



22 August 2007

**HSBC BANK CANADA  
ISSUES STATEMENT REGARDING  
ASSET-BACKED COMMERCIAL PAPER**

In relation to recent events related to the Asset-Backed Commercial Paper (ABCP) market, HSBC Bank Canada has affirmed that it will continue to support its bank-sponsored asset-backed commercial paper program, namely Performance Trust. This announcement reflects our confidence in the quality of the underlying assets associated with this ABCP program.

HSBC Investment Funds (Canada) Inc., manager of the HSBC Mutual Funds, and HSBC Investments (Canada) Limited, manager of the HSBC Pooled Funds, confirm that there is no exposure to third party asset backed commercial paper within any of these Funds.

We recognize that the functioning of the third-party ABCP market is of concern to many of our customers and continue to work with them and industry participants during this difficult time to find orderly solutions to address this market issue. HSBC is a member of the consortium proposing a solution intended to stabilize Canada's non-bank ABCP market as announced on 16 August 2007.

HSBC Investment Funds (Canada) Inc. is a subsidiary of HSBC Investments (Canada) Limited, which is wholly-owned by HSBC Bank Canada. HSBC Bank Canada, a subsidiary of HSBC Holdings plc, has more than 170 offices. With around 10,000 offices in 83 countries and territories and assets of US\$2,150 billion at 30 June 2007, the HSBC Group is one of the largest banking and financial services organizations.

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News Release