

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE HERALD, PRIMEO AND THEMA
FUNDS SECURITIES LITIGATION

This documents relates to: All Actions

ECF CASE

Civil Action No. 09 Civ. 0289 (RMB)
(Consolidated with Nos.09 Civ. 2032 and
09 Civ. 2558)

**STATEMENT OF HSBC
DEFENDANTS PURSUANT TO
RULE 7.1 OF THE FEDERAL
RULES OF CIVIL PROCEDURE**

Defendants HSBC Holdings plc, HSBC Securities Services (Luxembourg) S.A., Bank of Bermuda (Luxembourg) S.A., Bank of Bermuda (Cayman) Limited, The Bank of Bermuda Limited, HSBC Institutional Trust Services (Ireland) Ltd., and HSBC Securities Services (Ireland) Limited, and Proposed Defendant HSBC Bank USA, N.A. make the following disclosures, by and through their undersigned counsel, pursuant to Rule 7.1 of the Federal Rules of Civil Procedure:

1. HSBC Securities Services (Luxembourg) S.A., formerly Bank of Bermuda (Luxembourg) S.A., identifies HSBC Holdings plc and HSBC Bank plc as corporations that directly or indirectly own 10% or more of any class of HSBC Securities Services (Luxembourg) S.A.'s equity interests.

2. HSBC Institutional Trust Services (Ireland) Limited identifies HSBC Holdings plc, HSBC Bank plc, HSBC Europe (Netherlands) B.V., and HSBC Securities Services Holdings (Ireland) Limited as corporations that directly or indirectly own 10% or more of any class of HSBC Institutional Trust Services (Ireland) Limited's equity interests.

3. HSBC Securities Services (Ireland) Limited identifies HSBC Holdings plc, HSBC Bank plc, HSBC Europe (Netherlands) B.V., and HSBC Securities Services Holdings (Ireland) Limited as corporations that directly or indirectly own 10% or more of any class of HSBC Securities Services (Ireland) Limited's equity interests.

4. Bank of Bermuda (Cayman) Limited identifies HSBC Holdings plc, HSBC Finance (Netherlands), HSBC Holdings B.V., HSBC Asia Holdings (UK) Limited, HSBC Asia Holdings B.V., HSBC Bank Bermuda Limited, Cayman International Finance Limited and HSBC Bank (Cayman) Limited as corporations that directly or indirectly own 10% or more of any class of Bank of Bermuda (Cayman) Limited's equity interests.

5. HSBC Bank Bermuda Limited, formerly The Bank of Bermuda Limited, identifies HSBC Holdings plc, HSBC Finance (Netherlands), HSBC Holdings B.V., HSBC Asia Holdings (UK) Limited, and HSBC Asia Holdings B.V. as corporations that directly or indirectly own 10% or more of any class of HSBC Bank Bermuda Limited's equity interests.

6. HSBC Holdings plc, which directly or indirectly owns 10% or more of any class of all other HSBC defendants' equity interests, identifies HKSCC Nominees Limited as a corporation that directly or indirectly owns 10% or more of any class of HSBC Holdings plc's equity interests. HKSCC Nominees Limited is the legal owner of securities that are deposited into the Hong Kong Exchanges and Clearing Limited Central Clearing and Settlement System by those securities' beneficial holders.

7. HSBC Bank USA, N.A. identifies HSBC Holdings plc, HSBC Overseas Holdings (UK) Limited, HSBC North America Holdings Inc., and HSBC Investments (North America) Inc. as corporations that directly or indirectly own 10% or more of any class of HSBC Bank USA, N.A.'s equity interests.

Dated: New York, New York
June 29, 2011

CLEARY GOTTlieb STEEN & HAMILTON LLP

By: /s/ Evan A. Davis

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Bermuda (Cayman) Limited, The Bank of
Bermuda Limited, HSBC Institutional Trust
Services (Ireland) Ltd., and HSBC Securities
Services (Ireland) Limited, and Proposed
Defendant HSBC Bank USA, N.A.*