

HSBC ALTERNATIVE INVESTMENTS LAUNCHES IN AUSTRALIA

HSBC has announced the launch of HSBC Alternative Investments Limited (HAIL) in Australia to distribute funds of hedge funds to local wholesale investors.

HAIL Australia will target institutional clients as well as asset consultants and financial advisers, offering funds of hedge funds covering a wide range of investment and investor profiles: multi-manager and multi-strategy as well as geography-specific and strategy-specific.

Like its global parent, HAIL Australia will specialise in absolute return funds as well as offering tailor-made diversified portfolios of hedge funds to institutional clients. Its first product to market will be the HSBC Australia Special Opportunities Fund, a concentrated fund of funds focused on corporate events, such as mergers, restructurings, stressed and distressed securities, as well as activist managers. The fund has been created for investors seeking high alpha returns who are not concerned with short term liquidity.

“The establishment of HSBC Alternative Investments in Australia supports HSBC’s local strategy of making full use of the HSBC Group’s global strengths and participating in areas where we have a strong competitive advantage in Australia,” said Stuart Davis, chief executive officer of HSBC Bank Australia.

“Our strategy sets HSBC apart from other banks in this market – the role we play within HSBC’s global network, combined with our ability to bring HSBC’s global proposition to the Australia.

“HAIL is the third largest¹ client advisor in the hedge funds industry globally and we intend to at least match that strength in the Australian market,” he said.

Patrick Tuohy, global head of HSBC Alternative Investments sales and marketing said: “As one of the largest players in the global hedge fund industry, HSBC Alternative Investments has US\$47.4 billion of client assets invested in well over a thousand hedge funds.

HSBC Alternative Investments establishes in Australia/2

“Our experience, combined with our global deal flow and long term relationships can give Australian clients access to alternative investment opportunities that local institutions simply cannot access.

“The launch of HAIL in Australia is strategically important to the HSBC Group. As a mature financial market and an early adopter of alternative products, we see Australia as arguably the most significant opportunity for alternative investment funds in Asia over the next five to 10 years.”

HAIL has teams of hedge fund specialists based in Sydney, London, New York, Geneva, Hong Kong, Tokyo and Singapore. Investment decisions are made by an investment committee who has been working together since 1996.

Hedge funds services that will initially be available in Australia will include:

- Funds of hedge funds – where HAIL is investment advisor
- Tailored Institutional portfolios
- Construction of structured products based around hedge funds

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Notes to editors

Footnotes

¹Assets under management

HSBC Alternative Investments

Formed in 1994, HSBC Alternative Investments Limited is the HSBC Group’s dedicated fund of hedge funds business that advises on a range of multi-manager investment funds, separate accounts and structured products for institutional and high net worth investors. HAIL identifies investment strategies where they believe there is a rationale for expected satisfactory absolute returns over time, combined with tolerable, short-term levels of volatility. HAIL specialises in absolute return funds and also provides advisory services on tailor-made diversified portfolios of hedge funds.

HSBC Bank Australia

In Australia, the HSBC Group offers an extensive range of financial services through a network of 35 branches and offices. These services include personal and commercial financial services, financial planning, trade finance, treasury and financial markets, payments and cash management and securities custody. Principal HSBC Group members operating in Australia include HSBC Bank Australia Limited (ABN 48 006 434 162), HSBC Bank plc (ABN 98 067 329 015), The Hongkong and Shanghai Banking Corporation (ABN 65 117 925 970) and HSBC Precious Metals (Australia) Limited (ABN 98 001 930 392). HSBC is marketed worldwide as ‘the world’s local bank’.

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