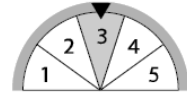


PHILAM DOLLAR BOND FUND

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PRODUCT DETAILS

Medium Risk *



- A fund is a pooled investment vehicle which :
 - gives investors access to the financial markets
 - pools your money with other investors
 - is managed by an Investment Manager who maintains the fund's portfolio and makes decision about what assets to buy and when to sell them
- A bond fund is invested in fixed income investments or bonds. These bonds, which are issued by governments and corporations, pay fixed coupons. Since the interest returns of these instruments are predetermined, they are less risky than stocks. However, the returns on the fund itself are not predetermined or fixed.
- The objective of the Philam Dollar Bond Fund (Fund) is long-term capital preservation with returns and inflows derived out of investments in fixed income instruments.
- The Fund aims to perform better than the JP Morgan Asia.
- The Fund is valued using the marked-to-market (MTM) method, based on the fair market value of the underlying assets. As such, investors trade units of participation at their true current worth in the market and can therefore enjoy the full earnings potential of the asset class.
- The Net Asset Value per Share (NAVPS) as of the close of business on any day, shall be the quotient obtained by dividing the value of the assets of the Fund less the liabilities by the total number of shares outstanding at such close. Fair Market valuation requires asset be valued on actual day-end market prices plus accrued interest. Unlike the accrual or amortised trade shares of participation in the Fund at their true current worth on the market. This enables investors to enjoy the full earnings potential of the asset class.
- The Net Asset Value per Share (NAVPS) of the Fund is net of taxes and management fees.

Fund Manager	Philam Asset Management Inc.
Fund Structure	Mutual Fund
Base Currency	US Dollar (USD)
Launch Date	13 September 2001
Valuation Methodology	Marked-to-Market
Minimum Holding Period *	6 Months <i>* Subject to an Early Redemption Penalty of 1% of the redemption amount</i>
Minimum Investor Type	Balanced

BENEFITS of INVESTING in a FUND :

- **Professional Management.** The Fund is administered by a team of fund managers, who make the day-to-day investment decisions.
- **Instant Diversification.** The Fund is invested in a portfolio of securities.
- **Liquidity.** Units of participations can be bought and sold at any time, subject to the minimum holding period.
- **Affordable Investment Size.** Low minimum and incremental investment amount.

RISKS INVOLVED in INVESTING in the FUND :

- **There is no guaranteed minimum return.** Past performance should not be taken as an indication of future results.
- **The Fund and participations in the Fund are not capital-protected.** Since this is a trust product, any loss incurred or income derived therefrom is for the account of the investor. Participations in the Fund are not obligations of HSBC and/or Philam Asset Management Inc., and are not insured by the Philippine Deposit Insurance Corporation (PDIC).
- **The Fund has no fixed maturity date but is subject to a minimum holding period.** Should the investor redeem before the minimum holding period elapses, he / she will be charged a penalty of 1% of the redemption amount. Redemptions, especially those made within a short time horizon, may result in loss of capital.
- **Investment in the Fund does not constitute a deposit.** It will entail a Trust relationship governed by a Trust Agreement between the bank and the client.
- If the Fund you are investing in has a higher proportion of long-term securities, during times of volatility, it will be subject to larger price movements.
- **Management Risk.** The Fund is subject to management risk because they are actively managed investment portfolios. The investment manager will apply investment techniques and risk analysis in making portfolio decisions, however, there are no guarantees that these will produce the intended results.
- **Interest Rate Risk.** Changes in market interest rates will affect the value of the underlying assets and the Fund NAVPS either positively or negatively. In general, there is an inverse relationship between interest rates and bond prices. If interest rate goes up, current outstanding bonds in the market become less attractive, causing their prices to go down and vice versa. The NAVPS is based on bond prices in the Fund. Thus if bond prices drop, the NAVPS will go down as well.
- **Market Risk.** Many other factors can affect the value of the Fund assets, including socio-economic, political and investment conditions, which can cause the NAVPS to fluctuate particularly in the short-term.
- **Inflation Risk.** The rate of inflation may be higher than the rate of return on your investment.
- **Exchange Rate Risk.** A non-USD accountholder will be subject to fluctuations in exchange rates, which could affect the non-USD accountholder's return either negatively or positively upon conversion into the investor's local currency.
- **Liquidity Risk.** There is financial risk involved should the Fund be unable to sell or convert assets into cash quickly or in instances where conversion to cash is possible but at a loss.
- **Credit Risk.** Issuers of underlying securities may default. If this happens, the price of the security will decline thus affecting the NAVPS of the Fund.

INVESTOR COMMITMENT

The Fund aims to provide moderate capital and income growth over a period of time. It is suitable for investors who:

- have an investment time horizon of at least three (3) years;
- want a reduced risk profile;
- understand the risks outlined above and are willing and able to take on these risks; are comfortable with short-term fluctuations in the value of their units of participations which, upon redemption, may be worth more or worth less than the original amount invested.

OTHERS

- Financial reports are provided by HSBC Manila Trust Department on a quarterly basis.
- Publication of prices: Subscription and redemption prices are published daily in the Business World, Stock Market Section and in <http://www.philamfunds.com.ph/> Investors are advised that such published prices are for information only. HSBC does not accept for omission of publication of prices.

*** Product Risk Level : Medium**

- The price volatility of the product is medium. Active market monitoring and management may be required to control the relevant risks.
- This product may be suitable for investors who are happy to accept medium level of investment risk.

ABOUT THE FUND MANAGER

Philam Asset Management, Inc. (PAMI) is a fund management company wholly owned by The Philippine American Life and General Insurance Company (Philamlife) and a member of the American International Group (AIG) that operates in over 130 countries and jurisdictions around the world. By providing a wide array of mutual fund choices to investors, PAMI creates investment solutions capable of meeting investment goals within acceptable risk standards.

PAMI's Head Office is located at 5th Floor, Philamlife (Salcedo), 126 L.P. Leviste St., Salcedo Village, Makati City, with telephone numbers (632) 867-3912 to 16 and (632) 813-6815.

Disclaimer:

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Should you intend to sell or otherwise transfer or supply (directly or indirectly) the product(s) (or any interest therein) described herein to any third party (and without prejudice to any contractual requirement to obtain the consent of **HSBC** (or any of its affiliates) in respect of such sale, transfer or supply), you (rather than **HSBC** or any of its affiliates) will be responsible for complying with all applicable laws, regulations and rules in respect of any such sale, transfer or supply (including without limitation as to the suitability of such product(s) for such third party) and the provision of all appropriate risk warnings and disclosures. In addition, you accept that in no circumstances shall any such third party be treated as a customer of **HSBC** (or any of its affiliates) in respect of such sale, transfer or supply.

Philam Asset Management, Inc. (PAMI) administers, distributes and provides investment advisory to seven (7) mutual funds. PAMI gives shareholders superior yields through active management, diversification and investment expertise only organizations with extensive financial muscle can provide.



Philam Dollar Bond Fund, Inc. (PDBF)

April 30, 2010

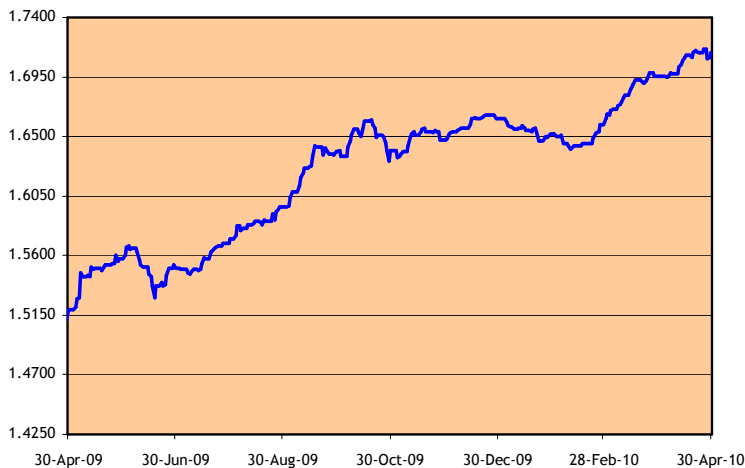
Investment Objective

The investment objective of the Philam Dollar Bond Fund, Inc. is long-term capital preservation with returns and inflows derived out of investments in fixed income instruments. The fund considers medium to long-term investment horizons for its shareholders.

Historical Performance

YTD	YOY	3 Yrs.	5 Yrs.	Since Inception
2.99%	12.80%	17.74%	39.03%	69.74%

NAVPS Graph



Source: Investment Company of the Philippines published NAVPS
* Past Performance is not indicative of future results

Top Five Holdings

ROP 30 9.5% 02FEB30	10.70%
ROP 20 6.5% DUE 20JAN20	10.40%
ROP 25 10.625% DUE 16MAR25	10.36%
ROP 14 8.25% DUE 15JAN14	8.90%
ROP 15 8.875% DUE 17MAR15	8.74%

Commentary

ROPs took a heavy beating the previous week as sovereign default and risk aversion were the main trading themes. News of a nationwide strike in Greece as well as Portugal's credit ratings being put under review for possible downgrade rekindled the market's concern that the proposed Greek fiscal consolidation plan and the EUR 110-billion rescue package for Greece might not be enough to prevent the debt crisis from spreading to other European countries such as Portugal and Spain. Heightening sovereign default concerns in Europe led to a massive sell-off in global equities during the week, including a circuit breaker in the NYSE and a near 1,000-point intraday plunge in the DJIA which was attributed partly to a technical blip. Some of the rumors that spread and exacerbated the risk-aversion included talks that European central banks had already stopped lending and that fixed income trading desks in Europe shut down early due to dried-up liquidity. ROPs tracked the weakness in the Dow, with yields on ROPs rising by 27 basis points on average across the curve from the previous week.

We may see further weakness in ROPs moving forward, especially if investor wariness over the situation in Europe worsens within the next few days. Positive data coming out of the U.S. pointing towards a steady recovery seem to be ignored by the markets at this point as more weight is being put right now on the sovereign debt problems of Greece, Spain, and Portugal. Further downgrades in the debt issues of these countries would trigger another wave of selling in the risky asset classes, including EM debt such as ROPs. We will continue to monitor developments in Europe as these would have repercussions on risk appetite. Any positive news that would lead to a return of flows into EM will be taken as an opportunity to lighten up our exposures. Political risks due to the upcoming elections could also put some pressure on ROPs but we believe that a credible and peaceful electoral process would be taken favorably by the markets regardless of who wins the presidency.

Key Figures

Net Asset Value per Share (NAVPS)	USD 1.7135
Total Fund Size (in Millions) as of 3/31/10	USD 68.94
PDB YOY return as of 4/30/10	12.80%
Benchmark YOY return as of 4/30/10	16.77%
Inception Date	September 13, 2001
Fund Currency	US Dollar
Domicile	Philippines
Valuation Method	Marked-to-Market
Fund Classification	Bond Fund
Risk Profile	Low
Minimum Holding Period	Six Months
Redemption Notice Period	Three Days
Custodian Bank	Citibank N.A.
Transfer Agent	Deutsche Bank A.G. (Manila)

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Opinions: Any opinions expressed in this document may be subject to change without notice. We are not soliciting or recommending any action based on this material.

Risk Warning: Past performance is not indicative of future results. Our investment management services relate to a variety of investments, each of which can fluctuate in value. The value of portfolios we manage may fall as well as rise, and the investor may not get back the full amount originally invested. The investment risks vary between different types of instruments. For example, for investments involving exposure to a currency other than that in which the portfolio is denominated, changes in the rate of exchange may cause the value of investments, and consequently the value of the portfolio, to go up or down. In the case of a higher volatility portfolio the loss on realization or cancellation may be very high (including total loss of investment), as the value of such an investment may fall suddenly and substantially. In making an investment decision, prospective investors must rely on their own examination of the merits and risks involved.