

Independent Review Committee for the HSBC Mutual Funds and HSBC Pooled Funds
% HSBC Global Asset Management (Canada) Limited
19th Floor – 1066 West Hastings Street
Vancouver, B. C. V6E 3X1

March 31, 2011

**IRC REPORT TO SECURITYHOLDERS FOR 2010
HSBC MUTUAL FUNDS AND HSBC POOLED FUNDS**

To the securityholders of the HSBC Mutual Funds and Pooled Funds:

As Chair of the Independent Review Committee (“IRC”) for the funds managed by HSBC Global Asset Management (Canada) Limited and HSBC Investment Funds (Canada) Inc., I am pleased to provide you with the IRC’s fourth annual report. The report covers the fiscal year ended December 31, 2010 and summarizes the IRC’s activities for the year as required by Canadian Securities legislation.

On December 14, 2010, the management of the HSBC Mutual Funds was transferred from HSBC Investment Funds (Canada) Inc. to HSBC Global Asset Management (Canada) Limited (the “Manager”)

The members of the IRC come from varied backgrounds, with many years of experience in legal, accounting, mutual funds, banking and regulation. Together, we have the skills and experience necessary to properly assess the conflict matters referred to us. Each of the members has agreed to continue to serve on the IRC for another three year term, subject to succession needs, as necessary.

The IRC’s mandate is to review conflict of interest matters identified and referred to it by the Managers, and to give its approval or recommendation as to what should be done to achieve a fair and reasonable result for the securityholders of the Funds. A conflict of interest matter is a situation where the Managers might have, or appear to have, an interest that may conflict with the Managers’ ability to act in good faith and in the best interests of the Funds.

The IRC will also each year review and assess the adequacy of the Managers’ policies and procedures relating to conflicts of interest situations, and conduct an annual review of the IRC’s independence, effectiveness, and compensation.

Since inception in 2007, we have been fully satisfied with the Managers’ open cooperation and support. The IRC members will continue to work with the Managers to ensure that the best interests of the Funds are protected should conflict of interest matters arise in the coming year.

(signed) Steve Wilson
Stephen J. Wilson
Chair of the HSBC Independent Review Committee

INDEPENDENT REVIEW COMMITTEE

("IRC")

for the funds managed by
(see last page for listing)

HSBC Investment Funds (Canada) Inc. (until December 14, 2010) and
HSBC Global Asset Management (Canada) Limited
(the "Fund Managers")

REPORT TO SECURITYHOLDERS

pursuant to S. 4.4 NI 81-107

(For the period January 1, 2010 to December 31, 2010)

IRC Members

Name	Length of Service	IRC Member for:
Steve Wilson (Chair)	Appointed: May 1, 2007	HSBC Mutual Funds and HSBC Pooled Funds
Lisa Johnson	Appointed: May 1, 2007	HSBC Mutual Funds and HSBC Pooled Funds, Capital International Funds, MD Funds, MD Private Investment Management Pooled Funds, Brigata Funds
Don Panchuk	Appointed: May 1, 2007	HSBC Mutual Funds and HSBC Pooled Funds

Composition

There has been no change in the composition or membership of the IRC during the reporting period.

Change in Fund Managers

On December 14, 2010 the manager-trustee role and responsibilities for the HSBC Mutual Funds were transferred from HSBC Investment Funds (Canada) Inc. ("HIFC") to its parent company HSBC Global Asset Management (Canada) Limited ("AMCA"). HIFC now operates exclusively as a mutual fund dealer distributing the HSBC Mutual Funds. From December 14, 2010 onward, the IRC remains the IRC for the HSBC Mutual Funds and the HSBC Pooled Funds, for which fund families AMCA is the sole Fund Manager.

Securities Holdings

HSBC Funds

As at December 31, 2010, the percentage of units of each series of the Funds beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 10 per cent.

The Fund Managers

HSBC Investment Funds (Canada) Inc. is a wholly-owned subsidiary of HSBC Global Asset Management (Canada) Limited. HSBC Global Asset Management (Canada) Limited is a wholly-owned subsidiary of HSBC Bank (Canada) (the "Bank"). As at December 31, 2010, the members of the IRC beneficially owned, directly or indirectly, in aggregate, less than 0.01 per cent of the Bank's securities.

Service providers

As at December 31, 2010, the members of the IRC beneficially owned, directly or indirectly, in aggregate, less than 0.01 per cent of the securities in any person or company that provides services to the Funds or the Fund Managers.

Compensation

The aggregate compensation paid by the Funds to the IRC for the reporting period was \$105,000.

The initial compensation of the IRC was set by the Fund Managers. The IRC formally considered the appropriate level of compensation of its members during an in camera meeting in 2010. Taking into account current industry practices, the IRC intends to maintain the existing level of compensation, subject to a review scheduled for June 2011. At least annually, the IRC reviews its compensation in a manner consistent with good governance practices, giving consideration to the following factors, among any other factors the IRC considers important:

- The best interests of the Funds
- The number, nature and complexity of the Funds
- The nature and extent of the workload of each IRC member, including the commitment of time and energy that is expected from each member
- Industry best practices, including industry averages and surveys on IRC compensation
- The IRC's most recent annual self-assessment, as well as, any recommendations about IRC compensation and expenses made by the Manager

Indemnity

No indemnities were paid to the IRC members by the Funds during the reporting period.

Conflict of Interest Matters

The IRC is not aware of any instance in which the Fund Managers acted in a conflict of interest matter referred to the IRC for which the IRC did not give a positive recommendation.

The IRC is not aware of any instance in which the Fund Managers acted in a conflict of interest matter but did not meet a condition imposed by the IRC in its recommendation or approval.

The Following is a brief summary of the recommendations and approvals the Fund Managers relied upon during the period.

Approvals

During the reporting period, the Fund Managers relied on the approvals of the IRC allowing the Funds to:

- Invest in securities of parties related to the Fund Managers.
- Purchase securities in offerings underwritten by entities related to the Fund Managers.
- Conduct inter-fund trades.
- With respect to the mortgage fund only, purchase mortgages from and sell mortgages to related parties.
- Conduct certain principal trades in securities in conjunction with applicable legislation and upon receipt of required relief from securities regulators.
- Merge the HSBC LifeMap Multimanager Funds into their corresponding HSBC LifeMap Funds.

Recommendations

During the reporting period, the Fund Managers relied on the recommendations of the IRC to the Funds to comply with the related policies and procedures and report periodically to the IRC regarding:

- Best Execution
- Complaints
- Expense Allocation
- Fair Allocation
- Fair Valuation
- Fund on Fund Investing
- Inter-Fund Trading
- Investment in Related Parties
- Mortgage Fund Self-Dealing
- NAV Error Correction
- Personal Inducements
- Personal Trading
- Portfolio Turnover
- Proxy Voting
- Purchases of Securities Underwritten by a Related Entity
- Related Party Transactions
- Sub-Advisor Oversight

HSBC Funds

Mutual Funds:

HSBC Canadian Money Market Fund
HSBC U.S. Dollar Money Market Fund
HSBC Mortgage Fund
HSBC Canadian Bond Fund
HSBC Monthly Income Fund
HSBC US Dollar Monthly Income Fund
HSBC Canadian Balanced Fund
HSBC Dividend Income Fund
HSBC Equity Fund
HSBC Small Cap Growth Fund
HSBC Global Equity Fund
HSBC U.S. Equity Fund
HSBC European Fund
HSBC AsiaPacific Fund
HSBC Chinese Equity Fund
HSBC Indian Equity Fund
HSBC Emerging Markets Fund
HSBC BRIC Equity Fund
HSBC Global Climate Change Fund

HSBC World Selection Diversified
Conservative Fund
*(name changed from HSBC LifeMap[®]
Conservative Portfolio on December 16, 2010)*

HSBC World Selection Diversified Moderate
Conservative Fund
*(name changed from HSBC LifeMap[®] Moderate
Conservative Portfolio on December 16, 2010, which
was merged with HSBC LifeMap[®] MM Moderate
Conservative Portfolio on December 10, 2010)*

HSBC World Selection Diversified Moderate
Conservative Fund
*(name changed from HSBC LifeMap[®]
Balanced Portfolio on December 16, 2010,
which was merged with HSBC LifeMap[®] MM
Balanced Portfolio on December 10, 2010)*

HSBC World Selection Diversified Growth
Fund
*(name changed from HSBC LifeMap[®] Growth
Portfolio on December 16, 2010, which was
merged with HSBC LifeMap[®] MM Growth
Portfolio on December 10, 2010)*

HSBC World Selection Diversified Aggressive
Growth Fund
*(name changed from HSBC LifeMap[®] Aggressive
Growth Portfolio on December 16, 2010, which
was merged with HSBC LifeMap[®] MM Aggressive
Growth Portfolio on December 10, 2010)*

Pooled Funds:

HSBC Canadian Money Market Pooled Fund
HSBC Mortgage Pooled Fund
HSBC Canadian Bond Pooled Fund
HSBC International Bond Pooled Fund
HSBC U.S. High Yield Bond Pooled Fund
HSBC Canadian Dividend Income Pooled Fund
HSBC Canadian Equity Pooled Fund
HSBC Canadian Small Cap Equity Pooled Fund
HSBC U.S. Equity Pooled Fund
HSBC International Equity Pooled Fund
HSBC Emerging Markets Pooled Fund
HSBC Global Inflation Linked Bond Pooled Fund
HSBC Emerging Markets Debt Pooled Fund

HSBC MultiAlpha Canadian Bond Pooled Fund
HSBC MultiAlpha Canadian Equity Pooled Fund
HSBC MultiAlpha Canadian Small Cap Equity Pooled Fund
HSBC MultiAlpha U.S. Equity Pooled Fund
HSBC MultiAlpha U.S. Small/Mid Cap Equity Pooled Fund
HSBC MultiAlpha International Equity Pooled Fund