

News Release

1 July 2015

HSBC SIGNALS PLANS FOR MUTUAL RECOGNITION OF FUNDS SCHEME ROLLOUT IN HONG KONG

****Global Asset Management to introduce two Chinese funds to Hong Kong platform***
****Funds to cover diversified investment needs of Hong Kongers*****

HSBC today said it will apply for eligibility of two select funds from its mainland China fund platform to be distributed in Hong Kong under the Mutual Recognition of Funds scheme (MRF) as it starts accepting applications today.

The two funds – an equity fund and a multi-asset fund, are invested in the onshore Chinese market and managed by HSBC Jintrust, a local joint venture of HSBC Global Asset Management. Subject to regulatory approvals, the funds will be distributed via HSBC's network in Hong Kong and Bank of Communications Hong Kong Branch's network, a strategic partner of HSBC for MRF.

Helen Wong, Chief Executive for Greater China at HSBC, said: "MRF will further cement Hong Kong's position as the key investment centre for international and Hong Kong investors to trade Renminbi (RMB) products. HSBC is strongly positioned to be among the first banks in Hong Kong to provide MRF services to our customers with our leading expertise in RMB, our long established presence and leadership in Hong Kong and mainland China and global capabilities in asset management."

Diana Cesar, Head of Retail Banking and Wealth Management of HSBC in Hong Kong, said: "As Hong Kong retail investors look to diversify their portfolios to include RMB investments, MRF will provide an additional channel to invest into the mainland equity and bond markets through funds. With our own asset management expertise and needs-based financial planning framework, HSBC is committed to providing a broad range of suitable funds to help retail customers capture new opportunities in mainland China."

Pedro Bastos, CEO Hong Kong and Regional Head of Asia Pacific, HSBC Global Asset Management said: "Mainland China's acceleration of policy reforms to further open up its markets will significantly shape the portfolios of both global investors looking to participate in mainland China's growth story, and of domestic emerging wealthy seeking diversification outside their home market."

"As the leading asset manager for HSBC's retail and institutional clients, we are excited to put our asset management capabilities in Hong Kong and mainland China to work by providing best in class fund solutions on our shelves," continued Bastos.

This information is issued by

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HSBC Global Asset Management established its investment capability in China back in 1992 when it launched its Chinese equity fund. It received the quotas under the Qualified Foreign Institutional Investor scheme (QFII) and the RMB QFII respectively in 2006 and 2013.

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Notes to editors:

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group, which serves around 51 million customers through four global businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking. The Group serves customers worldwide from over 6,100 offices in 73 countries and territories in Asia, Europe, North and Latin America, and the Middle East and North Africa. With assets of US\$2,670bn at 31 March 2015, HSBC is one of the world's largest banking and financial services organisations.

HSBC Global Asset Management

HSBC Global Asset Management, the investment management business of the HSBC Group, invests on behalf of HSBC's worldwide customer base of retail and private clients, intermediaries, corporates and institutions through both segregated accounts and pooled funds. HSBC Global Asset Management connects HSBC's clients with investment opportunities around the world through an international network of offices in around 30 countries, delivering global capabilities with local market insight. As at 31 March 2015, HSBC Global Asset Management managed assets totalling US\$447bn on behalf of its clients. For more information see <http://www.assetmanagement.hsbc.com/hk>

HSBC Jintrust Fund Management Co. Ltd.

HSBC Jintrust Fund Management Co. Ltd. ("HSBC Jintrust") was incorporated on 16 November 2005. It is a joint venture held 49 percent by HSBC Global Asset Management (UK) Limited, the core investment entity of HSBC Group, and 51 percent by Shanxi Trust Corporation Ltd., the largest non-banking financial institution of Shanxi Province. HSBC Jintrust is committed to "investment made easy", providing investors with professional and practical investment advice, as well as products suited to their needs and quality account management and advisory services. HSBC Jintrust has been the investment advisor to several QFII funds and has extensive experience in the China market.

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