are selected are represented by their full USD market capitalisation. Although the largest stocks by full market capitalisation in each market/region are selected for the Index, the maximum number of Financial Stocks is limited to 40% of the number of constituents for the market/region (rounded down). Further, if Financial Stocks represent more than 30% of the constituents in any market/region then such Financial Stocks are equally weighted with a total weight of 30% of the weight of the market/region whilst non-Financial Stocks are equally weighted with a total weight of 70% of the weight of the market/region. At each Semi-annual Review Date, constituents are equally weighted within their market/region, according to Table 1. The weights are subsequently adjusted to accommodate capital changes (rights issues, capital repayments, mergers, and de-mergers). The Index calculation formula is provided in Appendix A.

1.4 Market/Region Weighting and Constituent Distribution

The maximum number of constituents in the index is 50 and the minimum is 30. The maximum number of markets/regions is 10 and the minimum is 5. If there are fewer eligible companies than the numbers shown in the Table 1 in any market/region then the number available is used. If the total number of companies is consequently lower than 30 or the number of markets/regions is lower than 5 then the liquidity criterion is lowered by USD100,000 progressively until at least 30 companies are eligible and 5 markets/regions are represented.

If during the above process a market/region is not represented then its weight is distributed *pro-rata* amongst remaining markets/regions and its constituents are re-distributed into one market/region at a time starting with the remaining market/region with the most constituents and repeating from the start if necessary until all the excluded market's/region's allocation has been reallocated.

In the event of two markets/regions having the same number of constituents, preference is given to the market/region with the highest market capitalisation as defined in the last paragraph in this section (below). For example if there are no Chinese constituents eligible for the Index then China's 30% weight is *pro-rated* amongst the other nine markets/regions by multiplying each by $100/(100-30)$. Russia's weight therefore rises from 14% to 20%. China's constituents are distributed one by one starting with the market/region with the highest number and highest market capitalisation. This means that eight of the nine markets/regions will have one extra constituent allocated to them and another will have two more constituents. The market/region with two extra constituents will be the market/region

with the highest market capitalisation out of Russia, Brazil, India, South Korea and New Europe as each have an initial five constituents.

For historic simulation purposes, the same procedures apply at each historic Semi-annual Review Date that apply at the Creation Date.

1.5 Exclusions

The following securities are ineligible as Index Constituents and are excluded from Semi-annual Reviews:

- Companies with below 10% free float
- Companies in whose shares HSBC Global Markets is prohibited from dealing and which have been notified to the Calculation Agent by HSBC Global Banking and Markets Compliance.

Index Constituents which become ineligible between Semi-annual Reviews are replaced with the eligible non-constituent with the highest market capitalisation (please see Section 1.1). Results of actions affecting the Index will be published on the HSBC Global Markets website for indices www.hsbcinvestorsolutions.com.

1.6 Liquidity screening

At the date of launch and on subsequent Semi-annual Review Dates, each company must have a minimum Average Daily Traded Value over 3 months of USD 2,000,000 (however this may be lowered under certain circumstances– please see Section 1.4). When companies are newly listed on the relevant stock exchange (or relevant exchange where ADRs or GDRs are used in their place), and 3-month data is not available, the Average Daily Traded Value over the period since trading began is used provided that at least four weeks of price and volume data is available.

1.7 Multiple share classes

Other than ordinary shares listed on the relevant exchanges for each market/region, American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs) and equivalent issuances are also permitted. The substitution by an ADR or GDR of a domestic listed security will arise where its liquidity renders it eligible even if the domestic listed security is also eligible, where these Ground Rules prohibit domestic listed securities, or where the foreign ownership limit on the domestic listed security has been reached. For example, at the time of this document Indian regulations prevent access to local Indian stocks and HSBC Global Markets does not have access to local shares. Thus only ADRs and GDRs are eligible for Indian companies, subject to the Ground Rules. In the event of more than one ADR/GDR issue or different classes of shares e.g. A and B shares becoming eligible the most liquid of ADR/GDR or of A/B shall be selected.

1.8 Annual Review

In addition to the Semi-annual Review, the Annual Review looks at the weights assigned to each country/region. The Annual Review Date falls on an anniversary of the Creation Date, market/region weightings are reviewed according to the relative change in market capitalisation since the Creation Date. The market capitalisation is defined as the sum of the market capitalisations of the largest 20 eligible securities in the market/region. Market/region weightings are revised in proportion to changes in market capitalisation up to a maximum change of 20% of the market/region weight at the Creation Date. In the event of one or more market/region weightings being in excess of 20% of their weighting as at the Creation Date, market/region weightings are fixed at the maximum change (increase or decrease) with the excess weight *pro-rated* amongst remaining markets/regions. The review procedures for constituent distribution (above) are then applied.

2. Index Maintenance

2.1 Changes to number of shares in issue and Capital Adjustments

Changes to the number of shares in issue and Capital Adjustments which affect the price of an Index Constituent (bonus issues, rights issues, subdivisions, consolidations, capital repayments, mergers and demergers) are processed on the day the action takes effect.

Shares changes resulting from IPOs, additional listings and conversions (of warrants, convertibles etc), or partial cancellations and buy-backs would not normally be processed before the subsequent Semi-annual Review Date.

2.2 Mergers, acquisitions and restructurings

Corporate actions which affect the eligibility of an Index Constituent are processed after the close of the business day. Such corporate actions include takeovers, mergers, acquisitions, restructurings and schemes of arrangement. These are processed at the start of the date on which they are effective. If an Index Constituent is no longer eligible then it is removed without replacement. If an Index Constituent has a spin off (or de-merger), then the Calculation Agent (see Section 4 below) will review both the original company and the resultant company prior to the effective date and announce on the HSBC Global Market website for indices if the resultant company will become an Index Constituent with the original company removed.

2.3 IPOs

Newly listed companies only become eligible for inclusion into the Index at the next Semi-annual Review Date, provided that four weeks of price and volume data are available to the Calculation Agent to ensure that liquidity criteria are met. Consequently there may be more than three months between the date when a company's shares are first traded and the date when they are considered for inclusion into the Index.

2.4 Suspension

A stock's quotation may be suspended for a number of reasons but, for index purposes, these fall into two categories. If the purpose of the suspension is to comply with regulations during takeover discussions, regulatory arrangements, or other corporate restructurings, then the Index Constituent is not removed from the index and its price remains static at the value when it was suspended.

If the suspension is attributable to the possibility that the Index Constituent is insolvent, is in breach of regulations or laws which may prevent the continuance of the Index Constituent's quote, or is likely to be suspended for an indefinite period, then the Index Constituent is removed with zero value. Removal of suspended Index Constituents takes place after the tenth business day of suspension, but the time period can be longer where the reason for suspension has not been clearly established.

If a suspended company which was removed from the Index at zero value resumes trading it will be reinstated in the Index at zero value, thereafter being valued at its closing price. Notification of constituent suspensions will be posted on the HSBC Global Markets website for indices.

2.5 Replacement of Index Constituents

If a company is removed from the Index due to takeover, delisting or suspension, there is no replacement before the following Effective Date as a consequence of the Semi-annual Review. Notice of removal shall be posted on the HSBC Global Markets website for indices.

2.6 Dividends

For the purposes of calculating a total return index, net dividends, meaning the dividend amount received after deduction of any local and withholding taxes based on the tax treatment of a Luxembourg based investor, are processed when a company is quoted ex-dividend. Net Dividends which appear to be paid from a company's capital are treated as capital repayments (please see Section 2.1). See Appendix C: HSBC Optimised GEM Index withholding tax rates.

The indices are calculated to act as reference values for financial products which are linked to their performance. Should the tax regulations as they relate to the withholding tax on corporate actions (dividends) in Luxembourg change, the Optimised Indices Oversight Committee may change the withholding tax rates applied to properly reflect the financial impact. Changes will be posted on the HSBC Global Markets website for indices.

3. Index governance

3.1 Overview

The HSBC Optimised GEM Index is a Rules Based Index sponsored by HSBC Global Markets. The Index is calculated independently by the Calculation Agent. HSBC Global Markets has formed an Optimised Indices Oversight Committee to review policies and coverage of the HSBC Global Markets Indices, meeting between Semi-annual Review Dates as and when required. Whilst, it is not envisaged that the Rules will change, any modification to the Rules, including notification of when HSBC Global Markets resolves to cease publishing the Index, will be available directly from the HSBC Global Markets website for indices (please refer to Section 4.4) with a 3-month notice period prior to the proposed change. Any decision to cease publication shall only be taken once HSBC Global Markets has made sure all products which use the Index as a reference have expired or have been redeemed.

3.2 Oversight Committee

The HSBC Optimised Indices Oversight Committee has the following constituents:

HSBC Global Markets:

1. Structured Equities
2. Execution Services
3. Third Party Structured Product Development
4. Compliance

The names of Oversight Committee members can be obtained by contacting HSBC Global Markets. Any changes to the Index Rules made by the Oversight Committee will be published on the HSBC Global Markets website for indices. The amendments will be updated in the Index Rules.

3.3 Information about the Index

All data and information concerning the Index, such as

- a) Ground Rules
- b) Change of Ground Rules (if any)

- c) Index Values
- d) Index Constituents
- e) Announcements
- f) Information as to historical volatilities etc.

is available directly from the HSBC Global Markets website for indices.

3.4 About HSBC Global Markets Indices

This Index has been created by HSBC Global Markets. The aim of the HSBC Optimised Indices is to provide reference benchmarks for investment products. HSBC Global Markets has attempted to optimise the Index Rules so that investment products which reference these indices can be serviced on a long-term basis. These indices are characterised by their relatively small number of constituents and their strong emphasis on foreign availability and market liquidity.

Investors should be aware that the Index is constituted by the Global Markets Division of HSBC Bank plc (“HSBC Global Markets”) and is not an independent research index operated by the Global Research Department.

The HSBC Global Markets Indices are a distinct series of indices from the range offered by HSBC Global Research, of which the Calculation Agent is a part. HSBC Global Research operates as a separate business within HSBC from HSBC Global Markets (please see Appendix D: Important Note).

4 Role of the Calculation Agent

The role of the Calculation Agent is to calculate the daily value of the constituted Index and to Review the Index on each Review date in order to reconstitute the Index in accordance with the rules of the Index as specified by HSBC Global Markets.

The Calculation Agent:

1. Reviews the GEM Stock Universe.
2. Reviews liquidity.
3. Identifies Index Constituent changes.
4. Revises weighting factors.
5. Compiles the new constituents for the Index

All removals and inclusions are effective on the Effective Date.

4.1 Calculation

Index Values are calculated daily, after the close of business at the US stock exchanges.

Corporate actions affecting the price of a security (bonus issues, rights issues, subdivisions, consolidations, capital repayments, mergers and de-mergers) are processed on the day when they are effective. See Section 2 for further details of how corporate actions affect the Index calculation.

The list of constituents forming the Index is rebalanced semi-annually, based on prices, numbers of shares and exchange rates as at the last business day of the relevant exchange in the months of February and August. These are the Semi-annual Review Dates. Index Constituent changes resulting from the Semi-annual Review are effective after the close of business on the Effective Date, which is the Wednesday preceding the second Friday in February and August.

4.2 Index calculation formula

Each daily index return is a weighted average of the returns of its Index Constituents, where the weights are defined according to the methodology in Section 1.3. The weights are subsequently adjusted to accommodate capital changes (rights issues, capital repayments, mergers and de-mergers). The Index calculation formula is provided in Appendix A.

The index calculation method does not incorporate any deductions for transaction costs, taxes or fees other than taxes used in the calculation of net dividends for the purpose of calculating the total return series (please see Section 2.6).

4.3 Initial values

Each index series Creation Date is 31 January 2008. Index Values are available from 30 January 2004 when the Index Value is set at 100.

4.4 Daily calculations

Index Values are calculated and released normally before 8:00 a.m. (UK time) and are distributed to data vendors, where they are available on the following pages:

Data Vendor	Page
Bloomberg:	HSIP
Reuters:	HSBC/OPTIMISED1
HSBC Global Markets website for indices	www.hsbcinvestorsolutions.com

Remark: Market Disruptions (please see Section 4.6) may prevent Index Values being published before 8:00 am.

4.5 Index calculation and maintenance data sources

The Calculation Agent obtains exchange rates, closing prices, traded volumes and numbers of issued shares used for both calculation and maintenance of the Index Values each day from Interactive Data Corporation, Bedford, USA (IDC). The exchange rate data provided by IDC are composite; meaning they are calculated using a number of quotes taken at 4:00 p.m. in London. The Calculation Agent may supplement data from IDC with other sources such as Reuters at its absolute discretion. The Calculation Agent does not guarantee the accuracy of the data from its data vendors or independently verify such data.

4.6 Market Disruptions and Data Disruptions

In the event of a Market Disruption (including but not restricted to: a relevant stock exchange not opening for or severely curtailing hours of business or; trading on a relevant stock exchange being conducted without timely electronic dissemination of closing price data or; disruptions preventing HSBC staff from calculating and/or disseminating Index Values), HSBC shall not publish Index Values until such time as the Market Disruption is over and that it believes it can once again accurately calculate the Index Values.

In the event of a Data Disruption (including but not restricted to: failure of electronic data delivery by data providers contracted to HSBC; unavailability of electronic or internet access to data obtained from an online source; or a disruption of any of HSBC's data systems rendering data inaccessible to processes required to calculate the Index) HSBC shall use its best endeavours to source data from alternative sources with the aim of publishing Index Values by 8:00 a.m. on a day of calculation. HSBC shall not publish Index Values until the Data Disruption is over or data from an alternative source has been acquired. The unavailability of Free-float and Foreign Ownership data shall not be considered sufficient reason to delay the calculation of Index Values and until such time that Free-float or Foreign Ownership data is once again available HSBC shall continue using the last data available to it for the maintenance of the Index.

5. Announcements

5.1 Index reviews

The Calculation Agent will typically announce Semi-annual Review constituent changes during the first week in February and August. All changes to constituents, including those arising from Foreign Ownership Reviews will be notified to HSBC Global Markets one day (excluding UK bank holidays) before constituent or weighting changes, if any, take effect.

5.2 Index Constituent changes

Announcements concerning Index Constituent changes (apart from Semi-annual Reviews) are made as soon as the Calculation Agent has verified and processed the implications of the reasons for the change. Normally, any changes take effect following the business day after the announcement is made.

5.3 Amendments

If an announcement needs to be amended, then HSBC issues a replacement announcement as soon as is reasonably practicable. HSBC makes every attempt to be as accurate as possible, and it cannot be held responsible for any actions subscribers take relating to announcements which are subsequently amended.

5.4 Information about announcements

Details of announcements are available on the HSBC Global Markets website for indices (please see Section 4.4) by following the link to “Announcements”.

5.5 Index Values

The Calculation Agent is acting in an arm’s length capacity to provide independent calculation services to HSBC Global Markets. Index Values are calculated daily and supplied to clients and data providers at 8:00 a.m. (UK time). Neither HSBC Global Markets nor the Calculation Agent can be held responsible for any errors, intentional or unintentional, on the part of external data providers nor for any delays in publishing the Index.

6. Contacts

For general information about the HSBC Optimised GEM Index and other HSBC Global Markets Indices please contact your local HSBC Global Markets representative or contact HSBC Global Markets Third Party Structured Products Development on +44 (0)20 7992 6002, email

structured.investments@hsbcib.com, or visit the HSBC Global Markets website for indices,
www.hsbcinvestorsolutions.com

For more information concerning these Ground Rules and the calculation of the HSBC Global Markets Indices please contact the Calculation Agent, QT, on + 44 8455 847360 or email qt-inquiries@hsbcib.com.

Appendix A: Index Calculation Formula

The Index return is a weighted average return of its constituent companies, where the weights are the market capitalisation. The weights are adjusted to accommodate capitalisation issues and corporate actions; this is the standard method of calculation for indices. The Index calculation formula is:

$$Index_t = Index_0 \times \frac{\sum(P_{it}N_{it}F_{it})}{D_t}$$

where:

- $Index_t$ = Index Value at time t.
- $Index_0$ = Index Value as at the inception date of the Index.
- P_{it} = The closing price of Index Constituent i at time t.
- N_{it} = The number of Index Shares of Index Constituent i at time t.
- F_{it} = The Weighting Factor of Index Constituent i at time t.
- D_t = Divisor at time t.

The weighting factor, F_{it} is calculated at each Semi-annual Review Date to comply with the requirement to equally-weight constituents in the same market/region.

$$F_{it} = \frac{W_m \times \sum(P_{jt}N_{jt})}{N_m \times P_{it}N_{it}}$$

Where Financial Stocks exceed 30% and must be capped to 30% of a market/region the above formula becomes for Financial Stocks:

$$F_{it} = \frac{0.30 \times W_m \times \sum(P_{jt}N_{jt})}{NF_m \times P_{it}N_{it}}$$

Whilst for non-Financial Stocks:

$$F_{it} = \frac{0.70 \times W_m \times \sum(P_{jt}N_{jt})}{(N_m - NF_m) \times P_{it}N_{it}}$$

Where W_m and N_m are the weight and number of constituents in market/region m (in which the i th constituent is domiciled) (see Sections 1.1 and 1.4). N_{Fm} is the number of Financial Stocks in market/region m (see Section 1.3)

The Divisor is a figure that represents the total market capitalisation at the base date of the Index. It is only adjusted (formula below) to accommodate changes to Index Constituents and changes in the Index Constituents' share capital, thus avoiding distortions in the Index.

Divisor Adjustments

The Divisor adjustment formula is:

$$D_t = D_{t-1} \times \left(1 + \frac{\sum CA_{it}}{M_{t-1}} \right)$$

where:

D_t = Divisor at time t .

D_{t-1} = Divisor at time t minus 1 day.

CA_{it} = The capital adjustment of Index Constituent i at time t .

M_{t-1} = Market Capitalisation of the Index at time t minus 1 day

Appendix B:

HSBC Optimised GEM Index Constituents

The following table shows the constituents of the HSBC Optimised GEM Index as at 31 January 2008.

HSBC Optimised GEM Index				
Market/Region	Constituent	Bloomberg	US Exchange	Weight
BRAZIL				
	BCO BRADESCO SA ADR	BBD US	UN	1.80%
	BCO ITAU HOLDING ADR	ITU US	UN	1.80%
	SIDER NACIONAL ADR	SID US	UN	2.80%
	CIA VALE RIO DOC ADR	RIO US	UN	2.80%
	PETROL BRASILEIR ADR	PBR US	UN	2.80%
BRAZIL Total				12.00%
CHINA				
	BANK OF CHINA LTD H	3988 HK		2.25%
	INDUST & COM BK 'H'	1398 HK		2.25%
	CHINA LIFE INS ADR	LFC US	UN	2.25%
	CHINA CONST BK H	939 HK		2.25%
	CHINA TELECOM CP ADR	CHA US	UN	3.50%
	CHINA PETROLEUM ADS	SNP US	UN	3.50%
	PETROCHINA 'H' ADR	PTR US	UN	3.50%
	CHINA SHENHUA ENER	1088 HK		3.50%
	CHINA COMM CONSTR	1800 HK		3.50%
	CHINA COAL ENERGY	1898 HK		3.50%
CHINA Total				30.00%
EASTERN EUROPE				
	BK PEKAO	PEO PW		1.05%
	POWSZECHNA KASA OS	PKO PW		1.05%
	TELEKOMUNIKACJA PO	TPS PW		1.63%
	CEZ	CEZ CP		1.63%
	MOL HUNGARIAN OIL	MOL HB		1.63%
EASTERN EUROPE Total				7.00%
INDIA				
	HDFC BANK ADR	HDB US	UN	1.50%
	ICICI BANK ADR	IBN US	UN	1.50%
	WIPRO ADR	WIT US	UN	2.33%
	INFOSYS TECH ADR	INFY US	UQ	2.33%
	SATYAM COMP ADR	SAY US	UN	2.33%
INDIA Total				10.00%
KOREA				
	KOOKMIN BANK ADR	KB US	UN	1.40%
	KOREA ELEC POWER ADR	KEP US	UN	1.40%
	SAMSUNG ELECTR GDR	SMSN LI		1.40%
	HYUNDAI HEAVY INDS	009540 KS		1.40%
	POSCO ADR	PKX US	UN	1.40%
KOREA Total				7.00%

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Market/Region	Constituent	Bloomberg	US Exchange	Weight
MEXICO				
	TELMEX ADR	TMX US	UN	1.50%
	CEMEX ADR	CX US	UN	1.50%
	AMERICA MOVIL SA ADR	AMX US	UN	1.50%
	WAL-MART DE MEX ADR	WMMVY US	UN	1.50%
MEXICO Total				6.00%
RUSSIA				
	LUKOIL OIL COMP ADR	LKOD LI		2.80%
	ROSNEFT OJSC GDR	ROSN LI		2.80%
	GAZPROM ADR	OGZD LI		2.80%
	SBERBANK RUSSIA	SBER RU		2.80%
	JSC MMC NORILSK 'ADR	MNOD LI		2.80%
RUSSIA Total				14.00%
SOUTH AFRICA				
	IMPALA PLATINUM	IMP SJ		1.25%
	ANGLO PLATINUM LTD	AMS SJ		1.25%
	MTN GROUP LTD	MTN SJ		1.25%
	SASOL ADR	SSL US	UN	1.25%
SOUTH AFRICA Total				5.00%
TAIWAN				
	TAIWAN SEMICON ADR	TSM US	UN	1.25%
	FORMOSA PETROCHEMI	6505 TT		1.25%
	HON HAI PREC GDR	HHPD LI		1.25%
	CATHAY FINL HLDG	2882 TT		1.25%
TAIWAN Total				5.00%
TURKEY				
	AKBANK	AKBNK TI		1.20%
	TURKCELL ILET ADR	TKC US	UN	1.40%
	ENKA INSAAT	ENKAI TI		1.40%
TURKEY Total				4.00%
TOTAL				100.00%

UN: New York Listing

UA: American Stock Exchange

UQ: Nasdaq

Appendix C:

HSBC Optimised GEM Index withholding tax rates

Country	Withholding Tax Rate %
BRAZIL	0
CZECH REPUBLIC	15
HONG KONG	0
HUNGARY	0
INDIA	0
KOREA	27.5
MEXICO	0
POLAND	19
ROMANIA	16
RUSSIA	15
SOUTH AFRICA	0
TAIWAN	20
TURKEY	15
UNITED KINGDOM	0
USA	30

Appendix D:

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