MassMutual
FINANCIAL GROUP℠

This notice contains important information that requires your immediate attention. Should you have any queries, you are recommended to seek independent professional advice.

The following change(s) in investment choice(s) relate(s) to the "Premier-Choice Series" plans, including Premier-Choice ULife InvestPlan, Premier-Choice Flexi, Premier-Choice Flexi Plus, Premier-Choice InvestPlan and Premier-Choice Plus InvestPlan.

1. FTBAU & FTGBU – Change in Underlying Fund's Investment Objective & Policies

As advised by Franklin Templeton Investments (Asia) Limited, with effect from December 10, 2010, the investment objective and policies of the underlying funds of "Franklin Templeton Investment Funds – Templeton Global Balanced Fund "A(Qdis)" Shares" (FTBAU) and "Franklin Templeton Investment Funds – Templeton Global Bond Fund "A(Mdis)" Shares" (FTGBU) will be revised as below:

Revised underlying funds' investment objective and policies of the following investment choices:

i. Franklin Templeton Investment Funds – Templeton Global Balanced Fund "A(Qdis)" Shares

"The underlying fund's investment objective is to seek capital appreciation and current income, consistent with prudent investment management, by investing principally in equity securities and government debt securities issued by entities throughout the world, including Emerging Markets.

The Investment Manager anticipates that the majority of the underlying fund's portfolio is normally invested in equity or equity-linked securities, including debt or preferred stock convertible or exchangeable into equity securities, selected principally on the basis of their capital growth potential. The underlying fund seeks income by investing in fixed or floating rate debt securities and debt obligations ~~of~~ issued by government~~,~~ and government related issuers ~~and~~ or corporate ~~issuers in countries around the world, including~~ entities worldwide. The underlying fund may also purchase debt obligations issued by supranational entities organised or supported by several national governments, ~~(~~such as the International Bank for Reconstruction and Development or the European Investment Bank~~)~~. The underlying fund may purchase equities, fixed income securities and debt obligations. Notwithstanding the foregoing, at no time will the Investment Manager invest more than 40% of the underlying fund's total net assets into fixed income securities.

Investments in Emerging Market~~s~~ countries are subject to a higher degree of risk as more fully described in the section "Risk Considerations". The base currency of the underlying fund is US dollar.

The underlying fund is suitable for investors seeking a combination of capital appreciation and a level of income and seeking to access a portfolio of both equity and fixed income securities via a single fund. It is suitable for investors planning to hold their investments for medium to long term."

ii. Franklin Templeton Investment Funds – Templeton Global Bond Fund "A(Mdis)" Shares

"The underlying fund's principal investment objective is to maximise, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation and currency gains.

The underlying fund seeks to achieve its objective by investing principally in a portfolio of fixed or floating rate debt securities* and debt obligations ~~of~~ issued by government or government- related issuers worldwide. The underlying fund may also, in accordance with the investment restrictions, invest in debt securities* of corporate issuers~~, securities or structured products linked to assets or currencies of any nation~~. The underlying fund may also purchase debt obligations issued by supranational entities organised or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank. ~~The Fund may hold up to 10% of its total net assets in securities in default.~~ The underlying fund may also utilise financial derivative instruments for investment purposes. These financial derivative instruments may be dealt either in regulated markets or over-the-counter, and may include, inter alia, swaps (such as credit default swaps or total return swaps), forwards and cross forwards, futures contracts (including those on government securities), as well as options. Use of financial derivative instruments may result in negative exposures in a specific yield curve/duration, ~~or~~ currency or credit. The underlying fund may ~~purchase US dollar and non-US dollar denominated~~ also invest in securities or structured products where the security is linked to or derives its value from another security, or is linked to assets or currencies of any country. The underlying fund may hold up to 10% of its total net assets in securities in default. The underlying fund may purchase fixed income securities and debt obligations denominated in any currency, and may hold equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation.

Investments in Emerging Market~~s~~ countries, in financial derivatives instruments, ~~in securities in default and~~ in non-investment grade securities, and securities in default are subject to a higher degree of risk as more fully described in the section "Risk Considerations". The base currency of the underlying fund is US dollar.

The underlying fund is suitable for investors seeking to maximize total investment return consisting of a combination of interest income, capital appreciation and currency gains and planning to hold their investments for medium to long term.

*including non- investment grade securities"

The above changes do not represent any alteration or deviation from the existing process, philosophy or investment strategy of the underlying funds.

2. FIAPU – Change of Chinese Investment Choice name

As advised by FIL Investment Management (Hong Kong) Limited, the Chinese name of the underlying fund of "Fidelity Funds – Asia Pacific Dividend Fund "A" Shares" (FIAPU) has been changed. In view of this, the Chinese name of the investment choice, FIAPU, will also be changed with effect from January 1, 2011. There is no change in the English name of this investment choice.

3. JFTAU – Change of Investment Choice Name

As advised by J.P. Morgan Asset Management, the underlying fund name of "JPMorgan Funds – JF Taiwan Fund Class "A"" (JFTAU) has been changed to better reflect the offering currency of each class. As such, the investment choice name of JFTAU will be changed to **"JF Taiwan Fund Class "A""**, with effect from January 1, 2011.

4. Minor matters relating to some other investment choices

a. Franklin Templeton Investments (Asia) Limited

With effect from January 1, 2011, the methodology applied to the calculation of the remuneration of Franklin Templeton International Services S.A., in its respective capacities as Registrar and Transfer, Corporate, Domiciliary and Administrative Agent ("FTIS"), will be modified. FTIS is not expected to receive more fees as a result of this change.

b. HSBC Global Asset Management

Effective from June 30, 2010, HSBC Global Investment Funds (GIF)'s specialist investment businesses were rebranded HSBC Global Asset Management. There is no impact for shareholders of GIF as the distinctive investment philosophies and approaches pursued by the specialist investment teams were not impacted.

As a consequence of the above change, from January 1, 2011, the investment advisers for the underlying funds of the following investment choices will be changed as below:

Investment Choices	Existing Investment Adviser of the underlying fund	New Investment Adviser of the underlying fund
HSBC Global Investment Funds – Chinese Equity Class "AD"	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
HSBC Global Investment Funds – Global Emerging Markets Equity Class "AD"	Halbis Capital Management (UK) Limited	HSBC Global Asset Management (UK) Limited
HSBC Global Investment Funds – Korean Equity Class "AD"	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited

c. BNP Paribas Investment Partners

Change in controlling shareholder of BNPP IP Asia, a portfolio manager of BNP Paribas L1 and Parvest
On April 1, 2010, BNP Paribas Investment Partners S.A., the parent company of BNP Paribas' asset management business line ("BNPP IP", together with its subsidiaries and its downstream affiliates involved in the asset management business, the "BNPP IP Group") acquired 100% of the share capital and voting rights of BNP Paribas Investment Partners BE Holding (formerly Fortis Investment Management S.A.) ("BNPP IP BE Holding", together with its subsidiaries and its downstream affiliates involved in the asset management business, the "BNPP IP BE Holding Group"). As part of the restructuring and integration of the activities of BNPP IP BE Holding into BNPP IP, BNP Paribas Investment Partners NL Holding NV, which is 100% owned by BNPP IP BE Holding, will transfer to BNPP IP, at fair market value, 831,667,290 over 831,667,290 of the shares in BNP Paribas Investment Partners Asia Limited ("BNPP IP Asia") together with its subsidiaries and its downstream affiliates. The transfer to BNPP IP Asia is contemplated to occur prior to December 31, 2010.

Shareholders should note that there is no change concerning the management team of the aforesaid portfolio manager of BNP Paribas L1 and Parvest as a result of the change of shareholding mentioned above.

The above minor matters have no impact to the investment objective and strategy of the respective investment choices.

You should refer to the relevant prospectuses and the notice to shareholders of the underlying fund(s) of the above investment choice(s), which are made available by MassMutual Asia Ltd upon request, or visit our website at http://corp.massmutualasia.com/en/Invest/Premier-Choice-Series/Notice-of-Changes.aspx to carefully read the details of the relevant documents in relation to the above change(s).

If you have selected the above investment choice(s) under your insurance policy and if for any reason you wish to change to other investment choice(s), you may switch your investment choice(s) to other available investment choice(s) provided by your policy. Currently, no switching charge applies to any of the investment choices and most of the investment choices do not have a bid-offer spread during subscription and switching of investment choices. For details, please refer to Investment Choice Brochure.

FRANKLIN TEMPLETON
INVESTMENTS

This letter is important and requires your immediate attention.

If you are in doubt, please consult your legal, financial or professional advisers.

29 October 2010

Dear Shareholder,

Franklin Templeton Investment Funds (the "Company")

The purpose of this letter is to inform you of revisions to (I) the dividend payment period of A (Ydis) shares, (II) the fee payable to Franklin Templeton International Services S.A. and (III) the investment objectives and policies of the following sub-funds (each a "**Fund**") of the Company:

- **Franklin Mutual Global Discovery Fund**
- **Templeton Asian Bond Fund**
- **Templeton Emerging Markets Bond Fund**
- **Templeton Global Balanced Fund**
- **Templeton Global Bond Fund**
- **Templeton Global High Yield Fund**
- **Templeton Global Income Fund**
- **Templeton Global Total Return Fund**

I. Revision to Dividend Payment Period of A (Ydis) shares

With effect from 10 December 2010, it is anticipated that distributions in respect of A (Ydis) shares will be made, under normal circumstances, in July or August each year, instead of July only.

II. Revision to Fee Payable to Franklin Templeton International Services S.A.

With effect from 1 January 2011, the methodology applied to the calculation of the remuneration of Franklin Templeton International Services S.A., in its respective capacities as Registrar and Transfer, Corporate, Domiciliary and Administrative Agent ("**FTIS**"), will be modified by reducing the fixed amount levied on shareholder accounts from USD50 per shareholder account to USD30 per shareholder account at the relevant Class level over a one (1) year period* and adding an annual fee of 0.0175% of the net asset value of the Company. This is on top of the annual fee of 0.20% of the net asset value of the Company that FTIS now receives.

FTIS is not expected to receive more fees as a result of this change.

* For example, if the account is open for one month, the Company will pay FTIS USD$30/12 for that account for that month.

III. **Revisions to Investment Objectives and Policies**

A. Franklin Mutual Global Discovery Fund

With effect from 10 December 2010, the investment objective and policies of the Fund will be revised and restated as follows:-

> "The Fund's investment objective is capital appreciation.
>
> The Fund pursues its objective principally through investments in common stock, preferred stock and debt securities convertible or expected to be convertible into common or preferred stock of companies of any nation as well as in sovereign debts and participations in foreign government debts that the Investment Manager believes are available at market prices less than their value based on certain recognised or objective criteria (intrinsic value). The Fund primarily invests in mid- and large-cap companies with a market capitalisation around or greater than 1.5 billion US dollars.
>
> The Fund may also seek to invest in the securities of companies involved in mergers, consolidations, liquidations and reorganisations or as to which there exist tender or exchange offers, and may participate in such transactions. To a lesser extent, the Fund may also purchase debt securities, both secured and unsecured, of companies involved in reorganisation or financial restructuring.
>
> The Investment Manager may take temporary defensive cash position when it believes the securities trading markets or the economies of countries where the Fund invests are experiencing excessive volatility, a prolonged general decline or other adverse conditions.
>
> The Fund may invest in financial derivative instruments, which may include, but are not limited to, futures, options, contracts for difference, forward contracts on financial instruments and options on such contracts, swaps such as credit default swaps, synthetic equity swaps or total return swaps. The Fund may, through the use of financial derivative instruments, hold covered short positions provided that the long positions held by the Fund be sufficiently liquid to cover, at any time, its obligations resulting from its short positions.
>
> Investments in low-rated and non-investment grade securities and financial derivative instruments are subject to a higher degree of risk as described in the section "Risk Considerations". The base currency of the Fund is US dollar.
>
> The Fund is suitable for investors seeking capital appreciation by investing in undervalued companies worldwide and planning to hold their investments for medium to long term."

The market capitalisation threshold for investment in mid- and large-cap companies will thus be reduced from 5 billion US dollars to 1.5 billion US dollars to achieve the investment objectives of the Fund.

For your ease of comparison, the relevant changes are marked up and set out in the Appendix I attached to this letter.

The main risks of investing in Franklin Mutual Global Discovery Fund include the following:-

- Class hedging risk
- Counterparty risk
- Credit risk

- Defaulted debt securities risk
- Derivative risk
- Equity risk
- Foreign currency risk
- Interest rate securities risk
- Liquidity risk
- Low-rated or non-investment grade securities risk
- Market risk
- Restructuring companies risk

Please refer to the Appendix II attached to this letter for a summary of the risk factors listed above. Further details of the relevant risk considerations are provided in the Hong Kong Explanatory Memorandum.

B. Templeton Asian Bond Fund

With effect from 10 December 2010, the investment objective and policies of the Fund will be revised and restated as follows:-

> "The Fund's principal investment objective is to maximise, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation and currency gains.
>
> The Fund seeks to achieve its objective by investing principally in a portfolio of fixed and floating rate debt securities and debt obligations issued by government and government-related issuers, and/or corporate entities located throughout Asia. The Fund may also purchase debt obligations issued by supranational entities organised or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank. The Fund may also utilise financial derivative instruments for investment purposes. These financial derivative instruments may be dealt either in regulated markets or over- the-counter, and may include, inter alia, swaps (such as credit default swaps or total return swaps), forwards and cross forwards, futures contracts (including those on government securities), as well as options. Use of financial derivative instruments may result in negative exposures in a specific yield curve/duration, currency or credit. The Fund may also, in accordance with the investment restrictions, invest in securities or structured products where the security is linked to or derives its value from another security, or is linked to assets or currencies of any Asian country. The Fund may also purchase mortgage and asset- backed securities and convertible bonds. The Fund may invest in investment grade and non-investment grade debt securities issued by Asian issuers including securities in default. The Fund may purchase fixed income securities and debt obligations denominated in any currency, and it may hold equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation. The Fund may also participate in mortgage dollar roll transactions.
>
> The Fund may invest up to 33% of its total assets, either directly or through the use of financial derivative instruments, in fixed and floating rate debt securities and debt obligations issued by government and government- related issuers or corporate entities located outside of Asia which are impacted by economic or financial dynamics in Asia.
>
> Investments in Emerging Market countries, financial derivative instruments, in non-investment grade debt securities, in securities in default and in mortgage- and asset- backed securities are subject to a higher degree of risk, as more fully described in the section "Risk Considerations". The base currency of the Fund is US dollar.

> The Fund is suitable for investors seeking total investment return consisting of interest income, capital appreciation and currency gains by investing primarily in debt securities of issuers located throughout Asia and planning to hold their investments for medium to long term."

The Fund may thus purchase fixed income securities and debt obligations denominated in any currency, and it may hold equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation.

For your ease of comparison, the relevant changes are marked up and set out in the Appendix I attached to this letter.

The main risks of investing in Templeton Asian Bond Fund include the following:-

- Class hedging risk
- Counterparty risk
- Credit risk
- Credit-linked securities risk
- Defaulted debt securities risk
- Derivative risk
- Emerging markets risk
- Foreign currency risk
- Interest rate securities risk
- Liquidity risk
- Low-rated or non-investment grade securities risk
- Market risk
- Mortgage- and asset-backed securities risk
- Swap agreements risk

Please refer to the Appendix II attached to this letter for a summary of the risk factors listed above. Further details of the relevant risk considerations are provided in the Hong Kong Explanatory Memorandum.

C. Templeton Emerging Markets Bond Fund

With effect from 10 December 2010, the investment objective and policies of the Fund will be revised and restated as follows:-

> "The Fund's investment objective is to maximise, consistent with prudent investment management, total investment return, consisting of a combination of interest income, capital appreciation and currency gains.
>
> The Fund seeks to achieve its objective by investing principally in a portfolio of fixed and floating rate debt securities* and debt obligations issued by government and government-related issuers or corporate entities located in developing or emerging market countries. The Fund may also purchase debt obligations issued by supranational entities organised or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank. The Fund may also utilise financial derivative instruments for investment purposes. These financial derivative instruments may be dealt either in regulated markets or over- the-counter, and may include, inter alia, swaps (such as credit default swaps or total return swaps), forwards and cross forwards, futures contracts (including those on government securities), as well as options. Use of financial derivative instruments may result in negative exposures in a specific yield curve/duration, currency or credit. The Fund may also, in accordance with the investment restrictions, invest in securities or structured products where the security is linked to or derives its value from another security

or is linked to assets or currencies of any developing or emerging market country. In addition, the Fund may purchase preferred stock, common stock and other equity linked securities, warrants, and debt securities exchangeable or convertible into common stock and denominated in any currency. The Fund may hold up to 10% of its total net assets in securities in default. The Fund may purchase fixed income securities, debt obligations and equity securities denominated in any currency.

The Fund may invest up to 33% of its total assets, either directly or through the use of financial derivative instruments, in fixed and floating rate debt securities and debt obligations issued by government and government- related issuers or corporate entities located outside of developing or Emerging Market countries which are impacted by economic or financial dynamics in developing or emerging market countries.

Investments in Emerging Market countries, financial derivative instruments, non- investment grade debt securities and securities in default are subject to a higher degree of risk, as more fully described in the section "Risk Considerations". The base currency of the Fund is US dollar.

The Fund is suitable for investors seeking potentially above-average levels of income and capital appreciation by investing in Emerging Markets fixed income securities and planning to hold their investments for medium to long term.

*including non- investment grade debt securities"

The Fund may thus maximise total investment return, consisting of a combination of interest income, capital appreciation and currency gains. The Fund may also thus invest up to 33% of its total assets, either directly or through the use of financial derivative instruments, in fixed and floating rate debt securities and debt obligations issued by government and government- related issuers or corporate entities located outside of developing or Emerging Market countries which are impacted by economic or financial dynamics in developing or emerging market countries.

For your ease of comparison, the relevant changes are marked up and set out in the Appendix I attached to this letter.

The main risks of investing in Templeton Emerging Markets Bond Fund include the following:-

- Counterparty risk
- Credit risk
- Credit-linked securities risk
- Defaulted debt securities risk
- Derivative risk
- Emerging markets risk
- Equity risk
- Foreign currency risk
- Interest rate securities risk
- Liquidity risk
- Low-rated or non-investment grade securities risk
- Market risk
- Mortgage- and asset-backed securities risk
- Swap agreements risk
- Warrants risk

Please refer to the Appendix II attached to this letter for a summary of the risk factors listed above. Further details of the relevant risk considerations are provided in the Hong Kong Explanatory Memorandum.

D. Templeton Global Balanced Fund

With effect from 10 December 2010, the investment objective and policies of the Fund will be revised and restated as follows:-

> "The Fund's investment objective is to seek capital appreciation and current income, consistent with prudent investment management, by investing principally in equity securities and government debt securities issued by entities throughout the world, including Emerging Markets.
>
> The Investment Manager anticipates that the majority of the Fund's portfolio is normally invested in equity or equity- linked securities, including debt or preferred stock convertible or exchangeable into equity securities, selected principally on the basis of their capital growth potential. The Fund seeks income by investing in fixed or floating rate debt securities and debt obligations issued by government and government- related issuers or corporate entities worldwide. The Fund may also purchase debt obligations issued by supranational entities organised or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank. The Fund may purchase equities, fixed income securities and debt obligations. Notwithstanding the foregoing, at no time will the Investment Manager invest more than 40% of the Fund's total net assets into fixed income securities.
>
> Investments in Emerging Markets countries are subject to a higher degree of risk as more fully described in the section "Risk Considerations". The base currency of the Fund is US dollar.
>
> The Fund is suitable for investors seeking a combination of capital appreciation and a level of income and seeking to access a portfolio of both equity and fixed income securities via a single fund. It is suitable for investors planning to hold their investments for medium to long term."

For your ease of comparison, the relevant changes are marked up and set out in the Appendix I attached to this letter. The changes do not represent any alteration or deviation from the existing process, philosophy or investment strategy of the Fund.

The main risks of investing in Templeton Global Balanced Fund include the following:-

- Class hedging risk
- Counterparty risk
- Credit risk
- Defaulted debt securities risk
- Derivative risk
- Emerging markets risk
- Equity risk
- Foreign currency risk
- Interest rate securities risk
- Liquidity risk
- Low-rated or non-investment grade securities risk
- Market risk

Please refer to the Appendix II attached to this letter for a summary of the risk factors listed above. Further details of the relevant risk considerations are provided in the Hong Kong Explanatory Memorandum.

E. Templeton Global Bond Fund

With effect from 10 December 2010, the investment objective and policies of the Fund will be revised and restated as follows:-

> "The Fund's principal investment objective is to maximise, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation and currency gains.
>
> The Fund seeks to achieve its objective by investing principally in a portfolio of fixed or floating rate debt securities* and debt obligations issued by government or government-related issuers worldwide. The Fund may also, in accordance with the investment restrictions, invest in debt securities* of corporate issuers. The Fund may also purchase debt obligations issued by supranational entities organised or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank. The Fund may also utilise financial derivative instruments for investment purposes. These financial derivative instruments may be dealt either in regulated markets or over- the-counter, and may include, inter alia, swaps (such as credit default swaps or total return swaps), forwards and cross forwards, futures contracts (including those on government securities), as well as options. Use of financial derivative instruments may result in negative exposures in a specific yield curve/duration, currency or credit. The Fund may also invest in securities or structured products where the security is linked to or derives its value from another security or is linked to assets or currencies of any country. The Fund may hold up to 10% of its total net assets in securities in default. The Fund may purchase fixed income securities and debt obligations denominated in any currency, and may hold equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation.
>
> Investments in Emerging Market countries, in financial derivatives instruments, in non-investment grade securities and securities in default are subject to a higher degree of risk as more fully described in the section "Risk Considerations". The base currency of the Fund is US dollar.
>
> The Fund is suitable for investors seeking to maximize total investment return consisting of a combination of interest income, capital appreciation and currency gains and planning to hold their investments for medium to long term.
>
> *including non- investment grade securities"

For your ease of comparison, the relevant changes are marked up and set out in the Appendix I attached to this letter. The changes do not represent any alteration or deviation from the existing process, philosophy or investment strategy of the Fund.

The main risks of investing in Templeton Global Bond Fund include the following:-

- Class hedging risk
- Counterparty risk
- Credit risk
- Credit-linked securities risk
- Defaulted debt securities risk
- Derivative risk
- Emerging markets risk
- Foreign currency risk
- Interest rate securities risk
- Liquidity risk

- Low-rated or non-investment grade securities risk
- Market risk
- Mortgage- and asset-backed securities risk
- Swap agreements risk

Please refer to the Appendix II attached to this letter for a summary of the risk factors listed above. Further details of the relevant risk considerations are provided in the Hong Kong Explanatory Memorandum.

F. Templeton Global High Yield Fund

With effect from 10 December 2010, the investment objectives and policies of the Fund will be revised and restated as follows:-

> "The Fund's principal investment objective is to earn a high level of current income. As a secondary objective, the Fund seeks capital appreciation, but only when consistent with its principal objective.
>
> The Fund invests principally in debt securities* of issuers globally, including those in Emerging Markets. For the purpose of this Fund, debt securities shall include all varieties of fixed and floating rate income securities (including bank loans through regulated investment funds subject to the limits indicated below), bonds, mortgage and other asset- backed securities and convertible securities. The Fund may also utilise financial derivative instruments for investment purposes. These financial derivative instruments may be dealt either in regulated markets or over- the-counter, and may include, inter alia, swaps (such as credit default swaps or total return swaps), forwards and cross forwards, futures contracts (including those on government securities), as well as options. Use of financial derivative instruments may result in negative exposures in a specific yield curve/duration, currency or credit. In addition, the Fund may invest in equity securities, credit- linked securities and money- market instruments and may seek exposure to floating rate loans through regulated investment funds. The Fund may invest up to 10% of its net assets in units of UCITS and other UCIs and up to 10% of its total assets in securities in default.
>
> Investments in Emerging Market countries, in financial derivative instruments, mortgage or asset-backed securities, non- investment grade securities and securities in default are subject to a higher degree of risk as more fully described in the section "Risk Considerations". The base currency of the Fund is US dollar.
>
> The Fund is suitable for investors seeking a high level of income and prospects of capital appreciation and seeking to access a portfolio of high yield debt securities from issuers worldwide. It is suitable for investors planning to hold their investments for medium to long term.
>
> *including non- investment grade securities"

For your ease of comparison, the relevant changes are marked up and set out in the Appendix I attached to this letter. The changes do not represent any alteration or deviation from the existing process, philosophy or investment strategy of the Fund.

The main risks of investing in Templeton Global High Yield Fund include the following:-

- Counterparty risk
- Credit risk
- Credit-linked securities risk

- Defaulted debt securities risk
- Derivative risk
- Emerging markets risk
- Foreign currency risk
- Interest rate securities risk
- Liquidity risk
- Low-rated or non-investment grade securities risk
- Market risk
- Restructuring companies risk
- Warrants risk

Please refer to the Appendix II attached to this letter for a summary of the risk factors listed above. Further details of the relevant risk considerations are provided in the Hong Kong Explanatory Memorandum.

G. Templeton Global Income Fund

With effect from 10 December 2010, the investment objective and policies of the Fund will be revised and restated as follows:-

> "The Fund's investment objective is to maximize current income while maintaining prospects for capital appreciation.
>
> Under normal market conditions, the Fund invests in a diversified portfolio of debt and equity securities worldwide. The Fund seeks income by investing in a portfolio of fixed and floating rate debt securities and debt obligations issued by government and government- related issuers or corporate entities worldwide, including in Emerging Markets, as well as stocks the Investment Manager believes offer attractive dividend yields. The Fund may also purchase debt obligations issued by supranational entities organised or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank. The Fund may invest in investment grade and non- investment grade debt securities issued by US and non-US issuers including securities in default. The Fund may also utilise financial derivative instruments for investment purposes. These financial derivative instruments may be dealt either in regulated markets or over- the-counter, and may include, inter alia, swaps (such as credit default swaps or total return swaps), forwards and cross forwards, futures contracts (including those on government securities), as well as options. Use of financial derivative instruments may result in negative exposures in a specific yield curve/duration, currency or credit. The Fund may invest up to 10% of its net assets in units of UCITS and other UCIs. The Fund may invest in fixed or floating rate debt securities either directly or through regulated investment funds (subject to the limits indicated above). The Investment Manager may take temporary defensive cash position when it believes the securities trading markets or the economies of countries where the Fund invests are experiencing excessive volatility or prolonged general decline or other adverse conditions.
>
> Investments in Emerging Market countries, financial derivative instruments, non- investment grade securities, and securities in default are subject to a higher degree of risk as more fully described in the section "Risk Considerations". The base currency of the Fund is US dollar.
>
> The Fund is suitable for investors seeking a combination of current income and capital appreciation from a portfolio of both equity and fixed income securities via a single fund and planning to hold their investments from the medium to long term."

For your ease of comparison, the relevant changes are marked up and set out in the Appendix I attached to this letter. The changes do not represent any alteration or deviation from the existing process, philosophy or investment strategy of the Fund.

The main risks of investing in Templeton Global Income Fund include the following:-

- Counterparty risk
- Credit risk
- Credit-linked securities risk
- Defaulted debt securities risk
- Derivative risk
- Emerging markets risk
- Equity risk
- Foreign currency risk
- Interest rate securities risk
- Liquidity risk
- Low-rated or non-investment grade securities risk
- Market risk
- Mortgage- and asset-backed securities risk
- Swap agreements risk

Please refer to the Appendix II attached to this letter for a summary of the risk factors listed above. Further details of the relevant risk considerations are provided in the Hong Kong Explanatory Memorandum.

H. Templeton Global Total Return Fund

With effect from 10 December 2010, the investment objective and policies of the Fund will be revised and restated as follows:-

> "The Fund's principal investment objective is to maximise, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation, and currency gains.
>
> The Fund seeks to achieve its objective by investing principally in a portfolio of fixed and/or floating rate debt securities and debt obligations issued by government and government-related issuers or corporate entities worldwide. The Fund may also purchase debt obligations issued by supranational entities organised or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank. The Fund may also utilise financial derivative instruments for investment purposes. These financial derivative instruments may be dealt either in regulated markets or over- the-counter, and may include, inter alia, swaps (such as credit default swaps or total return swaps), forwards and cross forwards, futures contracts (including those on government securities), as well as options. Use of financial derivative instruments may result in negative exposures in a specific yield curve/duration, currency, or credit. The Fund may also, in accordance with the investment restrictions, invest in securities or structured products where the security is linked to or derives its value from another security or is linked to assets or currencies of any country. The Fund may also purchase mortgage and asset- backed securities and convertible bonds. The Fund may invest in investment grade and non- investment grade debt securities issued by US and non-US issuers including securities in default. The Fund may purchase fixed income securities and debt obligations denominated in any currency and may hold equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation. The Fund may also invest up to 10% of its net assets in units of UCITS and other UCIs. The Fund may also participate in mortgage dollar roll transactions.

> In order to effectively manage cash flows in or out of the Fund, the Fund may buy and sell financial futures contracts or options on such contracts. The Fund may use futures contracts on US Treasury securities to help manage risks relating to interest rates and other market factors, to increase liquidity, and to quickly and efficiently cause new cash to be invested in the securities markets or, if cash is needed to meet shareholder redemption requests, to remove Fund assets from exposure to the market. On an ancillary basis, the Fund may gain exposure to debt market indexes by investing in index- based financial derivatives and credit default swaps.
>
> Investments in Emerging Market countries, financial derivative instruments, non- investment grade debt securities, securities in default, and mortgage- and asset- backed securities are subject to a higher degree of risk, as more fully described in the Section "Risk Considerations". The base currency of the Fund is US dollar.
>
> The Fund is suitable for investors seeking a high level of income and capital preservation, and to lesser extent capital growth and seeking to invest in fixed income securities of any global government or corporate issuers. It is suitable for investors planning to hold their investments for medium to long term."

The Fund may thus purchase fixed income securities and debt obligations denominated in any currency and may hold equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation.

For your ease of comparison, the relevant changes are marked up and set out in the Appendix I attached to this letter.

The main risks of investing in Templeton Global Total Return Fund include the following:-

- Class hedging risk
- Counterparty risk
- Credit risk
- Credit-linked securities risk
- Defaulted debt securities risk
- Derivative risk
- Emerging markets risk
- Foreign currency risk
- Interest rate securities risk
- Liquidity risk
- Low-rated or non-investment grade securities risk
- Market risk
- Mortgage- and asset-backed securities risk
- Mortgage dollar roll risk
- Swap agreements risk

Please refer to the Appendix II attached to this letter for a description of the risk factors listed above. Further details of the relevant risk considerations are available in the Hong Kong Explanatory Memorandum.

* * * * * *

If you do not agree with the above changes in respect of the Franklin Mutual Global Discovery Fund, the Templeton Asian Bond Fund, the Templeton Emerging Markets Bond Fund and the Templeton Global Total Return Fund, you may request, free of charge until 4 p.m. 9 December 2010 (Hong Kong time), the exchange of your shares of these four Funds into shares of other funds of the Company, details of which are disclosed in the Hong Kong Explanatory Memorandum.

The Company comprises a wide range of funds catering for many different objectives. Exchanges of your existing holding may be made into other SFC-authorised funds within the Company. On receipt of your instruction in respect of the Franklin Mutual Global Discovery Fund, the Templeton Asian Bond Fund, the Templeton Emerging Markets Bond Fund and the Templeton Global Total Return Fund, we will execute the exchange for you in accordance with the provisions of the Hong Kong Explanatory Memorandum, free of any charge.

If you do not wish to exchange your shares and would like to redeem and receive a cash payment, the redemption will be made in accordance with the provisions of the Hong Kong Explanatory Memorandum. Please send your instructions to the Hong Kong Representative at 17/F, Chater House, 8 Connaught Road Central, Hong Kong. Please note that should you decide to redeem any shares subject to a contingent deferred sales charge ("CDSC"), such redemption will be subject to the applicable CDSC as more fully disclosed in the Hong Kong Explanatory Memorandum of the Company.

You should consult your professional advisers as to the possible tax or other consequences of buying, holding, transferring or selling any of the Company's shares affected by the changes described above, under the laws of your country of citizenship, residence and domicile.

* * * * * *

The investment managers of the Company and the Directors of the Company accept full responsibility for the accuracy of the information contained in this letter as at the date of its publication and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement misleading.

If you require further information please do not hesitate to contact your investment consultant or call our Investor Hotline on +852 2829 0600.

Yours faithfully,

For and on behalf of
Franklin Templeton Investments (Asia) Limited

David Chang
Director

Appendix I

Below is the marked-up version of the revised investment objectives and policies for the Funds:

A. Franklin Mutual Global Discovery Fund

"The Fund's investment objective is capital appreciation.

The Fund pursues its objective principally through investments in common stock, preferred stock and debt securities convertible or expected to be convertible into common or preferred stock of companies of any nation as well as in sovereign debts and participations in foreign government debts that the Investment Manager believes are available at market prices less than their value based on certain recognised or objective criteria (intrinsic value). The Fund ~~generally~~ primarily invests in mid- and large-cap companies with a market capitalisation around or greater than ~~5~~ 1.5 billion US dollars.

The Fund may also seek to invest in the securities of companies involved in mergers, consolidations, liquidations and reorganisations or as to which there exist tender or exchange offers, and may participate in such transactions. To a lesser extent, the Fund may also purchase debt securities, both secured and unsecured, of companies involved in reorganisation or financial restructuring.

The Investment Manager may take temporary defensive cash position when it believes the securities trading markets or the economies of countries where the Fund invests are experiencing excessive volatility, a prolonged general decline or other adverse conditions.

The Fund may invest in financial derivative instruments, which may include, but are not limited to, futures, options, contracts for difference, forward contracts on financial instruments and options on such contracts, swaps such as credit default swaps, synthetic equity swaps or total return swaps. The Fund may, through the use of financial derivative instruments, hold covered short positions provided that the long positions held by the Fund be sufficiently liquid to cover, at any time, its obligations resulting from its short positions.

Investments in low-rated and non-investment grade securities and financial derivative instruments are subject to a higher degree of risk as described in the section "Risk Considerations". The base currency of the Fund is US dollar.

The Fund is suitable for investors seeking capital appreciation by investing in undervalued companies worldwide and planning to hold their investments for medium to long term."

B. Templeton Asian Bond Fund

"The Fund's principal investment objective is to maximise, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation and currency gains.

~~Under normal market conditions, the~~ The Fund seeks to achieve its objective by investing principally ~~invests~~ in a portfolio of fixed and floating rate debt securities and debt obligations issued by ~~of~~ government~~s~~ and~~/or~~ government- related issuers, and/or corporate entities located throughout Asia. The Fund may also ~~invest in debt securities of corporate issuers and in securities or structured products where the security is linked to or derives its value from another security, assets or currencies of any Asian country. The Fund may~~ purchase debt obligations issued by ~~governments and~~ supranational entities organised or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank. The Fund may also ~~purchase~~

~~mortgage- and asset-backed securities, convertible bonds, and invest in~~ utilise financial derivative instruments for ~~hedging and~~ investment purposes. These financial derivative instruments may be dealt either in regulated markets or over- the-counter, and may include, inter alia, swaps (such as credit default swaps or total return swaps), forwards and cross forwards, futures contracts (including those on government securities), as well as options. Use of financial derivative instruments may result in negative exposures in a specific yield curve/duration, ~~or~~ currency or credit. The Fund may also, in accordance with the investment restrictions, invest in securities or structured products where the security is linked to or derives its value from another security or is linked to assets or currencies of any Asian country. The Fund may also purchase mortgage and asset- backed securities and convertible bonds. The Fund may invest in investment grade and non- investment grade debt securities issued by Asian issuers including securities in default. The Fund may purchase fixed income securities and debt obligations denominated in any currency and it may hold equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation. The Fund may also participate in mortgage dollar roll transactions.

The Fund may invest up to 33% of its total assets, either directly or through the use of financial derivative instruments, in fixed and floating rate debt securities and debt obligations issued by ~~of~~ governments~~,~~ and government-_related issuers or corporate entities ~~issuers~~ located outside of Asia which are impacted by economic or financial dynamics in Asia.

~~The Fund may also participate in mortgage dollar roll transactions.~~ Investments in Emerging Market countries, ~~in~~ financial derivative instruments~~, in mortgage- and asset-backed securities~~, in non-investment grade debt securities ~~as well as~~, in securities in default, and in mortgage- and asset- backed securities are subject to a higher degree of risk, as more fully described in the section "Risk Considerations". The base currency of the Fund is US dollar.

The Fund is suitable for investors seeking total investment return consisting of interest income, capital appreciation and currency gains by investing primarily in debt securities of issuers located throughout Asia and planning to hold their investments for medium to long term."

C. Templeton Emerging Markets Bond Fund

"The Fund's investment objective is to maximise, consistent with prudent investment management, total investment return, consisting of a combination of interest income ~~and~~, capital appreciation and currency gains.

The Fund seeks to achieve ~~this~~ its objective ~~through a policy of~~ by investing principally in a portfolio of fixed and floating rate debt securities* and debt obligations issued by ~~corporations, governments or~~ government and government- related issuers or corporate entities ~~of~~ located in developing or emerging ~~nations~~ market countries~~, including Brady bonds (issued as a result of an exchange for previously defaulted bank debt), and~~. The Fund may also purchase debt obligations issued by supranational entities organised or supported by several national governments~~. In addition, the Fund may purchase preferred stock, common stock and other equity linked securities, warrants, and debt securities exchangeable or convertible into common stock. The Fund may hold up to 10% of its total net assets in securities in default.~~, such as the International Bank for Reconstruction and Development or the European Investment Bank. The Fund may also utilise financial derivative instruments for investment purposes ~~and invest in securities or structured products linked to assets or currencies in any developing or emerging nation~~. These financial derivative instruments may be dealt either in regulated markets or over- the-counter, and may include, inter alia, swaps (such as credit default swaps or total return swaps), forwards and cross forwards, futures contracts (including those on government securities), as well as options. Use of financial derivative instruments may result in negative exposures in a specific yield curve/duration, ~~or~~ currency or credit. The Fund may also, in accordance with the investment restrictions, invest in securities or structured products where the security is linked to or derives its value from another security, or is linked to assets or currencies of any developing or emerging market country. In addition, the Fund may purchase preferred stock, common stock and other equity linked securities, warrants, and debt securities exchangeable or convertible into common stock and denominated in any currency. The Fund may hold up to 10% of its total net assets in securities in default. The Fund may purchase fixed income securities, ~~and~~ debt obligations and equity securities ~~the Fund invests in may be~~ denominated in any currency.

The Fund may invest up to 33% of its total assets, either directly or through the use of financial derivative instruments, in fixed and floating rate debt securities and debt obligations issued by government, government- related issuers, or corporate entities located outside of developing or Emerging Market countries which are impacted by economic or financial dynamics in developing or emerging market countries.

Investments in ~~securities in default, in financial derivative instruments, and in~~ Emerging Market countries, financial derivative instruments, non- investment grade debt securities and securities in default are subject to a higher degree of risk, as more fully described in the section "Risk Considerations". The base currency of the Fund is US dollar.

The Fund is suitable for investors seeking potentially above-average levels of income and capital appreciation by investing in Emerging Markets fixed income securities and planning to hold their investments for medium to long term.

*including non- investment grade debt securities"

D. Templeton Global Balanced Fund

"The Fund's investment objective is to seek capital appreciation and current income, consistent with prudent investment management, by investing principally in equity securities and government debt securities issued by entities throughout the world, including Emerging Markets.

The Investment Manager anticipates that the majority of the Fund's portfolio is normally invested in equity or equity- linked securities, including debt or preferred stock convertible or exchangeable into equity securities, selected principally on the basis of their capital growth potential. The Fund seeks income by investing in fixed or floating rate debt securities and debt obligations ~~of~~ issued by government~~,~~ and government- related issuers ~~and~~ or corporate ~~issuers in countries around the world, including~~ entities worldwide. The Fund may also purchase debt obligations issued by supranational entities organised or supported by several national governments, ~~(~~such as the International Bank for Reconstruction and Development or the European Investment Bank~~)~~. The Fund may purchase equities, fixed income securities and debt obligations. Notwithstanding the foregoing, at no time will the Investment Manager invest more than 40% of the Fund's total net assets into fixed income securities.

Investments in Emerging Market~~s~~ countries are subject to a higher degree of risk as more fully described in the section "Risk Considerations". The base currency of the Fund is US dollar.

The Fund is suitable for investors seeking a combination of capital appreciation and a level of income and seeking to access a portfolio of both equity and fixed income securities via a single fund. It is suitable for investors planning to hold their investments for medium to long term."

E. Templeton Global Bond Fund

"The Fund's principal investment objective is to maximise, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation and currency gains.

The Fund seeks to achieve its objective by investing principally in a portfolio of fixed or floating rate debt securities* and debt obligations ~~of~~ issued by government or government- related issuers worldwide. The Fund may also, in accordance with the investment restrictions, invest in debt securities* of corporate issuers~~, securities or structured products linked to assets or currencies of any nation~~. The Fund may also purchase debt obligations issued by supranational entities organised or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank. ~~The Fund may hold up to 10% of its total net assets in securities in default.~~ The Fund may also utilise financial derivative instruments for investment purposes. These financial derivative instruments may be dealt either in regulated markets or over- the-counter, and may include, inter alia, swaps (such as credit default swaps or total return swaps), forwards and cross forwards, futures contracts (including those on government securities), as well as options. Use of financial derivative instruments may result in negative exposures in a specific yield curve/duration~~, or~~ currency or credit. The Fund may ~~purchase US dollar and non-US dollar denominated~~ also invest in securities or structured products where the security is linked to or derives its value from another security, or is linked to assets or currencies of any country. The Fund may hold up to 10% of its total net assets in securities in default. The Fund may purchase fixed income securities and debt obligations denominated in any currency, and may hold equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation.

Investments in Emerging Market~~s~~ countries, in financial derivatives instruments, ~~in securities in default and~~ in non- investment grade securities, and securities in default are subject to a higher degree of risk as more fully described in the section “Risk Considerations”. The base currency of the Fund is US dollar.

The Fund is suitable for investors seeking to maximize total investment return consisting of a combination of interest income, capital appreciation and currency gains and planning to hold their investments for medium to long term.

*including non- investment grade securities”

F. Templeton Global High Yield Fund

“The Fund’s principal investment objective is to earn a high level of current income. As a secondary objective, the Fund seeks capital appreciation, but only when consistent with its principal objective.

The Fund invests principally in debt securities* of issuers globally, including those in Emerging Markets. For the purpose of this Fund, debt securities shall include all varieties of fixed and floating rate income securities (including bank loans through regulated investment funds subject to the limits indicated below), bonds, mortgage and other asset- backed securities and convertible securities. The Fund may also utilise financial derivative instruments for investment purposes~~, which~~. These financial derivative instruments may be dealt either in regulated markets or over- the-counter, and may include, inter alia, swaps (such as credit default swaps or total return swaps), forwards and cross forwards, futures contracts (including those on government securities), as well as options. Use of ~~the~~ financial derivative instruments may result in negative exposures in a specific yield curve/duration~~ or~~, currency or credit. In addition, the Fund may invest in equity securities, credit- linked securities and money-market instruments and may seek exposure to floating rate loans through regulated investment funds. The Fund may invest up to 10% of its net assets in units of UCITS and other UCIs and up to 10% of its total assets in securities in default.

Investments in Emerging Market~~s~~ countries, in financial derivative instruments, ~~in~~ mortgage or asset-backed securities~~, in securities in default and in~~ non- investment grade securities and securities in default are subject to a higher degree of risk as more fully described in the section “Risk Considerations”. The base currency of the Fund is US dollar.

The Fund is suitable for investors seeking a high level of income and prospects of capital appreciation and seeking to access a portfolio of high yield debt securities from issuers worldwide. It is suitable for investors planning to hold their investments for medium to long term.

*including non- investment grade securities”

G. Templeton Global Income Fund

“The Fund’s investment objective is to maximise current income while maintaining prospects for capital appreciation.

Under normal market conditions, the Fund invests in a diversified portfolio of debt and equity securities worldwide. The Fund seeks income by investing in a portfolio of fixed and floating rate debt securities and debt obligations ~~of~~ issued by government~~s~~, and government- related issuers or corporate ~~issuers~~ entities worldwide, including in Emerging Markets, as well as stocks the Investment Manager believes offer attractive dividend yields. ~~In particular, the~~ The Fund may also purchase debt obligations issued by ~~governments and~~ supranational entities organised ~~and~~ or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank. The Fund may invest in investment grade and non- investment grade debt~~s~~ securities issued by US and non-US issuers including securities in default. The Fund may also utilise financial derivative instruments for investment purposes~~, which~~. These financial derivative instruments may be dealt either in regulated markets or over- the-counter, and may include, inter alia, swaps (such as credit default swaps or total return swaps), forwards and cross forwards, futures contracts (including those on government securities), as well as options. Use of ~~these~~ financial derivative instruments may result in negative exposures in a specific yield curve/duration~~ or~~, currency or credit. The Fund may invest up to 10% of its net assets in units of UCITS and other UCIs. The Fund may invest in fixed or floating rate debt securities either directly or through regulated investment funds (subject to the limits indicated above). The Investment Manager may take temporary defensive cash position when it believes the securities trading markets or the economies of countries where the Fund invests are experiencing excessive volatility or prolonged general decline or other adverse conditions.

Investments in Emerging Market~~s~~ countries, financial derivative instruments, non- investment grade securities, and ~~in~~ securities in default are subject to a higher degree of risk, as more fully described in the section “Risk Considerations”. The base currency of the Fund is US dollar.

The Fund is suitable for investors seeking a combination of current income and capital appreciation from a portfolio of both equity and fixed income securities via a simple fund and planning to hold their investments from the medium to long term.”

H. Templeton Global Total Return Fund

“The Fund’s principal investment objective is to maximise, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation, and currency gains. ~~Under normal market conditions, the Fund invests~~

The Fund seeks to achieve its objective by investing principally in a portfolio of fixed and/or floating rate debt securities and debt obligations ~~(including convertible bonds) of~~ issued by government~~s~~, and government- related issuers or corporate entities ~~issuers~~ worldwide. The Fund may also purchase debt obligations issued by supranational entities organised or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank. The Fund may also utilise~~ as well as in certain~~ financial derivative instruments for investment purposes. These financial derivative instruments may be dealt either in regulated markets or over--the-counter, and may include, inter alia, swaps (such as credit default swaps or total return swaps), forwards and cross forwards, futures contracts (including those on government securities), as well as options. Use of ~~these~~ financial derivative instruments may result in negative exposures in a specific yield curve/duration~~ or~~, currency, or credit. The Fund may also, in accordance with the investment restrictions, invest in securities or structured products where the security is linked to or derives its value from another security~~,~~ or is linked to assets or currencies of any country~~nation. More specifically, the Fund may purchase debt obligations issued by governments and supranational entities organised or supported by several national governments~~. The Fund may also purchase mortgage and asset- backed securities and convertible bonds. The Fund may invest in investment grade and non- investment grade debt securities issued by US and non-US issuers including securities in default. The Fund may purchase fixed income securities and debt obligations denominated in any currency and may hold equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation. The Fund may also invest up to 10% of its net assets in units of UCITS and other UCIs. The Fund may also participate in mortgage dollar roll transactions.

In order to effectively manage cash flows in or out of the Fund, the Fund may buy and sell financial futures contracts or options on such contracts. The Fund may use futures contracts on US Treasury securities to help manage risks relating to interest rates and other market factors, to increase liquidity, and to quickly and efficiently cause new cash to be invested in the securities markets or, if cash is needed to meet shareholder redemption requests, to remove Fund assets from exposure to the market. ~~The Fund may also participate in mortgage dollar roll transactions.~~ On an ancillary basis, the Fund may gain exposure to debt market indexes by investing in index- based financial derivatives and credit default swaps.

Investments in Emerging Market countries, financial derivative instruments, ~~in~~ non- investment grade debt securities, ~~and in~~ securities in default and mortgage- and asset- backed securities are subject to a higher degree of risk, as more fully described in the Section “Risk Considerations”. The base currency of the Fund is US dollar.

The Fund is suitable for investors seeking a high level of income and capital preservation, and to a lesser extent capital growth and seeking to invest in fixed income securities of any global government or corporate issuers. It is suitable for investors planning to hold their investments for medium to long term.”

Appendix II

- **Class hedging risk**

The Company may engage in currency hedging transactions with regards to a certain class of shares (the "Hedged Share Class"). Hedged Share Classes are designed (i) to reduce exchange rate fluctuations between the currency of the Hedged Share Class and the base currency of the Fund or (ii) to reduce exchange rate fluctuations between the currency of the Hedged Share Class and other material currencies within the Fund's portfolio.

The hedging will be undertaken to reduce exchange rate fluctuations in case the base currency of the Fund or other material currencies within the Fund (the "reference currency(ies)") is(are) declining or increasing in value relative to the hedged currency.

No assurance can be given that the hedging objective will be achieved.

Investors should be aware that the hedging strategy may substantially limit shareholders of the relevant Hedged Share Class from benefiting from any potential increase in value of the share class expressed in the reference currency (ies), if the Hedged Share Class currency falls against the reference currency(ies). Additionally, shareholders of the Hedged Share Class may be exposed to fluctuations in the net asset value per share reflecting the gains/losses on and the costs of the relevant financial instruments. The gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Hedged Share Class.

- **Counterparty risk**

When over-the-counter (OTC) or other bilateral contracts are entered into (inter alia OTC derivatives, repurchase agreements, security lending etc.) the Company may find itself exposed to risks arising from the solvency of its counterparties and from their ability to respect the conditions of these contracts. The Company is exposed to the risk that the counterparty will fail to respect its commitments under the term of each contract.

- **Credit Risk**

Credit risk, a fundamental risk relating to all fixed income securities as well as money market instruments, is the chance that an issuer will fail to make principal and interest payments when due. Issuers with higher credit risk typically offer higher yields for this added risk. Conversely, issuers with lower credit risk typically offer lower yields. Generally, government securities are considered to be the safest in terms of credit risk, while corporate debt, especially those with poorer credit ratings, have the highest credit risk. Changes in the financial condition of an issuer, changes in economic and political conditions specific to an issuer, are all factors that may have an adverse impact on an issuer's credit quality and security values.

- **Credit-linked Securities Risk**

Credit-linked securities are debt securities that represent an interest in a pool of, or are otherwise collateralised by one or more corporate debt obligations or credit default swaps incorporated debt or bank loan obligations. Such debt obligations may represent the obligations of one or more corporate issuers. The Fund has the right to receive periodic interest payments from the issuer of the credit-linked security (usually the seller of the underlying credit default swap(s)) at an agreed-upon interest rate, and a return of principal at the maturity date.

The Fund bears the risk of loss of its principal investment, and the periodic interest payments expected to be received for the duration of its investment in the credit-linked security, in the event that one or more of the debt obligations underlying the credit default swaps go into default or otherwise become non-performing.

In addition, the Fund bears the risk that the issuer of the credit-linked security will default or become bankrupt. In such an event, the Fund may have difficulty being repaid, or fail to be repaid, the principal amount of its investment and the remaining periodic interest payments thereon.

The market for credit-linked securities may suddenly become illiquid, and the Fund could experience difficulty in selling such security at a price the Investment Manager believes is fair.

- **Defaulted Debt Securities Risk**

Some Funds may invest in debt securities on which the issuer is not currently making interest payments (defaulted debt securities). These Funds may buy defaulted debt securities if, in the opinion of the investment manager, it appears likely that the issuer may resume interest payments or other advantageous developments appear likely in the near future. These securities may become illiquid.

The risk of loss due to default may also be considerably greater with lower-quality securities because they are generally unsecured and are often subordinated to other creditors of the issuer. If the issuer of a security in a Fund's portfolio defaults, the Fund may have unrealised losses on the security, which may lower the Fund's net asset value per share. Defaulted securities tend to lose much of their value before they default. Thus, the Fund's net asset value per share may be adversely affected before an issuer defaults. In addition, the Fund may incur additional expenses if it must try to recover principal or interest payments on a defaulted security.

Included among the issuers of debt securities or obligations in which the Company may invest are entities organised and operated solely for the purpose of restructuring the investment characteristics of various securities or obligations. These entities may be organised by investment banking firms, which receive fees in connection with establishing each entity and arranging for the placement of its securities.

- **Derivative risk**

For the purpose of efficient portfolio management, the Company may, within the context of the Fund's overall investment policy, and within the limits set forth in the investment restrictions applicable to the Fund, engage in certain transactions involving the use of derivative instruments, including; (i) put and call options on securities, debt obligations, indices and currencies (including over-the-counter options); (ii) stock index and interest rate futures contracts and options thereon; (iii) structured products, where the security is linked to or derives its value from another security; and (iv) delayed delivery or when-and-if issued securities such as may be created as a result of a debt restructuring. The Company may engage, within the limits established by the investment restrictions, in various portfolio strategies involving the use of hedging instruments in order to hedge against market and currency risks. If the Fund intends to engage in transactions involving the use of derivative instruments as part of its investment strategy, rather than on an occasional basis, this will be described in the investment objective of such Fund.

- **Emerging Markets Risk**

All Fund investments in the securities issued by corporations, governments, and public-law entities in different nations and denominated in different currencies involve certain risks. These risks are typically increased in developing countries and emerging markets. Such risks, which can have adverse effects on portfolio holdings, may include: (i) investment and repatriation restrictions; (ii) currency fluctuations; (iii) the potential for unusual market volatility as compared to more industrialised nations; (iv) government involvement in the private sector; (v) limited investor information and less stringent investor disclosure requirements; (vi) shallow and substantially smaller liquid securities markets than in more industrialised countries, which means a Fund may at times be unable to sell certain securities at desirable prices; (vii) certain local tax law considerations; (viii) limited regulation of the securities markets; (ix) international and regional political and economic developments; (x) possible imposition of exchange controls or other local governmental laws or restrictions; (xi) the increased risk of adverse effects from deflation and inflation; (xii) the possibility of limited legal recourse for the Fund; and (xiii) the custodial and/or the settlement systems may not be fully developed.

Investors in Funds investing in Emerging Markets should in particular be informed that the liquidity of securities issued by corporations and public-law entities in Emerging Markets may be substantially smaller than with comparable securities in industrialised countries.

- **Equity risk**

The value of all Funds that invest in equity and equity related securities will be affected by economic, political, market, and issuer specific changes. Such changes may adversely affect securities, regardless of company specific performance. Additionally, different industries, financial markets, and securities can react differently to these changes. Such fluctuations of the Fund’s value are often exacerbated in the short-term as well. The risk that one or more companies in a Fund’s portfolio will fall, or fail to rise, can adversely affect the overall portfolio performance in any given period.

- **Foreign Currency Risk**

Since the Company values the portfolio holdings of each of its Funds in either US dollar, Japanese Yen or Euro, changes in currency exchange rates adverse to those currencies may affect the value of such holdings and each respective Fund's yield thereon.

Since the securities held by a Fund may be denominated in currencies different from its base currency, the Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between such reference currency and other currencies. Changes in currency exchange rates may influence the value of a Fund’s shares, and also may affect the value of dividends and interests earned by the Fund and gains and losses realised by said Fund. If the currency in which a security is denominated appreciates against the base currency, the price of the security could increase. Conversely, a decline in the exchange rate of the currency would adversely affect the price of the security.

Funds which use currency management strategies, including the use of cross currency forwards and currency futures contracts, may substantially change the Fund’s exposure to currency exchange rates and could result in losses to the Fund if the currencies do not perform as the Investment Manager expects.

- **Interest Rate Securities Risk**

All Funds that invest in debt securities or money market instruments are subject to interest rate risk. A fixed income security's value will generally increase in value when interest rates fall and decrease in value when interest rates rise. Interest rate risk is the chance that such movements in interest rates will negatively affect a security's value or, in a Fund's case, its net asset value. Fixed income securities with longer-term maturities tend to be more sensitive to interest rate changes than shorter-term securities.

- **Liquidity risk**

Reduced liquidity may have an adverse impact on market price and the Company's ability to sell particular securities when necessary to meet the Company's liquidity needs or in response to a specific economic event such as the deterioration in the creditworthiness of an issuer.

- **Low-Rated or non-investment grade securities risk**

Some Funds may invest in higher-yielding securities rated lower than investment grade. Accordingly, an investment in these Funds is accompanied by a higher degree of credit risk. Below investment grade securities such as, for example, high yield debt securities, may be considered a high risk strategy and can include securities that are unrated and/or in default. Lower-quality, higher-yielding securities may also experience greater price volatility when compared to higher-quality, lower-yielding securities. Additionally, default rates tend to rise for companies with poorer rated securities during economic recessions or in times of higher interest rates. Companies issuing high yield debt securities are not as strong financially and their low creditworthiness may increase the potential for their insolvency. The companies are more likely to encounter financial difficulties and are more vulnerable to changes in the economy, such as a recession or a sustained period of rising interest rates that could affect their ability to make interest and/or principal payments.

- **Market risk**

This is a general risk which affects all types of investment. Price trends are determined mainly by financial market trends and by the economic development of the issuers, who are themselves affected by the overall situation of the global economy and by the economic and political conditions prevailing in each country. Because the securities the Fund holds fluctuate in price, the value of investments in the Fund will go up and down. An investor may not get back the amount invested.

- **Mortgage- and asset-backed securities risk**

Some Funds may invest in mortgage- and asset-backed securities. Mortgage-backed securities differ from conventional debt securities because principal is paid back over the life of the security rather than at maturity. The Fund may receive unscheduled prepayments of principal before the security's maturity date due to voluntary prepayments, refinancing or foreclosure on the underlying mortgage loans. To the Fund this means a loss of anticipated interest, and a portion of its principal investment represented by any premium the Fund may have paid. Mortgage prepayments generally increase when interest rates fall.

Mortgage-backed securities also are subject to extension risk. An unexpected rise in interest rates could reduce the rate of prepayments on mortgage-backed securities and extend their life. This could cause the price of the mortgage-backed securities to be more sensitive to interest rate changes. Issuers of asset-backed securities may have limited ability to enforce the security interest in the underlying assets, and credit enhancements provided to support the securities, if any, may be inadequate to protect investors in the event of default. Like mortgage-backed securities, asset-backed securities are subject to prepayment and extension risks.

- **Mortgage Dollar Roll risk**

Some Funds, especially the Templeton Global Total Return Fund, may engage in mortgage dollar roll transactions. In a mortgage dollar roll, a Fund sells mortgage-backed securities for delivery in the current month and simultaneously contracts to repurchase substantially similar (name, type, coupon, and maturity) securities on a specified future date. During the period between the sale and repurchase (the "roll period"), the Fund foregoes principal and interest paid on the mortgage-backed securities. The Fund is compensated by the difference between the current sales price and the lower forward price for the future purchase (often referred to as the "drop"), as well as by the interest earned on the cash proceeds of the initial sale. The Fund could suffer a loss if the contracting party fails to perform the future transaction and the Fund is therefore unable to buy back the mortgage-backed securities it initially sold. Mortgage dollar rolls will be entered into only with high quality government securities dealers and member banks of the US Federal Reserve System.

Mortgage dollar rolls transactions may (due to the deemed borrowing position involved), increase the Fund's overall investment exposure and result in losses. Mortgage dollar rolls will be considered borrowings for purposes of the Fund's borrowing limitations unless the Fund segregates on its books an offsetting cash position or a position of liquid securities of equivalent value.

- **Restructuring companies risk**

Some Funds, especially the Franklin Mutual Global Discovery Fund and the Templeton Global High Yield Fund may also invest in the securities of companies involved in mergers, consolidations, liquidations and reorganisations or as to which there exist tender or exchange offers, and may participate in such transactions; they may also purchase indebtedness and participations therein, both secured and unsecured, of debtor companies engaged in reorganisation or financial restructuring. Such investments also involve greater credit risks.

- **Swap agreements risk**

The Company may enter into interest rate, index and currency exchange rate swap agreements for the purposes of attempting to obtain a particular desired return at a lower cost to the Company than if the Company had invested directly in an instrument that yielded that desired return. Swap agreements are two party contracts entered into primarily by institutional investors for periods ranging from a few days to more than one year. In a standard "swap" transaction, two parties agree to exchange the returns (or differential in rates of return) earned or realised on particular predetermined investments or instruments. The gross returns to be exchanged or "swapped" between the parties are calculated with respect to a "notional amount", ie, the return on or increase in value of a particular US dollar amount invested at a particular interest rate, in a particular foreign currency, or in a "basket" of securities representing a particular index. The "notional amount" of the swap agreement is only a fictive basis on which to calculate the obligations which the parties to a swap agreement have agreed to exchange. The Company's obligations (or rights) under a swap agreement will generally be equal only to the net amount to be paid or received under the agreement based on the relative values of the positions held by each party to the agreement (the "net amount").

Whether the Company's use of swap agreements will be successful in furthering its investment objective will depend on the ability of the Investment Managers to correctly predict whether certain types of investments are likely to produce greater returns than other investments. Because they are two party contracts and because they may have terms of greater than seven (7) calendar days, swap agreements may be considered to be illiquid. Moreover, the Company bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty. The Investment Managers will cause the Company to enter into swap agreements in accordance with the guidelines set out in the section “Investment Restrictions” in the Hong Kong Explanatory Memorandum.

- **Warrants risk**

Investments in and holding of warrants may result in increased volatility of the net asset value of certain Funds, which may make use of warrants, and accordingly is accompanied by a higher degree of risk.

富達基金 - 富達環球機遇基金及
富達基金 - 富達亞太股息基金改名通知

由即日起，富達基金 - 富達環球機遇基金將改名為富達基金 - 環球機遇基金；富達基金 - 富達亞太股息基金將改名為富達基金 - 亞太股息基金，該等基金的英文名稱將維持不變。

若閣下同意上述變動，毋須採取任何行動。如閣下有任何疑問，請致電富達個人理財熱線 (852) 2629 2629 查詢。

Fidelity™
INVESTMENT MANAGERS

J.P.Morgan
Asset Management

20 October 2010

Dear Business Partners,

JPMorgan Funds

We are writing to advise you that the attached set of notifications, in relation to the below two items, will be sent to the corresponding unitholders on **27 October 2010**.

- **Annual General Meeting (AGM) & Extraordinary General Meeting (EGM)**

  The Annual General Meeting and Extraordinary Meeting for JPMorgan Funds will be held on **17 November 2010.**

  All shareholders of JPMorgan Funds will receive a package which includes a Notice of AGM, a Notice of EGM and two separate Forms of Instruction for AGM and EGM from us after 27 October 2010. Those who wish to vote by proxy must complete and return the Form of Instruction to us no later than 18:00 Hong Kong time on **9 November 2010**.

  The results of the AGM and EGM will be announced on our web-site www.jpmorganam.com.hk once available.

  As varies from the previous AGM, the latest financial report will not be dispatched together with the notice. Instead, unitholders will be advised on the availability of electronic copy from the web-site from 31 October 2010.

  For full details of the subject, please refer to the attached unitholders' package. The Chinese version of the package has yet been finalised and hence will be provided once ready.

- **Change of Marketing Names**

  With effect from 8 November 2010, the marketing names of four JPMorgan Funds' share classes will be changed slightly which aims to distinguish the other share classes with identical investment but offered in different currency.

Should you have any questions on the above, please contact your JPM representative or call our Intermediary Hotline at (852) 2978 7788.

Yours sincerely,

Marco Tang
Head of Intermediary Business
Encl.

JPMorgan Funds (Asia) Limited
21st Floor, Chater House, 8 Connaught Road Central, Hong Kong
Telephone: +852 2800 2800 Facsimile: +852 2810 1694

J.P.Morgan
Asset Management

IMPORTANT: This letter requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

27 October 2010

Dear Investor,

JPMorgan Funds (the "Company")

Please find enclosed the Notices of an Annual General Meeting (the "AGM") and of an Extraordinary General Meeting (the "EGM") of JPMorgan Funds, both of which will be held on 17 November 2010 at the registered office of the Company.

The AGM will be held at 3:00 p.m. (CET) on the above date and the EGM will be held immediately following the AGM.

The EGM has been arranged primarily to approve the amendments to the Company's Articles of Incorporation ("Articles"), most amendments of which, if passed, will enhance the clarity of the Articles and will empower the Company with greater flexibility in dealing with its day-to-day operations, so as to maintain a higher level of service standard. You should refer to the enclosed Notice of EGM for further information on all the proposed amendments. The text of the proposed amendments to the Articles is also available upon request at the registered office of the Hong Kong Representative.

Kindly note the details of the agendas, as well as the quorum and voting requirements. To allow your vote to be cast, you should complete and return the enclosed Forms of Instruction to us as soon as possible, and in any event **no later than 9 November 2010**, using the envelope provided. If, however, we do not hear from you by this date, your instructions will not be reflected in the response to the Company in respect of your holdings and therefore will not be considered at the relevant meetings.

When available, the results of the AGM and EGM will be announced on our website www.jpmorganam.com.hk.

The latest financial reports of the Company will be available at www.jpmorganam.com.hk from 31 October 2010. If you would like to collect a printed copy of the report, you may visit the registered office of the Hong Kong Representative of the Company.

JPMorgan Funds (Asia) Limited
21st Floor, Chater House, 8 Connaught Road, Central, Hong Kong
Telephone: 852 2800 2800 Facsimile: 852 2810 1694

We are also taking the opportunity to inform you that, with effect from 8 November 2010, the marketing names of the following JPMorgan Funds share classes will be changed to better reflect the offering currency of each class:

Original Marketing Name	**New Marketing Name**
JF China A (dist)	JF China (USD) A (dist)
JF Greater China A (dist)	JF Greater China (USD) A (dist)
JF Hong Kong A (dist)	JF Hong Kong (USD) A (dist)
JF Taiwan A (dist)	JF Taiwan (USD) A (dist)

The Directors of the Hong Kong Representative of the Company accept responsibility for the accuracy of the contents of this letter at the date of publication.

Should you have any questions regarding the above, please do not hesitate to contact:

- your bank or financial adviser;
- our Intermediary Hotline on (852) 2978 7788;
- our Intermediary Clients' Hotline on (852) 2265 1000; or
- if you normally deal directly with us, our JPM Funds InvestorLine on (852) 2265 1133 [English], (852) 2265 1188 [Cantonese] or (852) 2265 1199 [Mandarin].

Yours faithfully,
For and on behalf of
JPMorgan Funds (Asia) Limited
As Hong Kong Representative of the Company

Terry S. Pan, CFA
Head of Hong Kong Business

Encl.

JPMORGAN FUNDS
Société d'Investissement à Capital Variable
Registered Office: European Bank & Business Center, 6 route de Trèves,
L-2633 Senningerberg, Grand Duchy of Luxembourg
R.C.S. Luxembourg B 8478

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders (the "Meeting") of JPMorgan Funds (the "Company") will be held on Wednesday, 17 November 2010 at 15:00 (CET), at the Registered Office of the Company, with the following Agenda:

AGENDA

1. Presentation and approval of the Report of the Board of Directors for the accounting year ended June 30, 2010.
2. Presentation of the Report of the Auditors for the accounting year ended June 30, 2010.
3. Approval of the Financial Statements for the accounting year ended June 30, 2010.
4. Discharge of the Board of Directors in respect of their duties carried out for the accounting year ended June 30, 2010.
5. Approval of Directors' Fees.
6. Re-election of Mr Iain Saunders, Mr Pierre Jaans, Mr Jacques Elvinger, Mr Jean Frijns, Mr Berndt May, Mr Robert Van Der Meer and Ms Andrea Hazen, to serve as Directors of the Company until the Annual General Meeting of Shareholders approving the Financial Statements for the accounting year ending on June 30, 2011.
7. Re-election of PricewaterhouseCoopers S.à r.l. to serve as Auditors of the Company until the Annual General Meeting of Shareholders, approving the Financial Statements for the accounting year ending on June 30, 2011.
8. Allocation of the results as per the Audited Annual Report for the accounting year ended June 30, 2010.
9. Consideration of such other business as may properly come before the Meeting.

VOTING

Resolutions on the Agenda of the Meeting will require no quorum and will be taken at the majority of the votes expressed by Shareholders present or represented at the Meeting.

VOTING ARRANGEMENTS

Shareholders who cannot personally attend the Meeting are requested to use the prescribed Form of Proxy. Completed Forms of Proxy must be received by no later than the close of business in Luxembourg on Monday, 15 November 2010 at the Registered Office of the Company (Client Services Department, fax +352 34 10 80 00).

By order of the Board of Directors

IMPORTANT

PLEASE COMPLETE AND RETURN THIS FORM IMMEDIATELY
and in any event no later than 6:00 p.m. (Hong Kong time) on 9 November 2010.

Form of Instruction to JPMorgan Funds (Asia) Limited
JPMorgan Funds

Name(s) and Address of Client:

Account Number(s):

MasterAccount:

MasterSaver:
(if applicable)

I am/We are the beneficial holders of shares in the JPMorgan Funds (the "Company"), registered in the name of JPMorgan Investor Services (Asia) Limited ("JPMIS"), on my/our behalf. I/We hereby authorise and instruct JPMorgan Funds (Asia) Limited ("JPMFAL") as my/our agent on and subject to the Terms and Conditions of MasterAccount & MasterSaver and the Nominee Agreement, to instruct JPMIS to vote, by itself or its lawful attorney/s, on my/our behalf in respect of **ALL*** / ________* of my/our shares *(* if you wish to vote part but not all of the shares registered on your behalf, delete "ALL" and insert the number of shares you wish to vote)* at the annual general meeting of shareholders to be held on 17 November 2010, at 3:00 p.m.(CET), at European Bank & Business Center, 6, route de Trèves, L-2633 Senningerberg, Grand-Duchy of Luxembourg and at any adjournment thereof. JPMFAL is hereby authorised and instructed to instruct JPMIS, by itself or its lawful attorney/s, to vote on the agenda, as set out in the Notice of Annual General Meeting, in accordance with my/our instructions as indicated below:

Agenda	"For"	"Against"	"Abstain"
1. Presentation and approval of the Report of the Board of Directors for the accounting year ended 30 June 2010.			
2. Presentation of the Report of the Auditors for the accounting year ended 30 June 2010.			
3. Approval of the Financial Statements for the accounting year ended 30 June 2010.			
4. Discharge of the Board of Directors in respect of their duties carried out for the accounting year ended 30 June 2010.			
5. Approval of Directors' Fees.			
6. Re-election of Mr Iain Saunders, Mr Pierre Jaans, Mr Jacques Elvinger, Mr Jean Frijns, Mr Berndt May, Mr Robert Van Der Meer and Ms Andrea Hazen to serve as Directors of the Company until the Annual General Meeting of Shareholders approving the Financial Statements for the accounting year ending on 30 June 2011.			
7. Re-election of PricewaterhouseCoopers S.à r.l. to serve as Auditors of the Company until the Annual General Meeting of Shareholders approving the Financial Statements for the accounting year ending on 30 June 2011.			
8. Allocation of the results as per the Audited Annual Report for the accounting year ended 30 June 2010.			
9. Consideration of such other business as may properly come before the Meeting.			

If you wish JPMIS or its attorney/s to vote in respect of ALL of your shares, please tick the appropriate box above.

If you wish JPMIS or its attorney/s to vote only part of your shares please indicate the number of shares to be voted in the relevant box. If you indicate more shares than are actually held on your behalf, JPMIS or its attorney/s will vote the total number of shares registered in the name of JPMIS on your behalf in the same proportions to that indicated above.

Individual:		**Corporation:**		
Signature	Date	The Common Seal of	Affixed in the presence of	Date

Notes:
1. To be valid, the Form of Instruction must be received by JPMFAL at GPO Box 11448, Hong Kong not later than 6:00 p.m. on 9 November 2010. The Form of Instruction may be sent in the first instance by facsimile on (852) 2868 1577, but the original Form of Instruction should follow by mail to JPMFAL at GPO Box 11448, Hong Kong.
2. JPMFAL will be entitled to rely and act upon any Instruction given, or purported to be given to JPMFAL's satisfaction, by either or any Joint Client.

JPMORGAN FUNDS
Société d'Investissement à Capital Variable
Registered Office: European Bank & Business Center, 6 route de Trèves,
L-2633 Senningerberg, Grand Duchy of Luxembourg
R.C.S. Luxembourg B 8478

NOTICE OF AN EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Shareholders (the "Extraordinary General Meeting") of JPMorgan Funds (the "Company") will be held on Wednesday, 17 November 2010 immediately following the Annual General Meeting of Shareholders, at the Registered Office of the Company, with the following Agenda:

AGENDA

1. Amendment of Article 4 of the Articles of Incorporation of the Company (the "Articles") in order to provide that the Board of Directors of the Company (the "Board") may transfer the registered office of the Company to any other municipality in the Grand Duchy of Luxembourg to the extent permitted by Luxembourg laws and regulations.
2. Amendment of Article 5 of the Articles to provide that the Company may create any master/feeder UCITS class, convert any existing class into a feeder/master UCITS class or change the master UCITS of any of its feeder UCITS class, if permitted and in accordance with the Luxembourg laws and regulations.
3. Amendment of Article 6 of the Articles, *inter alia*, to
   - provide that no bearer shares will be issued anymore;
   - allow the Board to decide to compulsory exchange bearer shares in issue for registered shares and to precise that after this decision holders of bearer shares will have to request their inscription in the register of shareholders before they can exercise other rights attached to their shares;
   - provide that where title to the shares has been provided to the subscriber but good settlement of purchase price has not been effected, the Company shall be entitled to cancel the shares at the cost and expense of the subscriber without prior notice and transfer of shares will not be permitted until receipt of the purchase price;
   - provide that if the Company becomes aware that the address provided by the shareholder to be registered in the register of shareholders is no longer the shareholder's current/valid address, the Company may permit a notice to this effect to be entered in the register of shareholders and the shareholder's address will be deemed to be at the registered office of the Company; and
   - specify that it is the shareholder's responsibility to ensure that its data inscribed on the register of shareholders is kept up to date.
4. Amendment of Article 8 of the Articles, *inter alia*, to:
   - extend the power of the Board (i) to refuse to issue or register any transfer of a share, (ii) to redeem compulsory any existing shareholder, (iii) to impose such restrictions or (iv) to demand additional information in circumstances which might result in the Company or any of its delegates suffering any sanction, penalty, burden or other disadvantage (whether pecuniary administrative or operational);
   - allow the Board to withhold any transfer request and any payment of the proceeds of any redemption request that has been processed, without interest accruing, until a demand for further information made for anti-money laundering purposes (or other similar purposes) has been satisfied.
5. Amendment of Article 10 of the Articles to allow the Board to decide to hold the annual general meeting of shareholders at another date, time or place than those set forth in the Articles to the extent permitted by the Luxembourg laws and regulations.
6. Amendment of Article 12 of the Articles, *inter alia*, to:
   - remove the references and provisions relating to bearer shares;
   - provide that a Record Date may be used to calculate the quorum and majority requirement applicable to general meetings of shareholders and to determine the rights of shareholders to participate and exercise their voting rights, to the extent permitted by and in accordance with the conditions set forth under Luxembourg laws and regulations;
   - provide that notices may be sent to shareholders either in writing, by facsimile transmission or such other electronic means capable of evidencing delivery of such notice, to the extent permitted under Luxembourg law and regulations from time to time.
7. Amendment of Article 16 of the Articles, inter alia, to provide that a class may invest in one or more other classes of the Company, to the extent permitted by the Luxembourg laws and regulations.

8. Amendment of Article 21 of the Articles *inter alia*:
   - to provide that the redemption price will be determined taking into account fiscal charges, redemption charge, dealing charge or any other charge as the prospectus of the Company may provide;
   - to remove the 1% limit of the redemption charge;
   - to provide that redemption request may be satisfied in kind;
   - to provide that the Board may decide that any partial redemption of bearer shares will result in the remaining balance being converted to registered shares;
   - to allow the Board, in certain circumstances provided for in the Articles, to close down one class by contribution into an European Economic Area based undertaking for collective investment offering equivalent protection to the one offered to the shareholders in the Company; and
   - to specify that upon the transposition in Luxembourg laws and regulations of the provisions of the European Directive 2009/65/EC of 13 July 2009 and of its implementing directive which are applicable to the mergers of UCITS, such provisions will replace the current provisions of the Articles regarding mergers.
9. Amendment of Article 22 of the Articles, *inter alia*, to provide that the determination of the net asset value and the issue, redemption and conversion of shares may be suspended during any circumstances where a failure to do so might result in the Company or its shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment to which the Company or its shareholders might not otherwise have suffered.
10. Amendment of Article 23 of the Articles, *inter alia*:
   - to provide that the net asset value per share may be adjusted to reflect any dealing costs, to implement swing pricing techniques as further disclosed in the prospectus of the Company and as the Board may consider appropriate to take into account.
   - to include management company's fees and director's fees in the list of liabilities borne by the Company.
11. Amendment of Article 24 of the Articles, *inter alia*, to provide that:
   - the price at which shares shall be offered shall be the net asset value per share plus such fiscal charge, dealing charges, any commission and other charges as the prospectus of the Company may provide; and
   - shares in the Company may be issued against contributions in kind of transferable securities and other assets considered acceptable by the Board.
12. Amendment of Article 26 of the Articles, *inter alia*, to provide that dividends may be paid in cash, in kind or may be reinvested in exchange for which additional shares in the Company will be issued and may include such amounts whether representing revenue, capital gains or otherwise as may be permitted by law.
13. Amendment of Article 27 of the Articles to provide that liquidation proceeds may be paid either in kind or in cash.
14. General update of the Articles by amending, *inter alia*, articles 3, 5, 9, 11, 13, 14, 17 and 20 of the Articles.

VOTING

All resolutions on the Agenda of the Extraordinary Meeting will require a quorum of 50% of the share capital in issue and will be passed by a majority of two-thirds of the votes cast. Votes cast shall not include votes attaching to shares in respect of which the shareholders have not taken part in the vote or have abstained or have returned a blank or invalid vote.

If the quorum is not reached, a second Extraordinary General Meeting will be convened for 12 January 2011 at 15.00 CET (Luxembourg time) with the same Agenda. There is no quorum required for the reconvened Extraordinary General Meeting and all resolutions will be passed by a majority of two-thirds of the votes cast. The proxy attached will remain valid for the reconvened extraordinary general meeting unless expressly revoked.

The text of the proposed amendments to the Articles is available free of charge, in English, at the Registered Office of the Company and are also available to be downloaded from the internet site www.jpmorganassetmanagement.com/extra.

VOTING ARRANGEMENTS

Shareholders who cannot personally attend the Extraordinary General Meeting are requested to use the prescribed Form of Proxy. Completed Forms of Proxy must be received by no later than the close of business in Luxembourg on Monday, 15 November 2010 at the Registered Office of the Company (Client Services Department, fax +352 3410 8000).

By order of the Board of Directors

IMPORTANT

PLEASE COMPLETE AND RETURN THIS FORM IMMEDIATELY
and in any event no later than 6:00 p.m. (Hong Kong time) on 9 November 2010.

Form of Instruction to JPMorgan Funds (Asia) Limited
JPMorgan Funds

Name(s) and Address of Client:

Account Number(s):

MasterAccount:

MasterSaver:
(if applicable)

I am/We are the beneficial holders of shares in the JPMorgan Funds (the "Company"), registered in the name of JPMorgan Investor Services (Asia) Limited ("JPMIS"), on my/our behalf. I/We hereby authorise and instruct JPMorgan Funds (Asia) Limited ("JPMFAL") as my/our agent on and subject to the Terms and Conditions of MasterAccount & MasterSaver and the Nominee Agreement, to instruct JPMIS to vote, by itself or its lawful attorney/s, on my/our behalf in respect of **ALL*** /________*of my/our shares *(* if you wish to vote part but not all of the shares registered on your behalf, delete "ALL" and insert the number of shares you wish to vote)* at the extraordinary general meeting of shareholders to be held on 17 November 2010, immediately following the annual general meeting of shareholders, at European Bank & Business Center, 6, route de Trèves, L-2633 Senningerberg, Grand-Duchy of Luxembourg and at any adjournment thereof. JPMFAL is hereby authorised and instructed to instruct JPMIS, by itself or its lawful attorney/s, to vote on the agenda, as set out in the Notice of Extraordinary General Meeting, in accordance with my/our instructions as indicated below:

Agenda	"For"	"Against"	"Abstain"
1. Amendment of Article 4 of the Articles of Incorporation of the Company (the "Articles").			
2. Amendment of Article 5 of the Articles.			
3. Amendment of Article 6 of the Articles.			
4. Amendment of Article 8 of the Articles.			
5. Amendment of Article 10 of the Articles.			
6. Amendment of Article 12 of the Articles.			
7. Amendment of Article 16 of the Articles.			
8. Amendment of Article 21 of the Articles.			
9. Amendment of Article 22 of the Articles.			
10. Amendment of Article 23 of the Articles.			
11. Amendment of Article 24 of the Articles.			
12. Amendment of Article 26 of the Articles.			
13. Amendment of Article 27 of the Articles.			
14. General update of the Articles by amending, *inter alia*, articles 3, 5, 9, 11, 13, 14, 17 and 20 of the Articles.			

If you wish JPMIS or its attorney/s to vote in respect of ALL of your shares, please tick the appropriate box above.

If you wish JPMIS or its attorney/s to vote only part of your shares please indicate the number of shares to be voted in the relevant box. If you indicate more shares than are actually held on your behalf, JPMIS or its attorney/s will vote the total number of shares registered in the name of JPMIS on your behalf in the same proportions to that indicated above.

Individual:		**Corporation:**		
Signature	Date	The Common Seal of	Affixed in the presence of	Date

Notes:
1. To be valid, the Form of Instruction must be received by JPMFAL at GPO Box 11448, Hong Kong not later than 6:00 p.m. on 9 November 2010. The Form of Instruction may be sent in the first instance by facsimile on (852) 2868 1577, but the original Form of Instruction should follow by mail to JPMFAL at GPO Box 11448, Hong Kong.
2. JPMFAL will be entitled to rely and act upon any Instruction given, or purported to be given to JPMFAL's satisfaction, by either or any Joint Client.

IMPORTANT: This document is important and requires your immediate attention. If you are in any doubt as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or financial adviser.

19 November 2010

Dear Investors,

HSBC Global Investment Funds, HSBC Global Money Funds, HSBC Investment Funds Trust, HSBC Investment Trust, HSBC Managed Balanced Fund, HSBC Managed Growth Fund, HSBC Managed Stable Fund and HSBC Managed Stable Growth Fund

(I) HSBC Global Investment Funds

We are writing to inform you of some important changes being made to **HSBC Global Investment Funds** ("GIF"). The changes are summarized below:

1. Effective from 30 June 2010, our specialist investment businesses were rebranded HSBC Global Asset Management. There is no impact for shareholders of GIF ("Shareholders") as the distinctive investment philosophies and approaches pursued by our specialist investment teams were not impacted.

2. A number of sub-fund name, investment objective and fee structure changes to provide Shareholders with more clarity and improve consistency of sub-fund naming and positioning, and ensure pricing across the sub-fund range is in line with market practices.

3. A change of Investment Adviser for the GIF Japanese Equity sub-fund from Sinopia Asset Management (Asia Pacific) Limited to Sinopia Asset Management (UK) Limited, with effect from 20 December 2010.

4. An amendment to the pricing adjustment permitted to mitigate transaction costs associated with investing in the Brazilian market. Since October 2010, where net capital inflows in Brazil Equity and Latin American Equity exceed a predefined threshold, the Net Asset Value per Share may be adjusted by a maximum of 7% to additionally mitigate the effects of a financial transactions tax ("IOF") payable in Brazil.

These changes will appear in the Explanatory Memorandum of GIF (the "Explanatory Memorandum") dated November 2010 which will be available, free of charge, upon request from HSBC Investment Funds (Hong Kong) Limited (the Hong Kong Representative of GIF).

A more detailed explanation of all the changes can be found on the following pages.

The Board of GIF ("the Board") would like to reassure Shareholders that they will not incur any additional costs associated with the implementation of these changes.

As an existing Shareholder, due to the changes below you may take the opportunity to switch free of switching charge from a fund to any other HSBC fund which is available through your distributor for the public in Hong Kong before the effective dates of the respective changes. Switches will be carried out in accordance with the normal terms disclosed in the relevant offering document.

1. Moving to a Single Brand Identity

On 30 June 2010, HSBC rebranded its asset management businesses exclusively as HSBC Global Asset Management.

Accordingly, the specialist investment management businesses Halbis Capital Management (active fundamental specialist), and Sinopia Asset Management (quantitative specialist) are now being marketed globally under the HSBC Global Asset Management brand.

To complete this rebranding process, the businesses of each Halbis Capital Management and Sinopia Asset Management legal entity globally will be transferred into the corresponding local HSBC Global Asset Management entity. As a first step in this process, the businesses of the entities listed below will be transferred into the corresponding local HSBC Global Asset Management entities on 31 December 2010.

Please note the investment specialists will retain their distinctive investment management philosophies and the move to a single brand identity will not affect any of the GIF sub-fund investment strategies.

Investment advisers until 31 December 2010	Investment advisers from 1 January 2011
Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
Halbis Capital Management (USA) Inc.	HSBC Global Asset Management (USA) Inc.
Halbis Capital Management (UK) Limited	HSBC Global Asset Management (UK) Limited
Sinopia Asset Management (Asia Pacific) Limited	HSBC Global Asset Management (Hong Kong) Limited

As a consequence of these changes, from 1 January 2011, the investment advisers for GIF sub-funds will become those listed in the right hand column below.

Sub-fund	Investment adviser until 31 December 2010	Investment adviser from 1 January 2011
GIF Asia ex Japan Equity	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
GIF Asia ex Japan Equity Smaller Companies	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
GIF Asia Pacific ex Japan Equity High Dividend	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
GIF BRIC Equity[1]	Halbis Capital Management (UK) Limited	HSBC Global Asset Management (UK) Limited
GIF Chinese Equity	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
GIF European Equity	Halbis Capital Management (UK) Limited	HSBC Global Asset Management (UK) Limited
GIF Global Core Plus Bond	Halbis Capital Management (UK) Limited	HSBC Global Asset Management (UK) Limited
GIF Global Emerging Markets Bond	Halbis Capital Management (USA) Inc.	HSBC Global Asset Management (USA) Inc.
GIF Global Emerging Markets Equity	Halbis Capital Management (UK) Limited	HSBC Global Asset Management (UK) Limited
GIF Global High Income Bond[2]	Halbis Capital Management (UK) Limited	HSBC Global Asset Management (UK) Limited
GIF Hong Kong Equity	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
GIF Korean Equity	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
GIF Latin American Equity	Halbis Capital Management (UK) Limited	HSBC Global Asset Management (UK) Limited
GIF Russia Equity	Halbis Capital Management (UK) Limited	HSBC Global Asset Management (UK) Limited

Sub-fund	Investment adviser until 31 December 2010	Investment adviser from 1 January 2011
GIF Taiwan Equity	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
GIF UK Equity	Halbis Capital Management (UK) Limited	HSBC Global Asset Management (UK) Limited
GIF US Dollar Core Plus Bond	Halbis Capital Management (UK) Limited	HSBC Global Asset Management (UK) Limited

Notes

[1] The Investment Adviser has appointed HSBC Bank Brasil S.A. – Banco Múltiplo to provide non-binding investment advice in respect of this sub-fund's Brazilian investments. The Investment Adviser has also appointed Halbis Capital Management (Hong Kong) Limited to provide discretionary investment management services in respect of this sub-fund's Chinese investments. The Investment Adviser also has an arrangement with HSBC Global Asset Management (Singapore) Limited to provide discretionary management services in respect of this sub-fund's Indian investments. From 1 January 2011, Halbis Capital Management (Hong Kong) Limited will become HSBC Global Asset Management (Hong Kong) Limited.

[2] The Investment Adviser has appointed Halbis Capital Management (USA) Inc and Halbis Capital Management (France) to provide discretionary investment management services in respect of a part of the sub-fund's portfolio. From 1 January 2011, Halbis Capital Management (USA) Inc will become HSBC Global Asset Management (USA) Inc..

In addition to the changes mentioned in the table above, please also note the following changes in relation to GIF Brazil Equity and GIF BRIC Markets:

GIF Brazil Equity: The Investment Adviser has appointed Halbis Capital Management (UK) Limited to provide discretionary investment management services in respect of a part of the sub-fund's portfolio. From 1 January 2011, this will become HSBC Global Asset Management (UK) Limited.

GIF BRIC Markets: The Investment Adviser has appointed Halbis Capital Management (UK) Limited to provide non-binding investment advice in respect of a part of the sub-fund's portfolio. From 1 January 2011, this will become HSBC Global Asset Management (UK) Limited.

2. Name, Investment Objective and Fee Structure Changes

The Board has agreed that it is appropriate to implement a series of changes in respect of sub-fund names, investment objectives and fee structures to optimise the overall management of the sub-fund range.

These changes are designed to ensure that:

a) HSBC maintains a consistent naming convention across all GIF sub-funds and that all sub-fund names are an accurate description of the investment policy

b) the investment objective wording is consistent with the investment strategy and permits the Investment Adviser to invest in the most appropriate assets and financial instruments to enhance and maximise a sub-fund's return whilst respecting any investment restrictions

c) the fee structures are consistent across the sub-fund range and competitive in the market place, meeting both the interests of the Shareholders and the Investment Advisers

All changes will be effective from 1 January 2011.

2.1 Name changes

The Board has decided to rename the following GIF sub-funds as described in the table below:

Sub-fund name until 31 December 2010	Sub-fund name from 1 January 2011
GIF Global Core Plus Bond	GIF Global Bond*
GIF US Dollar Core Plus Bond	GIF US Dollar Bond

* The investment objective and policy for this sub-fund remain unchanged.

2.2 Investment objective changes

The Board has decided to amend the investment objectives of the following GIF sub-funds.

HSBC Global Investment Funds – Global High Income Bond

The Board has decided to change part of the investment objective of the sub-fund, specifically to allow it to take currency risk against the US Dollar. Currently any non-US Dollar foreign currency exposure is hedged against the US Dollar.

The Investment Adviser has informed the Board that this change will offer further flexibility to the policy of the sub-fund and it expects investment returns to be enhanced through investments in fixed income securities such as emerging market bonds denominated in local currencies.

From 1 January 2011, the investment objective of the sub-fund will be as follows:

"The sub-fund invests for high income primarily in a diversified portfolio of higher yielding fixed income bonds and other similar securities from around the world denominated in a range of currencies. This may include Investment Grade bonds, high yield bonds and Asian and Emerging Markets debt instruments. Investment in mortgage and asset backed securities will be limited to a maximum of 20% of the sub-fund net assets.

The sub-fund may also invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and total return swaps) and forward currency contracts and in other currency and credit derivatives.

The sub-fund intends to use such financial derivative instruments for, inter alia, the purposes of managing interest and credit risks and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

In particular, the sub-fund will use foreign currency forward contracts or other financial derivative instruments to substantially protect the sub-fund from losses arising from currency depreciation against the USD.

The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach."

HSBC Global Investment Funds – US Dollar Core Plus Bond
(renamed *HSBC Global Investment Funds – US Dollar Bond* with effect on 1 January 2011)

The Board has decided to amend the investment objective and policy of the sub-fund with effect from 1 January 2011.

The Investment Adviser, has informed the Board that it expects investment returns to be enhanced through the use of wider authorised investment powers allowed under UCITS III regulations.

The sub-fund will therefore invest in financial derivative instruments such as credit derivatives as outlined in the investment objective below:

From 1 January 2011, the investment objective of the sub-fund will be as follows:

"The sub-fund invests for total return primarily in a diversified portfolio of Investment Grade rated fixed income (e.g. bonds) and other similar securities from around the world, denominated in US dollars. The sub-fund will seek to invest primarily in securities issued in developed markets such as the OECD countries.

The sub-fund may also invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and total return swaps) and forward currency contracts. The sub-fund intends to use such financial derivative instruments, inter alia, for the purposes of managing interest and credit risks and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach."

HSBC Global Investment Funds – European Equity

The Board has decided to amend the investment objective of the sub-fund to more clearly explain the investment strategy.

From 1 January 2011, the investment objective of the sub-fund will be as follows:

"The sub-fund seeks long-term capital growth by investing primarily in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any developed European country. The portfolio is diversified by sector and individual stock exposure.

There are no capitalisation restrictions, and it is anticipated that the sub-fund will seek to invest across a broad range of capitalisations."

HSBC Global Investment Funds – UK Equity

The Board has decided to amend the investment objective of the sub-fund to more clearly explain the investment strategy.

From 1 January 2011, the investment objective of the sub-fund will be as follows:

"The sub-fund seeks long-term capital growth by investing primarily in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market in the UK as well as those companies which carry out a preponderant part of their business activities in the UK. The portfolio is diversified by sector and individual stock exposure.

There are no capitalisation restrictions, and it is anticipated that the sub-fund will seek to invest across a broad range of capitalisations."

2.3 Changes in the fee structure

Following a rev iew of the fixed income sub-funds, the following price changes have been made to ensure the respective sub-funds are aligned with similar strategies in the market place:

HSBC Global Investment Funds – Euro High Yield Bond

The Board has decided to reduce the GIF Euro High Yield Bond sub- fund fees on 1 January 2011 as outlined below to ensure the product is competitively priced in the market place.

	Until 31 December 2010				From 1 January 2011			
Class of Shares	**A**	**E**	**I**	**Z**	**A**	**E**	**I**	**Z**
Management Fee (%)	1.20	1.50	0.60	0.00	1.10	1.40	0.55	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.25	0.25	0.25	0.25	0.20	0.20

HSBC Global Investment Funds – Global Emerging Markets Bond

The Board has decided, as of 1 January 2011, to rename the current A Class into the P Class. The Management Fee and Operating, Administrative and Servicing Expenses of the P Class will be the same as for the existing A Class. As a result, existing Shareholders in the A Class will be unaffected by the change.

After the current A Class is renamed as P Class on 1 January 2011, P Class will continue to be available to investors for subscription through the Hong Kong Representative.

A new A Class will be available from 1 January 2011 with a Management Fee of 1.25%.

All investors in the E Class will experience an increase in Management Fee from 1.30% to 1.55% with effect on 1 January 2011.

The X Class management fee is being reduced so that it is consistent with the I Class.

The proposed changes are outlined in the table below.

	Until 31 December 2010				From 1 January 2011				
Class of Shares	**A**[2]	**E**	**I**	**X**	**A**	**E**	**I**	**P**[1, 2]	**X**
Management Fee (%)	1.00	1.30	0.50	0.60	1.25	1.55	0.50	1.00	0.50
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.25	0.20	0.35	0.35	0.25	0.35	0.20

Notes

[1] P Class is named as A Class until 31 December 2010.

[2] Until 31 December 2010, Class A is available through the Hong Kong Representative for the public in Hong Kong. From 1 January 2011, Class P is available through the Hong Kong Representative for the pubic in Hong Kong.

ISIN codes for the P Class will be the same as for the existing A Class. New ISIN codes will be issued for the new A Class. From 1 January 2011, ISIN codes for the A and P Classes will be as follows:

ISIN codes	Until 31 December 2010	From 1 January 2011
AC	LU0164943648	New ISIN code TBC
AD	LU0099919721	New ISIN code TBC
PC	Not applicable	LU0164943648
PD	Not applicable	LU0099919721

3. **Investment Adviser Change**

HSBC Global Investment Funds – Japanese Equity

Sinopia Asset Management has proposed to the Board to change the investment adviser of GIF Japanese Equity from Sinopia Asset Management (Asia Pacific) Limited to Sinopia Asset Management (UK) Limited. The change will be effective from 20 December 2010.

The investment objective and investment strategy of the sub-fund will remain unchanged.

4. **Pricing Adjustment**

On 15 February 2010, the Board introduced in the Explanatory Memorandum powers to adjust, when in the interest of Shareholders, the net asset value per share by up to a maximum of 2% when the net flows exceed a predefined threshold agreed by the Board. This pricing adjustment aims to protect investors in our sub-funds from some of the performance dilution they may suffer as a result of significant flows into and out of the sub-funds.

Since October 2010, where net capital inflows in Brazil Equity and Latin American Equity exceed a predefined threshold, the Net Asset Value per Share may be adjusted by a maximum of 7% to additionally mitigate the effects of a financial transactions tax ("IOF") payable in Brazil.

The Board has decided to introduce this to mitigate the effects of the current transaction costs in the Brazilian market.

Please note that the Board reserves the right to make further changes to the pricing adjustment methodology if it deems it to be in the interests of Shareholders.

The Board accepts responsibility for the accuracy of the information in relation to the GIF contained in this letter.

(II) HSBC Global Money Funds, HSBC Investment Funds Trust, HSBC Investment Trust, HSBC Managed Balanced Fund, HSBC Managed Growth Fund, HSBC Managed Stable Fund and HSBC Managed Stable Growth Fund

We are writing to inform you of some important changes being made to **HSBC Global Money Funds, HSBC Investment Funds Trust, HSBC Investment Trust, HSBC Managed Balanced Fund, HSBC Managed Growth Fund, HSBC Managed Stable Fund and HSBC Managed Stable Growth Fund** (collectively "the Unit Trusts"). The changes are summarized below:

1. Effective from 30 June 2010, our specialist investment businesses were rebranded HSBC Global Asset Management. There is no impact for unitholders of the Unit Trusts ("Unitholders') as the distinctive investment philosophies and approaches pursued by our specialist investment teams were not impacted.

2. Investment objective change of HSBC Asian Bond Fund and HSBC China Momentum Fund (sub-funds of HSBC Investment Funds Trust) to more clearly explains the investment strategy of these sub-funds and to permit the investment adviser to invest in the most appropriate assets and financial instruments for these sub-funds.

3. Appointment of investment sub-advisers for HSBC Managed Balanced Fund, HSBC Managed Growth Fund, HSBC Managed Stable Fund and HSBC Managed Stable Growth Fund.

These changes will appear in the respective Explanatory Memorandum of the Unit Trusts (together with the relevant addenda where applicable) which will be available, free of charge, upon request from the Manager of the Unit Trusts ("the Manager").

A more detailed explanation of all the changes can be found on the following pages.

The Manager would like to reassure Unitholders that they will not incur any additional costs associated with the implementation of these changes.

As an existing Unitholder, due to the changes below you may take the opportunity to switch free of switching charge from a fund to any other HSBC fund which is available through your distributor for the public in Hong Kong before the effective dates of the respective changes. Switches will be carried out in accordance with the normal terms disclosed in the relevant offering document.

1. Moving to a Single Brand Identity

On 30 June 2010, HSBC rebranded its asset management businesses exclusively as HSBC Global Asset Management.

Accordingly, the specialist investment management businesses Halbis Capital Management (active fundamental specialist), and Sinopia Asset Management (quantitative specialist) are now being marketed globally under the HSBC Global Asset Management brand.

To complete this rebranding process, the business of each Halbis Capital Management and Sinopia Asset Management legal entity globally will be transferred into the corresponding local HSBC Global Asset Management entity. As a first step in this process, HSBC Global Asset Management (Hong Kong) Limited will replace the businesses listed in the table below to provide investment management services to the Unit Trusts with effect from 1 January 2011.

Please note the investment specialists will retain their distinctive investment management philosophies and the move to a single brand identity will not affect the investment strategies of the relevant funds.

Investment advisers/Investment sub-advisers until 31 December 2010	**Investment advisers/Investment sub-advisers from 1 January 2011**
Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
Sinopia Asset Management (Asia Pacific) Limited	HSBC Global Asset Management (Hong Kong) Limited

From 1 January 2011, the investment advisers/investment sub-advisers for the relevant funds will become those listed in the right hand column below.

Fund	Appointments until 31 December 2010 (the entities below are investment advisers unless otherwise specified)	Appointments from 1 January 2011 (the entities below are investment advisers unless otherwise specified)
HSBC Global Money Funds:		
HSBC Global Money Funds – Hong Kong Dollar	Investment adviser: HSBC Global Asset Management (Hong Kong) Limited Investment sub-adviser: Halbis Capital Management (Hong Kong) Limited	Investment adviser: HSBC Global Asset Management (Hong Kong) Limited
HSBC Investment Funds Trust:		
HSBC Asian Bond Fund	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
HSBC China Momentum Fund	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
HSBC Hong Kong Equity Advantage Fund	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
HSBC Investment Grade Bond Fund 2013	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
HSBC Investment Trust:		
HSBC All Weather Action Capital Guaranteed Fund	Sinopia Asset Management (Asia Pacific) Limited	HSBC Global Asset Management (Hong Kong) Limited
HSBC All Weather Dynamic Capital Guaranteed Fund	Sinopia Asset Management (Asia Pacific) Limited	HSBC Global Asset Management (Hong Kong) Limited
HSBC Turbo Asia Capital Guaranteed Fund	Sinopia Asset Management (Asia Pacific) Limited	HSBC Global Asset Management (Hong Kong) Limited
HSBC Managed Balanced Fund	Investment adviser: HSBC Global Asset Management (Hong Kong) Limited Investment sub-adviser: Halbis Capital Management (Hong Kong) Limited	Investment adviser: HSBC Global Asset Management (Hong Kong) Limited Investment sub-adviser: Halbis Capital Management (France) and Sinopia Asset Management (UK) Limited*
HSBC Managed Growth Fund	Investment adviser: HSBC Global Asset Management (Hong Kong) Limited Investment sub-adviser: Halbis Capital Management (Hong Kong) Limited	Investment adviser: HSBC Global Asset Management (Hong Kong) Limited Investment sub-adviser: Halbis Capital Management (France) and Sinopia Asset Management (UK) Limited*

Fund	Appointments until 31 December 2010 (the entities below are investment advisers unless otherwise specified)	Appointments from 1 January 2011 (the entities below are investment advisers unless otherwise specified)
HSBC Managed Stable Fund	Investment adviser: HSBC Global Asset Management (Hong Kong) Limited Investment sub-adviser: Halbis Capital Management (Hong Kong) Limited	Investment adviser: HSBC Global Asset Management (Hong Kong) Limited Investment sub-adviser: Halbis Capital Management (France) and Sinopia Asset Management (UK) Limited*
HSBC Managed Stable Growth Fund	Investment adviser: HSBC Global Asset Management (Hong Kong) Limited Investment sub-adviser: Halbis Capital Management (Hong Kong) Limited	Investment adviser: HSBC Global Asset Management (Hong Kong) Limited Investment sub-adviser: Halbis Capital Management (France) and Sinopia Asset Management (UK) Limited*

* Please also see section 3 “Appointment of Investment Sub-Advisers” below.

2. **<u>Investment Objective and Policy Changes</u>**

The investment objective and policy of HSBC Asian Bond Fund and HSBC China Momentum Fund (sub-funds of HSBC Investment Funds Trust) will be revised to ensure the investment objective wording is consistent with the investment strategy and permits the investment adviser to invest in the most appropriate assets and financial instruments to enhance and maximise the sub-fund’s return whilst respecting any investment restrictions.

All changes will be effective from 1 January 2011.

HSBC Asian Bond Fund

The investment objective and policy of the sub-fund will be revised to (a) allow the sub-fund to have wider flexibility to invest in bonds with different maturity throughout Asia; and (b) allow the sub-fund to invest in a wider range of financial derivative instruments, such as futures, swaps (including but not limited to total return swaps and credit default swaps), forward currency contracts and other currency derivatives such as non-delivery forwards. Investment in financial derivative instruments may involve higher risk and the investment adviser will implement appropriate risk monitoring mechanism to monitor the risks of such investments.

With effect from 1 January 2011, the investment objective and policy of the sub-fund will be as follows:

Investment Objective

To achieve a reasonably high income whilst maintaining a prudent policy of capital conservation through primarily investing in fixed interest securities within the Asian region.

Investment Policy

It will normally invest in a broad spread of quoted bonds. It may also invest in government bonds, other unquoted fixed-interest securities, monetary instruments and may hold cash on deposit pending reinvestment, if the Manager considers this course of action appropriate to the goal of maximising capital growth.

In order to achieve its investment objective, in addition to the above-mentioned investments, the sub-fund may also invest in financial derivative instruments such as futures, swaps (including but not limited to total return swaps and credit default swaps), forward currency contracts and in other currency derivatives such as non-delivery forwards for investment purposes or for hedging purposes. The sub-fund may invest in financial derivative instruments on an unhedged basis provided that, subject to the provisions set out under the section "Investment Restrictions", the total exposure relating to the use of financial derivative instruments shall not exceed 20% of the total net asset value of the sub-fund and the mark to market value of swaps shall not exceed 10% of the total net asset value of the sub-fund. The investment adviser is of a view the investments in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

At least 70 per cent of the non-cash assets of the sub-fund will be invested in bonds issued in or issued by issuers established in the regions referred to in the sub-fund's name, or in bonds denominated in the currency/currencies referred to or relating to the regions referred to in the sub-fund's name.

HSBC China Momentum Fund

The investment objective and policy of the sub-fund will be revised to more clearly explain the investment strategy that the sub-fund.

With effect from 1 January 2011, the investment objective and policy of the fund will be as follows:

Investment Objective

The sub-fund aims to achieve long-term capital appreciation by investing in securities issued by or linked to the companies that are positioned to benefit from the strong economic growth and rising investment opportunities in mainland China ("China").

Investment Policy

The sub-fund seeks long-term capital growth through a portfolio of investments in equity and equity related securities of Chinese companies or companies deriving a significant proportion of their revenue from operations in China. The sub-fund may invest in shares and securities linked to the shares of China related companies listed or quoted in China, Hong Kong Special Administrative Region ("Hong Kong") and other jurisdictions, including, for example, A- and B-shares (and such other securities as may be available) listed on stock exchanges in China, and H-shares and shares of red-chip companies listed on the Hong Kong Stock Exchange. The sub-fund will invest at least 70% of its non-cash assets in the above-mentioned securities.

The intended allocation of the assets of the sub-fund is 10% to 40% in A-shares, 10% to 30% in B-shares and 40% to 50% in H-shares and red-chip and in each case includes investment in securities linked to the relevant type of shares. This allocation is indicative only and may be changed from time to time depending on market conditions and the availability of appropriate investment opportunities. The sub-fund may have up to 50% of its assets invested in equity linked instruments linked to China A-shares.

Under the prevailing regulations in China, foreign investors can only invest in the A-share market through institutions that have obtained Qualified Foreign Institutional Investor status ("QFII") in China. The current QFII regulations impose strict restrictions (such as investment guidelines and minimum holding period) on A-share investment. As of the date of this Explanatory Memorandum, the sub-fund and the Manager are not QFIIs in China. Owing to the current QFII regulations, it is likely that the sub-fund will invest in the A-share market indirectly through Equity Linked Notes and other similar equity linked securities and instruments issued by institutions that have obtained the QFII status (collectively referred to as "ELN"). The Chinese government may relax the QFII regulations over time, and the sub-fund will consider investing in the A-share market directly when opportunities arise. Where the sub-fund invests in the A-share market through ELN that are not listed nor quoted on a market that is open to the international public and on which the ELN are regularly traded, such ELN should comprise no more than 15% of the sub-fund's non-cash assets.

3. Appointment of Investment Sub-Advisers

HSBC Managed Balanced Fund, HSBC Managed Growth Fund, HSBC Managed Stable Fund and HSBC Managed Stable Growth Fund

The Investment Adviser, HSBC Global Asset Management (Hong Kong) Limited, will appoint Halbis Capital Management (France) and Sinopia Asset Management (UK) Limited as investment sub-advisers to manage part of the portfolios of HSBC Managed Balanced Fund, HSBC Managed Growth Fund, HSBC Managed Stable Fund and HSBC Managed Stable Growth Fund. The change will be effective from 1 January 2011. The investment sub-advisers are members of HSBC Group.

The investment objective and investment strategy of HSBC Managed Balanced Fund, HSBC Managed Growth Fund, HSBC Managed Stable Fund and HSBC Managed Stable Growth Fund will remain unchanged.

The Manager of the Unit Trusts accepts responsibility for the accuracy of the information in relation to the Unit Trusts contained in this letter.

If you have any queries, please direct these to your bank or financial adviser or alternatively you should contact HSBC Investment Funds (Hong Kong) Limited at Level 22, HSBC Main Building, 1 Queen's Road Central, Hong Kong (telephone number: (852) 2284 1118). The latest version of the respective Explanatory Memorandum of GIF and the Unit Trusts (together with the relevant addenda where applicable) is available free of charge upon request from HSBC Investment Funds (Hong Kong) Limited.

HSBC Investment Funds (Hong Kong) Limited
Hong Kong Representative of HSBC Global Investment Funds, and Manager of HSBC Global Money Funds, HSBC Investment Funds Trust, HSBC Investment Trust, HSBC Managed Balanced Fund, HSBC Managed Growth Fund, HSBC Managed Stable Fund and HSBC Managed Stable Growth Fund.

IMPORTANT: This document is important and requires your immediate attention. If you are in any doubt as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or financial adviser.

[19 November 2010]

Dear Investors,

HSBC Global Investment Funds, HSBC Global Money Funds, HSBC Investment Funds Trust, HSBC Investment Trust, HSBC Managed Balanced Fund, HSBC Managed Growth Fund, HSBC Managed Stable Fund and HSBC Managed Stable Growth Fund

(I) HSBC Global Investment Funds

We are writing to inform you of some important changes being made to **HSBC Global Investment Funds** ("GIF"). The changes are summarized below:

1. Effective from 30 June 2010, our specialist investment businesses were rebranded HSBC Global Asset Management. There is no impact for shareholders of GIF ("Shareholders") as the distinctive investment philosophies and approaches pursued by our specialist investment teams were not impacted.

2. A number of sub-fund name, investment objective and fee structure changes to provide Shareholders with more clarity and improve consistency of sub-fund naming and positioning, and ensure pricing across the sub-fund range is in line with market practices.

3. A change of Investment Adviser for the GIF Japanese Equity sub-fund from Sinopia Asset Management (Asia Pacific) Limited to Sinopia Asset Management (UK) Limited, with effect from 20 December 2010.

4. An amendment to the pricing adjustment permitted to mitigate transaction costs associated with investing in the Brazilian market. From 1 January 2011, the net asset value per share of the GIF Brazil Equity and Latin American Equity sub-funds may be adjusted by a maximum of 5%.

These changes will appear in the Explanatory Memorandum of GIF (the "Explanatory Memorandum") dated [November] 2010 which will be available, free of charge, upon request from the Management Company or from local representatives as applicable.

A more detailed explanation of all the changes can be found on the following pages.

The Board of GIF ("the Board") would like to reassure Shareholders that they will not incur any additional costs associated with the implementation of these changes.

As an existing Shareholder, due to the changes below you may take the opportunity to switch free of switching charge from a fund to any other HSBC fund which is available through your distributor for the public in Hong Kong. Switches will be carried out in accordance with the normal terms disclosed in the relevant offering document.

1. Moving to a Single Brand Identity

On the 30 June 2010, HSBC rebranded its asset management businesses exclusively as HSBC Global Asset Management.

Accordingly, the specialist investment management businesses Halbis Capital Management (active fundamental specialist), and Sinopia Asset Management (quantitative specialist) are now being marketed globally under the HSBC Global Asset Management brand.

To complete this rebranding process, the business of each Halbis Capital Management and Sinopia Asset Management legal entity globally will be transferred into the corresponding local HSBC Global Asset Management entity. As a first step in this process, the businesses of the entities listed below will be transferred into the corresponding local HSBC Global Asset Management entities on the 31 December 2010.

Please note the investment specialists will retain their distinctive investment management philosophies and the move to a single brand identity will not affect any of the GIF sub-fund investment strategies.

Investment advisers until 31 December 2010	Investment advisers from 1 January 2011
Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
Halbis Capital Management (USA) Inc.	HSBC Global Asset Management (USA) Inc.
Halbis Capital Management (UK) Limited	HSBC Global Asset Management (UK) Limited
Sinopia Asset Management (Asia Pacific) Limited	HSBC Global Asset Management (Hong Kong) Limited

As a consequence of these changes, from 1 January 2011, the investment advisers for GIF sub-funds will become those listed in the right hand column below.

Sub-fund	Investment adviser until 31 December 2010	Investment adviser from 1 January 2011
GIF Asia ex Japan Equity	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
GIF Asia ex Japan Equity Smaller Companies	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
GIF Asia Pacific ex Japan Equity High Dividend	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
GIF BRIC Equity[1]	Halbis Capital Management (UK) Limited	HSBC Global Asset Management (UK) Limited
GIF Chinese Equity	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
GIF European Equity	Halbis Capital Management (UK) Limited	HSBC Global Asset Management (UK) Limited
GIF Global Core Plus Bond	Halbis Capital Management (UK) Limited	HSBC Global Asset Management (UK) Limited
GIF Global Emerging Markets Bond	Halbis Capital Management (USA) Inc.	HSBC Global Asset Management (USA) Inc.
GIF Global Emerging Markets Equity	Halbis Capital Management (UK) Limited	HSBC Global Asset Management (UK) Limited
GIF Global High Income Bond[2]	Halbis Capital Management (UK) Limited	HSBC Global Asset Management (UK) Limited
GIF Hong Kong Equity	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
GIF Korean Equity	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
GIF Latin American Equity	Halbis Capital Management (UK) Limited	HSBC Global Asset Management (UK) Limited
GIF Russia Equity	Halbis Capital Management (UK) Limited	HSBC Global Asset Management (UK) Limited
GIF Taiwan Equity	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
GIF UK Equity	Halbis Capital Management (UK) Limited	HSBC Global Asset Management (UK) Limited
GIF US Dollar Core Plus Bond	Halbis Capital Management (UK)	HSBC Global Asset Management

Sub-fund	Investment adviser until 31 December 2010	Investment adviser from 1 January 2011
	Limited	(UK) Limited

Notes

[1]The Investment Adviser has an arrangement with Halbis Capital Management (Hong Kong) Limited to provide discretionary management services in respect of the sub-fund's Chinese investments. From 1 January 2011, this will become HSBC Global Asset Management (Hong Kong) Limited. The current appointments of HSBC Bank Brasil S.A. – Banco Múltiplo to provide non-binding investment advice in respect of this sub-fund's Brazilian investments and HSBC Global Asset Management (Singapore) Limited to provide discretionary management services in respect of this sub-fund's Indian investments remain unchanged.

[2]The Investment Adviser has an arrangement with Halbis Capital Management (USA) Inc to provide discretionary management services in respect of a part of the sub-fund's portfolio. From 1 January 2011, this will become HSBC Global Asset Management (USA) Inc. The current appointment of Halbis Capital Management (France) to provide discretionary investment management services in respect of a part of the sub-fund's portfolio remains unchanged.

GIF BRIC Markets and GIF Brazil Equity:
For each of the above sub-funds, the Investment Adviser has appointed Halbis Capital Management (UK) Limited to provide discretionary management services in respect of a part of each sub-fund's portfolio. From 1 January 2011, this will become HSBC Global Asset Management (UK) Limited.

2. Name, Investment Objective and Fee Structure Changes

The Board has agreed that it is appropriate to implement a series of changes in respect of sub-fund names, investment objectives and fee structures to optimise the overall management of the sub-fund range.

These changes are designed to ensure that:

a) HSBC maintains a consistent naming convention across all GIF sub-funds and that all sub-fund names are an accurate description of the investment policy

b) the investment objective wording is consistent with the investment strategy and permits the Investment Adviser to invest in the most appropriate assets and financial instruments to enhance and maximise a sub-fund's return whilst respecting any investment restrictions

c) the fee structures are consistent across the sub-fund range and competitive in the market place, meeting both the interests of the Shareholders and the Investment Advisers

All changes will be effective from 1 January 2011.

2.1 Name changes

The Board has decided to rename the following GIF sub-funds as described in the table below:

Sub-fund name until 31 December 2010	Sub-fund name from 1 January 2011
GIF Global Core Plus Bond	GIF Global Bond*
GIF US Dollar Core Plus Bond	GIF US Dollar Bond

* The investment objective and policy for these sub-funds remain unchanged.

2.2 Investment objective changes

The Board has decided to amend the investment objectives of the following GIF sub-funds.

HSBC Global Investment Funds – Global High Income Bond

The Board has decided to change part of the investment objective of the sub-fund, specifically to allow it to take currency risk against the US Dollar. Currently any non-US Dollar foreign currency exposure is hedged against the US Dollar.

The Investment Adviser has informed the Board that this change will offer further flexibility to the policy of the sub-fund and it expects investment returns to be enhanced through investments in fixed income securities such as emerging market bonds denominated in local currencies.

From 1 January 2011, the investment objective of the sub-fund will be as follows:

“The sub-fund invests for high income primarily in a diversified portfolio of higher yielding fixed income bonds and other similar securities from around the world denominated in a range of currencies. This may include Investment Grade bonds, high yield bonds and Asian and Emerging Markets debt instruments. Investment in mortgage and asset backed securities will be limited to a maximum of 20% of the sub-fund net assets.

The sub-fund may also invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and total return swaps) and forward currency contracts and in other currency and credit derivatives.

The sub-fund intends to use such financial derivative instruments for, *inter alia*, the purposes of managing interest and credit risks and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

In particular, the sub-fund will use foreign currency forward contracts or other financial derivative instruments to substantially protect the sub-fund from losses arising from currency depreciation against the USD.

The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.”

HSBC Global Investment Funds - US Dollar Core Plus Bond

(renamed *HSBC Global Investment Funds - US Dollar Bond* with effect on 1 January 2011)

The Board has decided to amend the investment objective and policy of the sub-fund with effect from 1 January 2011.

The Investment Adviser, has informed the Board that it expects investment returns to be enhanced through the use of wider authorised investment powers allowed under UCITS III regulations.

The sub-fund will therefore invest in financial derivative instruments such as credit derivatives as outlined in the investment objective below:

From 1 January 2011, the investment objective of the sub-fund will be as follows:

“The sub-fund invests for total return primarily in a diversified portfolio of Investment Grade rated fixed income (e.g. bonds) and other similar securities from around the world, denominated in US dollars. The sub-fund will seek to invest primarily in securities issued in developed markets such as the OECD countries.

The sub-fund may also invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps and total return swaps) and forward currency contracts. The sub-fund intends to use such financial derivative instruments, *inter alia*, for the purposes of managing interest and credit risks and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

The global exposure relating to the use of financial derivative instruments shall not exceed the total net asset value of the sub-fund. The global exposure relating to financial derivative instruments will be calculated using a Value-at-Risk approach.”

HSBC Global Investment Funds - European Equity

The Board has decided to amend the investment objective of the sub-fund to more clearly explain the investment strategy.

From 1 January 2011, the investment objective of the sub-fund will be as follows:

"The sub-fund seeks long-term capital growth by investing primarily in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market of any developed European country. The portfolio is diversified by sector and individual stock exposure.

There are no capitalisation restrictions, and it is anticipated that the sub-fund will seek to invest across a broad range of capitalisations."

HSBC Global Investment Funds - UK Equity

The Board has decided to amend the investment objective of the sub-fund to more clearly explain the investment strategy.

From 1 January 2011, the investment objective of the sub-fund will be as follows:

"The sub-fund seeks long-term capital growth by investing primarily in a diversified portfolio of investments in equity and equity equivalent securities of companies which have their registered office in, and with an official listing on a major stock exchange or other Regulated Market in the UK as well as those companies which carry out a preponderant part of their business activities in the UK. The portfolio is diversified by sector and individual stock exposure.

There are no capitalisation restrictions, and it is anticipated that the sub-fund will seek to invest across a broad range of capitalisations."

2.3 Changes in the fee structure

Following a review of the fixed income sub-funds, the following price changes have been made to ensure the respective sub-funds are aligned with similar strategies in the market place:

HSBC Global Investment Funds – Euro High Yield Bond

The Board has decided to reduce the GIF Euro High Yield Bond sub- fund fees on 1 January 2011 as outlined below to ensure the product is competitively priced in the market place.

	Until 31 December 2010					From 1 January 2011			
Class of Shares	**A**	**E**	**I**	**Z**		**A**	**E**	**I**	**Z**
Management Fee (%)	1.20	1.50	0.60	0.00		1.10	1.40	0.55	0.00
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.25	0.25		0.25	0.25	0.20	0.20

HSBC Global Investment Funds - Global Emerging Markets Bond

The Board has decided, as of 1 January 2011, to rename the current A Class into the P Class. The Management Fee and Operating, Administrative and Servicing Expenses of the P Class will be the same as for the existing A Class. As a result, existing Shareholders in the A Class will be unaffected by the change.

After the current A Class is renamed as P Class on 1 January 2011, P Class will continue to be available to investors for subscription through the Hong Kong Representative.

A new A Class will be available from 1 January 2011 with a Management Fee of 1.25%.

All investors in the E Class will experience an increase in Management Fee from 1.30% to 1.55% with effect on 1 January 2011.

The X Class management fee is being reduced so that it is consistent with the I Class.
The proposed changes are outlined in the table below.

	Until 31 December 2010					From 1 January 2011				
Class of Shares	**A[2]**	**E**	**I**	**X**		**A**	**E**	**I**	**P[1, 2]**	**X**
Management Fee (%)	1.00	1.30	0.50	0.60		1.25	1.55	0.50	1.00	0.50
Operating, Administrative and Servicing Expenses (%)	0.35	0.35	0.25	0.20		0.35	0.35	0.25	0.35	0.20

Note
[1] P Class is named as A Class until 31 December 2010.
[2] Until 31 December 2010, Class A is available through the Hong Kong Representative for the public in Hong Kong. From 1 January 2011, Class P is available through the Hong Kong Representative for the pubic in Hong Kong.

ISIN codes for the P Class will be the same as for the existing A Class. New ISIN codes will be issued for the new A Class. From 1 January 2011, ISIN codes for the A and P Classes will be as follows:

ISIN codes	Until 31 December 2010		From 1 January 2011
AC	LU0164943648		New ISIN code TBC
AD	LU0099919721		New ISIN code TBC
PC	Not applicable		LU0164943648
PD	Not applicable		LU0099919721

3. Investment Adviser Change

HSBC Global Investment Funds – Japanese Equity

Sinopia Asset Management has proposed to the Board to change the investment adviser of GIF Japanese Equity from Sinopia Asset Management (Asia Pacific) Limited to Sinopia Asset Management (UK) Limited. The change will be effective from 20 December 2010.

The investment objective and investment strategy of the sub-fund will remain unchanged.

4. Pricing Adjustment

On 15 February 2010, the Board introduced in the Explanatory Memorandum powers to adjust, when in the interest of Shareholders, the net asset value per share by up to a maximum of 2% when the net flows exceed a predefined threshold agreed by the Board. This pricing adjustment aims to protect investors in our sub-funds from some of the performance dilution they may suffer as a result of significant flows into and out of the sub-funds.

The Board has subsequently decided to introduce an exception to this to mitigate the effects of the current transaction costs in the Brazilian market. As a result, from 1 January 2011, the net asset value per share of the GIF Brazil Equity and Latin American Equity sub-funds may be adjusted by a maximum of 5%.

Please note that the Board reserves the right to make further changes to the pricing adjustment methodology if it deems it to be in the interests of Shareholders.

The Board accepts responsibility for the accuracy of the information contained in this letter.

(II) ***HSBC Global Money Funds, HSBC Investment Funds Trust, HSBC Investment Trust, HSBC Managed Balanced Fund, HSBC Managed Growth Fund, HSBC Managed Stable Fund and HSBC Managed Stable Growth Fund***

We are writing to inform you of some important changes being made to **HSBC Global Money Funds, HSBC Investment Funds Trust, HSBC Investment Trust, HSBC Managed Balanced Fund, HSBC Managed Growth Fund, HSBC Managed Stable Fund and HSBC Managed Stable Growth Fund** (collectively "the Unit Trusts"). The changes are summarized below:

1. Effective from 30 June 2010, our specialist investment businesses were rebranded HSBC Global Asset Management. There is no impact for unitholders of the Unit Trusts ("Unitholders') as the distinctive investment philosophies and approaches pursued by our specialist investment teams were not impacted.

2. Investment objective change of HSBC Asian Bond Fund and HSBC China Momentum Fund (sub-funds of HSBC Investment Funds Trust) to more clearly explains the investment strategy of these sub-funds and to permit the investment adviser to invest in the most appropriate assets and financial instruments for these sub-funds.

3. Appointment of sub-investment advisers for HSBC Managed Balanced Fund, HSBC Managed Growth Fund, HSBC Managed Stable Fund and HSBC Managed Stable Growth Fund.

These changes will appear in the respective Explanatory Memorandum of the Unit Trusts which will be available, free of charge, upon request from the Manager of the Unit Trusts ("the Manager").

A more detailed explanation of all the changes can be found on the following pages.

The Manager would like to reassure Unitholders that they will not incur any additional costs associated with the implementation of these changes.

As an existing Unitholder, due to the changes below you may take the opportunity to switch free of switching charge from a fund to any other HSBC fund which is available through your distributor for the public in Hong Kong. Switches will be carried out in accordance with the normal terms disclosed in the relevant offering document.

1. Moving to a Single Brand Identity

On the 30 June 2010, HSBC rebranded its asset management businesses exclusively as HSBC Global Asset Management.

Accordingly, the specialist investment management businesses Halbis Capital Management (active fundamental specialist), and Sinopia Asset Management (quantitative specialist) are now being marketed globally under the HSBC Global Asset Management brand.

To complete this rebranding process, the business of each Halbis Capital Management and Sinopia Asset Management legal entity globally will be transferred into the corresponding local HSBC Global Asset Management entity. As a first step in this process, HSBC Global Asset Management (Hong Kong) Limited will replace the businesses listed in the table below to provide investment management services to the Unit Trusts with effect from 1 January 2011.

Please note the investment specialists will retain their distinctive investment management philosophies and the move to a single brand identity will not affect the investment strategies of the relevant funds.

Investment advisers / Sub-investment advisers until 31 December 2010	**Investment advisers / Sub-investment advisers from 1 January 2011**

Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
Sinopia Asset Management (Asia Pacific) Limited	HSBC Global Asset Management (Hong Kong) Limited

From the 1 January 2011, the investment advisers / sub-investment advisers for the relevant funds will become those listed in the right hand column below.

Fund	**Appointments until 31 December 2010 (the entities below are investment advisers unless otherwise specified)**	**Appointments from 1 January 2011 (the entities below are investment advisers unless otherwise specified)**
HSBC Global Money Funds:		
HSBC Global Money Funds – Hong Kong Dollar	Investment adviser : HSBC Global Asset Management (Hong Kong) Limited Sub-investment adviser : Halbis Capital Management (Hong Kong) Limited	Investment adviser : HSBC Global Asset Management (Hong Kong) Limited
HSBC Investment Funds Trust:		
HSBC Asian Bond Fund	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
HSBC China Momentum Fund	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
HSBC Hong Kong Equity Advantage Fund	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
HSBC Investment Grade Bond Fund 2013	Halbis Capital Management (Hong Kong) Limited	HSBC Global Asset Management (Hong Kong) Limited
HSBC Investment Trust:		
HSBC All Weather Action Capital Guaranteed Fund	Sinopia Asset Management (Asia Pacific) Limited	HSBC Global Asset Management (Hong Kong) Limited
HSBC All Weather Dynamic Capital Guaranteed Fund	Sinopia Asset Management (Asia Pacific) Limited	HSBC Global Asset Management (Hong Kong) Limited
HSBC Turbo Asia Capital Guaranteed Fund	Sinopia Asset Management (Asia Pacific) Limited	HSBC Global Asset Management (Hong Kong) Limited
HSBC Managed Balanced Fund	Investment adviser : HSBC Global Asset Management (Hong Kong) Limited Sub-investment adviser : Halbis Capital Management (Hong Kong) Limited	Investment adviser : HSBC Global Asset Management (Hong Kong) Limited Sub-investment adviser : Halbis Capital Management (France) and Sinopia Asset Management (UK) Limited *
HSBC Managed Growth Fund	Investment adviser : HSBC Global Asset Management (Hong Kong) Limited Sub-investment adviser : Halbis Capital Management (Hong Kong) Limited	Investment adviser : HSBC Global Asset Management (Hong Kong) Limited Sub-investment adviser : Halbis Capital Management (France) and Sinopia Asset Management (UK) Limited *
HSBC Managed Stable Fund	Investment adviser : HSBC Global Asset Management (Hong Kong) Limited Sub-investment adviser : Halbis Capital Management (Hong Kong) Limited	Investment adviser : HSBC Global Asset Management (Hong Kong) Limited Sub-investment adviser : Halbis Capital Management (France) and Sinopia Asset Management (UK) Limited *

Fund	Appointments until 31 December 2010 (the entities below are investment advisers unless otherwise specified)	Appointments from 1 January 2011 (the entities below are investment advisers unless otherwise specified)
HSBC Managed Stable Growth Fund	Investment adviser : HSBC Global Asset Management (Hong Kong) Limited Sub-investment adviser : Halbis Capital Management (Hong Kong) Limited	Investment adviser : HSBC Global Asset Management (Hong Kong) Limited Sub-investment adviser : Halbis Capital Management (France) and Sinopia Asset Management (UK) Limited *

* Please also see section 3 “Appointment of Sub-Investment Advisers” below.

2. Investment Objective and Policy Changes

The investment objective and policy of HSBC Asian Bond Fund and HSBC China Momentum Fund (sub-funds of HSBC Investment Funds Trust) will be revised to ensure the investment objective wording is consistent with the investment strategy and permits the investment adviser to invest in the most appropriate assets and financial instruments to enhance and maximise the sub-fund’s return whilst respecting any investment restrictions.

All changes will be effective from 1 January 2011.

HSBC Asian Bond Fund

The investment objective and policy of the sub-fund will be revised to (a) allow the sub-fund to have wider flexibility to invest in bonds with different maturity throughout Asia; and (b) allow the sub-fund to invest in a wider range of financial derivative instruments, such as futures, swaps (including but not limited to total return swaps and credit default swaps), forward currency contracts and other currency derivatives such as non-delivery forwards. Investment in financial derivative instruments may involve higher risk and the investment adviser will implement appropriate risk monitoring mechanism to monitor the risks of such investments.

With effect from 1 January 2011, the investment objective and policy of the sub-fund will be as follows:

Investment Objective

To achieve a reasonably high income whilst maintaining a prudent policy of capital conservation through primarily investing in fixed interest securities within the Asian region.

Investment Policy

It will normally invest in a broad spread of quoted bonds. It may also invest in government bonds, other unquoted fixed-interest securities, monetary instruments and may hold cash on deposit pending reinvestment, if the Manager considers this course of action appropriate to the goal of maximising capital growth.

In order to achieve its investment objective, in addition to the above-mentioned investments, the sub-fund may also invest in financial derivative instruments such as futures, swaps (including but not limited to total return swaps and credit default swaps), forward currency contracts and in other currency derivatives such as non-delivery forwards for investment purposes or for hedging purposes. The sub-fund may invest in financial derivative instruments on an unhedged basis provided that, subject to the provisions set out under the section "Investment Restrictions", the total exposure relating to the use of financial derivative instruments shall not exceed 20% of the total net asset value of the sub-fund and the mark to market value of swaps shall not exceed 10% of the total net asset value of the sub-fund. The investment sub-adviser is of a view the investments in financial derivative instruments will assist the sub-fund in achieving its investment objectives.

At least 70 per cent of the non-cash assets of the sub-fund will be invested in bonds issued in or issued by issuers established in the regions referred to in the sub-fund's name, or in bonds denominated in the currency/currencies referred to or relating to the regions referred to in the sub-fund's name.

HSBC China Momentum Fund

The investment objective and policy of the sub-fund will be revised to more clearly explain the investment strategy that the sub-fund.

With effect from 1 January 2011, the investment objective and policy of the fund will be as follows:

Investment Objective

The sub-fund aims to achieve long-term capital appreciation by investing in securities issued by or linked to the companies that are positioned to benefit from the strong economic growth and rising investment opportunities in mainland China ("China").

Investment Policy

The sub-fund seeks long-term capital growth through a portfolio of investments in equity and equity related securities of Chinese companies or companies deriving a significant proportion of their revenue from operations in China. The sub-fund may invest in shares and securities linked to the shares of China related companies listed or quoted in China, Hong Kong Special Administrative Region ("Hong Kong") and other jurisdictions, including, for example, A- and B-shares (and such other securities as may be available) listed on stock exchanges in China, and H-shares and shares of red-chip companies listed on the Hong Kong Stock Exchange. The sub-fund will invest at least 70% of its non-cash assets in the above-mentioned securities.

The intended allocation of the assets of the sub-fund is 10% to 40% in A-shares, 10% to 30% in B-shares and 40% to 50% in H-shares and red-chip and in each case includes investment in securities linked to the relevant type of shares. This allocation is indicative only and may be changed from time to time depending on market conditions and the availability of appropriate investment opportunities. The sub-fund may have up to 50% of its assets invested in equity linked instruments linked to China A-shares.

Under the prevailing regulations in China, foreign investors can only invest in the A-share market through institutions that have obtained Qualified Foreign Institutional Investor status ("QFII") in China. The current QFII regulations impose strict restrictions (such as investment guidelines and minimum holding period) on A-share investment. As of the date of this Explanatory Memorandum, the sub-fund and the Manager are not QFIIs in China. Owing to the current QFII regulations, it is likely that the sub-fund will invest in the A-share market indirectly through Equity Linked Notes and other similar equity linked securities and instruments issued by institutions that have obtained the QFII status (collectively referred to as "ELN"). The Chinese government may relax the QFII regulations over time, and the sub-fund will consider investing in the A-share market directly when opportunities arise. Where the sub-fund invests in the A-share market through ELN that are not listed nor quoted on a market that is open to the international public and on which the ELN are regularly traded, such ELN should comprise no more than 15% of the sub-fund's non-cash assets.

3. Appointment of Sub-Investment Advisers

HSBC Managed Balanced Fund, HSBC Managed Growth Fund, HSBC Managed Stable Fund and HSBC Managed Stable Growth Fund

The Investment Adviser, HSBC Global Asset Management (Hong Kong) Limited, will appoint Halbis Capital Management (France) and Sinopia Asset Management (UK) Limited as sub-investment advisers to manage part of the portfolios of HSBC Managed Balanced Fund, HSBC Managed Growth Fund, HSBC Managed Stable Fund and HSBC Managed Stable Growth Fund.

The change will be effective from 1 January 2011. The sub-investment advisers are members of HSBC Group.

The investment objective and investment strategy of HSBC Managed Balanced Fund, HSBC Managed Growth Fund, HSBC Managed Stable Fund and HSBC Managed Stable Growth Fund will remain unchanged.

The Manager of the Unit Trusts accepts responsibility for the accuracy of the information in relation to the Unit Trusts contained in this letter.

If you have any queries, please direct these to your bank or financial adviser or alternatively you should contact HSBC Investment Funds (Hong Kong) Limited at Level 22, HSBC Main Building, 1 Queen's Road Central, Hong Kong (telephone number: (852) 2284 1118). The latest version of the respective Explanatory Memorandum of GIF and the Unit Trusts is available free of charge upon request from HSBC Investment Funds (Hong Kong) Limited.

HSBC Investment Funds (Hong Kong) Limited
Hong Kong Representative of HSBC Global Investment Funds, and Manager of HSBC Global Money Funds, HSBC Investment Funds Trust, HSBC Investment Trust, HSBC Managed Balanced Fund, HSBC Managed Growth Fund, HSBC Managed Stable Fund and HSBC Managed Stable Growth Fund

PARVEST

Société d'Investissement à Capital Variable
(Investment company with variable capital)
governed by Luxembourg law
33, rue de Gasperich, L – 5826 Howald - Hesperange
Luxembourg Trade Register number B-33.363

NOTICE TO THE SHAREHOLDERS

This document is important and requires your immediate attention. If in doubt, please seek professional advice.

Change in controlling shareholder of BNPP IP Asia, a portfolio manager of Parvest

On April 1st, 2010, BNP Paribas Investment Partners S.A., the parent company of BNP Paribas' asset management business line ("BNPP IP", together with its subsidiaries and its downstream affiliates involved in the asset management business, the "BNPP IP Group") acquired 100% of the share capital and voting rights of BNP Paribas Investment Partners BE Holding (formerly Fortis Investment Management S.A.) ("BNPP IP BE Holding", together with its subsidiaries and its downstream affiliates involved in the asset management business, the "BNPP IP BE Holding Group"). As part of the restructuring and integration of the activities of BNPP IP BE Holding into BNPP IP, BNP Paribas Investment Partners NL Holding NV, which is 100% owned by BNPP IP BE Holding, will transfer to BNPP IP, at fair market value, 831,667,290 over 831,667,290 of the shares in BNP Paribas Investment Partners Asia Limited ("BNPP IP Asia") together with its subsidiaries and its downstream affiliates. This transfer was originally contemplated for the end of 31 October, 2010 but is postponed, as the valuation process of BNPP IP Asia is not completed yet. The transfer to BNPP IP Asia is now contemplated to occur prior to 31 December, 2010.

Currently, BNPP IP Asia is the manager of the following Parvest subfunds:
- Parvest Equity Asia Ex-Japan
- Parvest Convertible Bond Asia
- Parvest Equity Australia
- Parvest Equity BRIC
- Parvest Equity China
- Parvest Equity India

Shareholders should note that there is no change concerning the management team of the aforesaid manager of Parvest as a result of the change of shareholding mentioned above.

The Board of Directors of Parvest accepts responsibility for the accuracy of the contents of this notice.

If you have any questions, please do not hesitate to contact the Hong Kong Representative at (852) 2533 0088.

29 October 2010
The Board of Directors