

# HSBC Managed Portfolios Limited

Annual Report June 2016

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*The accompanying report of KPMG Audit Limited ("KPMG") is for the sole and exclusive use of the Fund. No person, other than the Fund, is authorized to rely upon the report of KPMG unless KPMG expressly so authorizes. Further, the report of KPMG is as of September 26, 2016 and KPMG has carried out no procedures of any nature subsequent to that date which in any way extends that date.*

# Manager's Report

## for the year ended June 30, 2016

### Annual Report Review 2016

#### Managed Portfolios

As the fiscal year began last July markets progressively came under pressure as concern over the Federal Reserve's first interest rate increase, the extent the European Central Bank (ECB) would further ease interest rates and increase its stimulus package, and slowing growth in China weighed on investors. Steep declines in global equities were experienced in Q3 of 2015 and Q1 of 2016 with near equally sized rallies in the quarters that followed them making for volatile times. Bond markets also experienced volatility amid December's first rate increase in the US in nearly 10yrs and negative interest rate environments in Europe and Japan.

The World Selection Managed Portfolios were mixed for the period with the strongest performances coming from the more conservative portfolios. The higher risk portfolios such as World Selection 4 and World Selection 5 were hurt by weakness in the equity markets. Despite a strong rally from the February lows to the end of June, global equities remained below levels from the previous June. Bond markets were led by government bonds which rallied as risk assets sold off and central banks continued their purchase programs. Other areas of strength included investment-grade corporate bonds, Emerging Market debt, and US equities which was one of the only major equity regions in positive territory.

Looking forward we moved to a more neutral position in equities having cut back overweight positions further from last year and taking profit in May amid the rally from February lows. This has been primarily in response to the higher valuations that exist in the equity markets. Within equities we favour Europe and Japan. Within bonds we continue to underweight government bonds despite their strong performance this past fiscal year. We believe bond price levels are stretched amid central bank easing programs and prefer higher yielding corporate debt. In addition, high yield is also favoured for which shorter duration positions have been increased in this sector to help protect against future interest rate hikes while still benefiting from the higher yielding securities.

HSBC Global Asset Management (Bermuda) Limited – July 2016

*This Manager's Report contains certain forward-looking statements with respect to the financial markets. These statements should not be considered personal financial advice.*



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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Shareholders of  
HSBC Managed Portfolios Limited

We have audited the accompanying financial statements of HSBC Managed Portfolios Limited (comprised of World Selection – 1, World Selection – 2, World Selection – 3, World Selection – 4 and World Selection – 5), which comprise the statements of assets and liabilities, including the statements of net assets, as of June 30, 2016, and the related statements of operations and changes in net assets for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

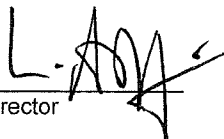
In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of HSBC Managed Portfolios Limited as of June 30, 2016, and the results of its operations for the year then ended in accordance with U.S. generally accepted accounting principles.

*KPMG Audit Limited*

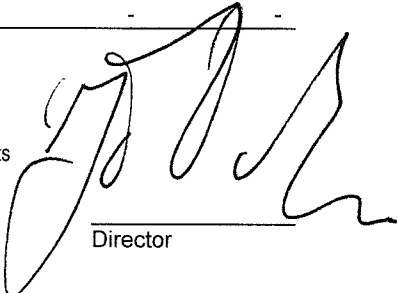
Chartered Professional Accountants  
Hamilton, Bermuda  
September 26, 2016

HSBC Managed Portfolios Limited  
 Statements of Assets and Liabilities  
 as at June 30, 2016

	World Selection - 1 USD	World Selection - 2 USD	World Selection - 3 USD	World Selection - 4 USD	World Selection - 5 USD
<b>Assets</b>					
Investments, at fair value (notes 11, 13 & 16)	83,648,868	116,061,187	127,178,065	47,393,228	43,530,302
Cash and cash equivalents (notes 3 & 16)	5,474,913	4,115,301	3,194,267	832,547	71,409
Derivative contracts, at fair value (notes 12, 13 & 16)	34,050	52,087	55,734	24,523	22,851
Due from broker	-	-	-	742	1,036
Interest and dividend receivable	214,599	357,688	932,036	446,806	447,547
Prepaid expenses	1,111	1,394	2,740	666	565
	89,373,541	120,587,657	131,362,842	48,698,512	44,073,710
<b>Liabilities</b>					
Derivative contracts, at fair value (notes 12, 13 & 16)	30,079	40,106	67,102	34,532	32,043
Management and administration fees payable (notes 4, 5 & 15)	582,196	840,356	962,605	368,264	373,719
Redemptions payable	713,405	673,549	552,036	149,632	247,751
Accounts payable and accrued expenses	15,720	34,842	39,605	18,332	26,059
Director	1,341,400	1,588,853	1,621,348	570,760	679,572
Net assets	88,032,141	118,998,804	129,741,494	48,127,752	43,394,138
<b>Net assets attributable to:</b>					
Class AC Shares	12,793,753	32,392,147	42,920,985	17,449,892	9,445,322
Class AD Shares	9,205,649	2,617,001	2,978,463	-	-
Class IC Shares	26,495,354	81,956,806	77,019,940	24,175,715	27,922,485
Class LC Shares	2,968,511	2,032,850	6,822,106	6,502,145	6,026,331
Class ID Shares	36,568,874	-	-	-	-
	88,032,141	118,998,804	129,741,494	48,127,752	43,394,138
<b>Shares outstanding (note 10)</b>					
Class AC Shares	78,686	198,498	248,169	97,803	52,052
Class AD Shares	61,037	17,658	17,748	-	-
Class IC Shares	162,691	485,716	432,580	131,611	153,207
Class LC Shares	18,257	12,457	39,445	36,443	33,210
Class ID Shares	242,085	-	-	-	-
<b>Net asset value per share</b>					
Class AC Shares	162.59	163.19	172.95	178.42	181.46
Class AD Shares	150.82	148.20	167.82	-	-
Class IC Shares	162.86	168.73	178.05	183.69	182.25
Class LC Shares	162.60	163.19	172.95	178.42	181.46
Class ID Shares	151.06	-	-	-	-

  
 Director

The accompanying notes form an integral part of these Financial Statements

  
 Director

# HSBC Managed Portfolios Limited

## Statements of Net Assets

as at June 30, 2016

World Selection – 1	Liquidity Period	Holdings In Shares/ Par Amount	Purchase Price USD	Fair Value USD	% of Net Assets
<b>Investments in investee funds:</b>					
<b>Bonds</b>					
HSBC Global Investment Funds-Global Asset Backed Bond	Bimonthly	20,194	2,650,000	2,684,128	3.05
HSBC Global Investment Funds-Global Corporate Bond	Daily	1,395,134	14,277,384	15,056,289	17.10
HSBC Global Investment Funds-Global Emerging Markets Bond Fund	Daily	127,797	2,689,480	2,774,337	3.15
HSBC Global Investment Funds-Global Emerging Markets Local Debt	Daily	429,189	5,066,588	4,570,006	5.19
HSBC Global Investment Funds-Global Government Bond Fund	Daily	2,569,818	26,351,126	28,902,747	32.83
HSBC Global Investment Funds-Global High Yield Bond	Daily	781,951	7,955,810	7,963,392	9.05
HSBC Global Investment Funds-Global Short Duration High Yield Bond	Daily	122,276	1,336,601	1,378,298	1.57
			60,326,989	63,329,197	71.94
<b>Equities</b>					
HSBC Global Investment Funds-Global Real Estate Equity	Daily	394,175	3,841,023	4,265,361	4.85
HSBC Index Tracker Investment Funds-European Index Fund	Daily	237,208	2,543,962	2,240,411	2.54
HSBC Index Tracker Investment Funds-FTSE All World Index Fund	Daily	2,090,954	3,521,986	3,391,885	3.85
			9,906,971	9,897,657	11.24
Total investments in investee funds			70,233,960	73,226,854	83.18
<b>Investments in securities:</b>					
<b>Bonds</b>					
Bermuda (Govt of) (144A) (REG) 5.603% 07/20/2020		2,500,000	2,797,600	2,767,525	3.14
TSY INFL IX Bond 0.375% 07/15/2025		2,000,000	1,982,143	2,063,984	2.35
			4,779,743	4,831,509	5.49
<b>Equities</b>					
HSBC ESI Worldwide Equity UCITS ETF		262,000	3,969,648	3,544,860	4.03
WisdomTree Japan Hedged Equity Fund ETF		52,750	2,738,542	2,045,645	2.32
			6,708,190	5,590,505	6.35
Total investments in securities			11,487,933	10,422,014	11.84
Total investments			81,721,893	83,648,868	95.02
<b>Derivative Contracts - Asset</b>					
Unrealized gain on forward foreign currency contracts					
Buy USD 3,290,000/Sell EUR 2,924,444, 07/08/2016				30,560	0.03
Buy JPY 22,968,000/Sell USD 220,000, 07/08/2016				3,490	-
Total derivative contracts - asset				34,050	0.03
<b>Derivative Contracts - Liability</b>					
Unrealized loss on forward foreign currency contracts					
Buy GBP 245,065/Sell USD 360,000, 07/08/2016				(30,079)	(0.03)
Total derivative contracts - liability				(30,079)	(0.03)
Other net assets				4,379,302	4.98
Net assets				88,032,141	100.00

The accompanying notes form an integral part of these Financial Statements

# HSBC Managed Portfolios Limited

## Statements of Net Assets (Continued)

as at June 30, 2016

World Selection - 2	Liquidity Period	Holdings In Shares/ Par Amount	Purchase Price USD	Fair Value USD	% of Net Assets
<b>Investments in investee funds:</b>					
<b>Bonds</b>					
HSBC Global Investment Funds-Global Asset Backed Bond	Bimonthly	26,306	3,452,000	3,496,457	2.94
HSBC Global Investment Funds-Global Corporate Bond	Daily	4,435,093	44,966,197	47,863,528	40.22
HSBC Global Investment Funds-Global Emerging Markets Bond Fund	Daily	175,641	3,792,392	3,925,412	3.30
HSBC Global Investment Funds-Global Emerging Markets Local Debt	Daily	602,527	6,949,894	6,151,199	5.17
HSBC Global Investment Funds-Global Government Bond Fund	Daily	528,071	5,395,943	5,939,212	4.99
HSBC Global Investment Funds-Global High Yield Bond	Daily	1,321,868	13,334,120	13,461,901	11.31
HSBC Global Investment Funds-Global Short Duration High Yield Bond	Daily	219,559	2,400,000	2,474,870	2.08
			80,290,546	83,312,579	70.01
<b>Equities</b>					
HSBC Global Investment Funds-Global Real Estate Equity	Daily	579,315	5,784,562	6,268,770	5.27
HSBC Index Tracker Investment Funds-European Index Fund	Daily	292,298	3,143,425	2,760,734	2.32
HSBC Index Tracker Investment Funds-FTSE All World Index Fund	Daily	7,627,906	12,631,904	12,373,768	10.40
			21,559,891	21,403,272	17.99
Total investments in investee funds			101,850,437	104,715,851	88.00
<b>Investments in securities:</b>					
<b>Bonds</b>					
TSY INFL IX Bond 0.375% 07/15/2025		2,500,000	2,477,678	2,579,980	2.17
			2,477,678	2,579,980	2.17
<b>Equities</b>					
HSBC ESI Worldwide Equity UCITS ETF		471,000	7,137,077	6,372,630	5.35
WisdomTree Japan Hedged Equity Fund ETF		61,700	3,254,035	2,392,726	2.01
			10,391,112	8,765,356	7.36
Total investments in securities			12,868,790	11,345,336	9.53
Total investments			114,719,227	116,061,187	97.53
<b>Derivative Contracts - Asset</b>					
Unrealized gain on forward foreign currency contracts					
Buy USD 5,300,000/Sell EUR 4,711,111, 07/08/2016				49,232	0.04
Buy JPY 18,792,000/Sell USD 180,000, 07/08/2016				2,855	-
Total derivative contracts - asset				52,087	0.04
<b>Derivative Contracts - Liability</b>					
Unrealized loss on forward foreign currency contracts					
Buy GBP 326,753/Sell USD 480,000, 07/08/2016				(40,106)	(0.03)
Total derivative contracts - liability				(40,106)	(0.03)
Other net assets				2,925,636	2.46
Net assets				118,998,804	100.00

The accompanying notes form an integral part of these Financial Statements

HSBC Managed Portfolios Limited  
**Statements of Net Assets (Continued)**  
as at June 30, 2016

<b>World Selection - 3</b>	Liquidity Period	Holdings In Shares/ Par Amount	Purchase Price USD	Fair Value USD	% of Net Assets
<b>Investments in investee funds:</b>					
<b>Bonds</b>					
HSBC Global Investment Funds-Global Corporate Bond	Daily	2,504,783	25,453,867	27,031,623	20.83
HSBC Global Investment Funds-Global Emerging Markets Bond Fund	Daily	192,527	4,168,312	4,302,787	3.32
HSBC Global Investment Funds-Global Emerging Markets Local Debt	Daily	655,805	7,595,177	6,695,117	5.16
HSBC Global Investment Funds-Global Government Bond Fund	Daily	243,088	2,480,989	2,734,009	2.11
HSBC Global Investment Funds-Global High Yield Bond	Daily	1,449,098	14,620,874	14,757,618	11.37
HSBC Global Investment Funds-Global Short Duration High Yield	Daily	176,945	1,934,180	1,994,518	1.54
			56,253,399	57,515,672	44.33
<b>Equities</b>					
HSBC Global Investment Funds-Global Real Estate Equity	Daily	624,932	6,234,722	6,762,389	5.21
HSBC Index Tracker Investment Funds-European Index Fund	Daily	323,586	3,480,993	3,056,249	2.35
HSBC Index Tracker Investment Funds-FTSE All World Index Fund	Daily	24,870,380	41,148,747	40,344,009	31.10
			50,864,462	50,162,647	38.66
Total investments in investee funds			107,117,861	107,678,319	82.99
<b>Investments in securities:</b>					
<b>Bonds</b>					
TSY INFL IX Bond 0.375% 07/15/2025		2,500,000	2,477,679	2,579,981	1.99
			2,477,679	2,579,981	1.99
<b>Equities</b>					
HSBC ESI Worldwide Equity UCITS ETF		1,058,500	16,039,482	14,321,505	11.04
WisdomTree Japan Hedged Equity Fund ETF		67,000	3,525,855	2,598,260	2.00
			19,565,337	16,919,765	13.04
Total investments in securities			22,043,016	19,499,746	15.03
Total investments			129,160,877	127,178,065	98.02
<b>Derivative Contracts - Asset</b>					
Unrealized gain on forward foreign currency contracts					
Buy USD 6,000,000/Sell EUR 5,333,333, 07/08/2016				55,734	0.04
Total derivative contracts-asset				55,734	0.04
<b>Derivative Contracts - Liability</b>					
Unrealized loss on forward foreign currency contracts					
Buy GBP 272,294/Sell USD 400,000, 07/08/2016				(33,422)	(0.03)
Buy USD 2,060,000/Sell JPY 215,167,000, 07/08/2016				(33,680)	(0.03)
Total derivative contracts - liability				(67,102)	(0.06)
Other net assets				2,574,797	2.00
Net assets				129,741,494	100.00

The accompanying notes form an integral part of these Financial Statements



HSBC Managed Portfolios Limited  
**Statements of Net Assets (Continued)**  
as at June 30, 2016

<b>World Selection - 4</b>	Liquidity Period	Holdings In Shares/ Par Amount	Purchase Price USD	Fair Value USD	% of Net Assets
<b>Investments in investee funds:</b>					
<b>Bonds</b>					
HSBC Global Investment Funds-Global Corporate Bond	Daily	66,643	686,564	719,206	1.49
HSBC Global Investment Funds-Global Emerging Markets Bond Fund	Daily	66,984	1,448,437	1,497,016	3.11
HSBC Global Investment Funds-Global Emerging Markets Local	Daily	240,867	2,775,568	2,459,009	5.11
HSBC Global Investment Funds-Global High Yield Bond	Daily	523,106	5,332,537	5,432,459	11.29
HSBC Global Investment Funds - Global Short Duration High Yield	Daily	90,439	1,003,474	1,019,427	2.12
			11,246,580	11,127,117	23.12
<b>Equities</b>					
HSBC Global Investment Funds-Global Real Estate Equity	Daily	235,402	2,342,993	2,551,997	5.30
HSBC Index Tracker Investment Funds - European Index Fund	Daily	124,798	1,351,261	1,178,711	2.45
HSBC Index Tracker Investment Funds - FTSE All World Index Fund	Daily	12,518,749	20,936,507	20,307,552	42.19
			24,630,761	24,038,260	49.94
Total investments in investee funds			35,877,341	35,165,377	73.06
<b>Investments in securities:</b>					
<b>Equities</b>					
HSBC ESI Worldwide Equity UCITS ETF		633,000	9,591,868	8,564,490	17.80
HSBC Worldwide Equity UCITS ETF		177,000	2,838,782	2,674,470	5.56
WisdomTree Japan Hedged Equity Fund ETF		25,500	1,362,549	988,891	2.05
			13,793,199	12,227,851	25.41
Total investments in securities			13,793,199	12,227,851	25.41
Total investments			49,670,540	47,393,228	98.47
<b>Derivative Contracts - Asset</b>					
Unrealized gain on forward foreign currency contracts					
Buy USD 2,640,000/Sell EUR 2,346,667, 07/08/2016				24,523	0.05
Total derivative contracts - asset				24,523	0.05
<b>Derivative Contracts - Liability</b>					
Unrealized loss on forward foreign currency contracts					
Buy GBP 136,147/Sell USD 200,000, 07/08/2016				(16,711)	(0.03)
Buy USD 1,090,000/Sell JPY 113,850,500, 07/08/2016				(17,821)	(0.04)
Total derivative contracts - liability				(34,532)	(0.07)
Other net assets				744,533	1.55
Net assets				48,127,752	100.00

The accompanying notes form an integral part of these Financial Statements

HSBC Managed Portfolios Limited  
**Statements of Net Assets (Continued)**  
as at June 30, 2016

<b>World Selection - 5</b>	Liquidity Period	Holdings In Shares/ Par Amount	Purchase Price USD	Fair Value USD	% of Net Assets
<b>Investments in investee funds:</b>					
<b>Bonds</b>					
HSBC Global Investment Funds-Global Emerging Markets Local Debt	Daily	139,046	1,423,658	1,419,521	3.27
HSBC Global Investment Funds-Global High Yield Bond	Daily	182,865	1,841,778	1,899,055	4.38
HSBC Global Investment Funds-Global Short Duration High Yield Bond	Daily	40,000	450,000	450,880	1.04
			3,715,436	3,769,456	8.69
<b>Equities</b>					
HSBC Global Investment Funds-Global Real Estate Equity	Daily	216,243	2,152,575	2,339,971	5.39
HSBC Index Tracker Investment Funds-European Index Fund	Daily	118,275	1,272,900	1,117,095	2.57
HSBC Index Tracker Investment Funds-FTSE All World Index Fund	Daily	11,054,563	18,673,529	17,932,391	41.33
			22,099,004	21,389,457	49.29
Total investments in investee funds			25,814,440	25,158,913	57.98
<b>Investments in securities:</b>					
<b>Equities</b>					
HSBC ESI Worldwide Equity UCITS ETF		764,300	11,580,161	10,340,979	23.83
HSBC Worldwide Equity UCITS ETF		475,000	7,616,636	7,177,250	16.54
WisdomTree Japan Hedged Equity Fund ETF		22,000	1,215,836	853,160	1.96
			20,412,633	18,371,389	42.33
Total investments in securities			20,412,633	18,371,389	42.33
Total investments			46,227,073	43,530,302	100.31
<b>Derivative Contracts - Asset</b>					
Unrealized gain on forward foreign currency contracts					
Buy USD 2,460,000/Sell EUR 2,186,667, 07/08/2016				22,851	0.05
Total derivative contracts - asset				22,851	0.05
<b>Derivative Contracts - Liability</b>					
Unrealized loss on forward foreign currency contracts					
Buy GBP 122,532/Sell USD 180,000, 07/08/2016				(15,040)	(0.03)
Buy USD 1,040,000/Sell JPY 108,628,000, 07/08/2016				(17,003)	(0.04)
Total derivative contracts - liability				(32,043)	(0.07)
Other net liability				(126,972)	(0.29)
Net assets				43,394,138	100.00

The accompanying notes form an integral part of these Financial Statements

HSBC Managed Portfolios Limited  
**Statements of Operations**  
for the year ended June 30, 2016

	World Selection - 1 USD	World Selection - 2 USD	World Selection - 3 USD	World Selection - 4 USD	World Selection - 5 USD
<b>Income</b>					
Dividend income (net of withholding tax of USD 25,163, USD 30,762, USD 32,638, USD 12,455 and USD 10,745 respectively)	1,446,051	2,214,373	2,854,502	1,047,314	1,001,113
Rebate income	-	2,182	6,623	-	-
Interest income	151,094	12,467	10,013	1,107	33,211
Other income	37,790	-	-	530	33,413
	1,634,935	2,229,022	2,871,138	1,048,951	1,067,737
<b>Expenses</b>					
Management and administration fees (notes 4, 5 & 15)	1,204,986	1,874,123	2,084,188	868,355	737,629
Audit fees	9,157	11,512	13,159	5,498	10,241
Directors' fees (note 8)	2,081	599	3,017	1,226	684
Other expenses	14,634	11,100	16,472	8,002	13,169
	1,230,858	1,897,334	2,116,836	883,081	761,723
Net investment income	404,077	331,688	754,302	165,870	306,014
Net realized gain/(loss) on sale of investments and foreign exchange	635,414	668,560	(392,925)	(643,257)	(735,402)
Net realized loss on derivative contracts	(141,990)	(241,524)	(452,286)	(192,417)	(195,471)
Net change in unrealized gain/(loss) on investments and foreign exchange	1,497,295	1,532,287	(1,103,145)	(1,773,773)	(2,216,275)
Net change in unrealized (loss)/gain on derivative contracts	(2,239)	10,084	(3,786)	(4,675)	(6,918)
	1,988,480	1,969,407	(1,952,142)	(2,614,122)	(3,154,066)
Net increase/(decrease) in net assets resulting from operations	2,392,557	2,301,095	(1,197,840)	(2,448,252)	(2,848,052)

The accompanying notes form an integral part of these Financial Statements

HSBC Managed Portfolios Limited  
 Statements of Changes in Net Assets  
 for the year ended June 30, 2016

<b>World Selection - 1</b>	Class AC USD	Class AD USD	Class IC USD	Class LC USD	Class ID USD	Total
Net assets at start of the year	14,644,284	9,992,992	28,338,167	3,391,866	40,509,184	96,876,493
<b>Net increase in net assets from operations</b>						
Net investment income	54,722	36,634	122,629	12,527	177,565	404,077
Net realized gain on sale of investments and foreign exchange	91,611	63,756	189,463	20,749	269,835	635,414
Net realized loss on derivative contracts	(20,320)	(14,029)	(43,141)	(4,159)	(60,341)	(141,990)
Net change in unrealized gain on investments and foreign exchange	199,496	149,443	441,905	45,364	661,087	1,497,295
Net change in unrealized loss on derivative contracts	(673)	(480)	(479)	(94)	(513)	(2,239)
	324,836	235,324	710,377	74,387	1,047,633	2,392,557
<b>Subscriptions and redemptions</b>						
Proceeds on issue of shares	479,854	314,046	1,651,654	724,256	3,389,847	6,559,657
Payments on redemption of shares	(2,655,221)	(1,336,713)	(4,204,844)	(1,221,998)	(8,377,790)	(17,796,566)
	(2,175,367)	(1,022,667)	(2,553,190)	(497,742)	(4,987,943)	(11,236,909)
Net assets at end of the year	12,793,753	9,205,649	26,495,354	2,968,511	36,568,874	88,032,141

The accompanying notes form an integral part of these Financial Statements

HSBC Managed Portfolios Limited  
**Statements of Changes in Net Assets (Continued)**  
for the year ended June 30, 2016

<b>World Selection - 2</b>	Class AC USD	Class AD USD	Class IC USD	Class LC USD	Total
Net assets at start of the year	34,792,067	2,532,971	82,589,917	1,740,968	121,655,923
<b>Net increase in net assets from operations</b>					
Net investment income/(loss)	39,084	1,069	291,756	(221)	331,688
Net realized gain on sale of investments and foreign exchange	182,445	14,464	460,605	11,046	668,560
Net realized loss on derivative contracts	(64,500)	(5,256)	(167,769)	(3,999)	(241,524)
Net change in unrealized gain on investments and foreign exchange	384,007	33,544	1,082,319	32,417	1,532,287
Net change in unrealized gain on derivative contracts	1,826	209	7,937	112	10,084
	542,862	44,030	1,674,848	39,355	2,301,095
<b>Subscriptions and redemptions</b>					
Proceeds on issue of shares	1,404,771	71,000	6,789,220	646,575	8,911,566
Payments on redemption of shares	(4,347,553)	(31,000)	(9,097,179)	(394,048)	(13,869,780)
	(2,942,782)	40,000	(2,307,959)	252,527	(4,958,214)
Net assets at end of the year	32,392,147	2,617,001	81,956,806	2,032,850	118,998,804

The accompanying notes form an integral part of these Financial Statements

HSBC Managed Portfolios Limited  
**Statements of Changes in Net Assets (Continued)**  
for the year ended June 30, 2016

<b>World Selection - 3</b>	Class AC USD	Class AD USD	Class IC USD	Class LC USD	Total
Net assets at start of the year	49,001,981	3,074,128	80,527,954	6,461,911	139,065,974
<b>Net decrease in net assets from operations</b>					
Net investment income	176,611	11,071	543,030	23,590	754,302
Net realized loss on sale of investments and foreign exchange	(136,504)	(8,720)	(229,229)	(18,472)	(392,925)
Net realized loss on derivative contracts	(152,856)	(10,277)	(265,553)	(23,600)	(452,286)
Net change in unrealized loss on investments and foreign exchange	(381,596)	(25,142)	(657,363)	(39,044)	(1,103,145)
Net change in unrealized gain/(loss) on derivative contracts	859	(52)	(4,520)	(73)	(3,786)
	(493,486)	(33,120)	(613,635)	(57,599)	(1,197,840)
<b>Subscriptions and redemptions</b>					
Proceeds on issue of shares	2,170,751	30,000	8,497,852	1,715,869	12,414,472
Payments on redemption of shares	(7,758,261)	(92,545)	(11,392,231)	(1,298,075)	(20,541,112)
	(5,587,510)	(62,545)	(2,894,379)	417,794	(8,126,640)
Net assets at end of the year	42,920,985	2,978,463	77,019,940	6,822,106	129,741,494
<b>World Selection - 4</b>		Class AC USD	Class IC USD	Class LC USD	Total
Net assets at start of the year		24,480,487	27,171,089	6,449,475	58,101,051
<b>Net decrease in net assets from operations</b>					
Net investment income		35,069	120,487	10,314	165,870
Net realized loss on sale of investments and foreign exchange		(255,855)	(307,493)	(79,909)	(643,257)
Net realized loss on derivative contracts		(67,799)	(97,849)	(26,769)	(192,417)
Net change in unrealized loss on investments and foreign exchange		(849,471)	(762,060)	(162,242)	(1,773,773)
Net change in unrealized loss on derivative contracts		(1,098)	(2,819)	(758)	(4,675)
		(1,139,154)	(1,049,734)	(259,364)	(2,448,252)
<b>Subscriptions and redemptions</b>					
Proceeds on issue of shares		1,188,525	2,455,513	1,792,264	5,436,302
Payments on redemption of shares		(7,079,966)	(4,401,153)	(1,480,230)	(12,961,349)
		(5,891,441)	(1,945,640)	312,034	(7,525,047)
Net assets at end of the year		17,449,892	24,175,715	6,502,145	48,127,752

The accompanying notes form an integral part of these Financial Statements

HSBC Managed Portfolios Limited  
**Statements of Changes in Net Assets (Continued)**  
for the year ended June 30, 2016

<b>World Selection - 5</b>	Class AC USD	Class IC USD	Class LC USD	Total
Net assets at start of the year	10,421,310	32,511,283	6,350,936	49,283,529
<b>Net decrease in net assets from operations</b>				
Net investment income	45,130	233,784	27,100	306,014
Net realized loss on sale of investments and foreign exchange	(151,611)	(486,176)	(97,615)	(735,402)
Net realized loss on derivative contracts	(38,755)	(130,745)	(25,971)	(195,471)
Net change in unrealized loss on investments and foreign exchange	(487,612)	(1,426,527)	(302,136)	(2,216,275)
Net change in unrealized loss on derivative contracts	(1,371)	(3,919)	(1,628)	(6,918)
	(634,219)	(1,813,583)	(400,250)	(2,848,052)
<b>Subscriptions and redemptions</b>				
Proceeds on issue of shares	1,223,610	2,328,389	1,254,432	4,806,431
Payments on redemption of shares	(1,565,379)	(5,103,604)	(1,178,787)	(7,847,770)
	(341,769)	(2,775,215)	75,645	(3,041,339)
Net assets at end of the year	9,445,322	27,922,485	6,026,331	43,394,138

The accompanying notes form an integral part of these Financial Statements

# HSBC Managed Portfolios Limited

## Notes to the Financial Statements

for the year ended June 30, 2016

### 1. The Fund

The HSBC Managed Portfolios Limited (the "Fund") is an open-ended exempted mutual fund company incorporated with limited liability and unlimited duration in Bermuda on August 23, 2002 in accordance with The Companies Act 1981 of Bermuda.

The Fund has been classified as a standard fund in accordance with the Bermuda Monetary Authority Investment Funds Act 2006, with effect from July 6, 2007.

The investment objective of the Fund is to achieve high total return over time consistent with an emphasis on capital growth and income while attempting to limit risk through investment in a diversified portfolio of mutual funds. The Fund will primarily invest in HSBC Funds.

The investment objective of the World Selection - 1 is to achieve total return through a mix of capital growth and income through investing in a balanced portfolio of primarily HSBC funds. This portfolio offers the lowest risk and lowest potential returns over time compared with the other portfolios.

The investment objective of the World Selection - 2 is to achieve total return through a mix of capital growth and income through investing in a balanced portfolio of primarily HSBC funds. This Portfolio offers a low risk and low potential returns over time compared with the other portfolios.

The investment objective of the World Selection - 3 is to achieve total return through a mix of capital growth and income through investing in a balanced portfolio of primarily HSBC funds. This Portfolio offers moderate risk and potential return over time.

The investment objective of the World Selection - 4 is to achieve total return through a mix of capital growth and income through investing in a balanced portfolio of primarily HSBC funds. This Portfolio offers higher risk and higher potential return over time compared with the other portfolios.

The investment objective of the World Selection - 5 is to achieve total return achieved through a mix of capital growth and income through investing in a balanced portfolio of primarily HSBC funds. This Portfolio offers the highest risk and highest potential return over time compared with the other portfolios.

The Fund is managed by HSBC Global Asset Management (Bermuda) Limited (the "Manager"), a wholly-owned subsidiary of HSBC Bank Bermuda Limited (the "Bank"), a member of the HSBC Group.

The Shares of the Fund are divided into several portfolios ("Portfolios") for which the Fund maintains separate accounts. The assets of each Portfolio of the Fund are held exclusively for the benefit of the holders of the shares of the relevant Portfolio. However, all assets of the Fund are subject to the general creditors of the Fund, in that the assets of each Portfolio may be exposed to the liabilities of other Portfolios within the Fund. At June 30, 2016, the Directors were not aware of any such specific existing or contingent liabilities.



# HSBC Managed Portfolios Limited

## Notes to the Financial Statements (Continued)

for the year ended June 30, 2016

### 1. The Fund (continued)

The Portfolios and share classes existing as at June 30, 2016 were as follows:

	<b>Date of Inception</b>
World Selection - 1 – Class AC - USD	August 27, 2014
World Selection - 1 – Class AD - USD	August 27, 2014
World Selection - 1 – Class IC - USD	August 27, 2014
World Selection - 1 – Class LC - USD	August 27, 2014
World Selection - 1 – Class ID - USD	August 27, 2014
World Selection - 2 – Class AC - USD	October 16, 2002
World Selection - 2 – Class AD - USD	October 16, 2002
World Selection - 2 – Class IC - USD	October 16, 2002
World Selection - 2 – Class LC - USD	October 14, 2010
World Selection - 3 – Class AC - USD	October 16, 2002
World Selection - 3 – Class AD - USD	October 16, 2002
World Selection - 3 – Class IC - USD	October 16, 2002
World Selection - 3 – Class LC - USD	October 14, 2010
World Selection - 4 – Class AC - USD	October 16, 2002
World Selection - 4 – Class IC - USD	October 16, 2002
World Selection - 4 – Class LC - USD	October 14, 2010
World Selection - 5 – Class AC - USD	August 27, 2014
World Selection - 5 – Class IC - USD	August 27, 2014
World Selection - 5 – Class LC - USD	August 27, 2014

### 2. Significant Accounting Policies

The accompanying financial statements are prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”). The Fund meets the typical characteristics of an investment company and is therefore applying the accounting and reporting guidance under Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) Topic 946, *Financial Services – Investment Companies*.

The significant accounting and reporting policies adopted by the Fund are as follows:

(a) Investment transactions and income

Investment transactions are recorded on the trade date. Realized gains and losses on investment transactions are calculated on a weighted average cost basis and are included in the statements of operations.

Discounts and premiums on debt securities are amortized over the life of the respective securities using the effective interest rate method.

# HSBC Managed Portfolios Limited

## Notes to the Financial Statements (Continued)

for the year ended June 30, 2016

### 2. Significant Accounting Policies (continued)

#### (b) Valuation of investments

In accordance with U.S. GAAP, fair value is defined as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting guidelines for fair value measurements establishes a framework for measuring fair value, and a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund's own assumptions about the inputs that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. Each investment is assigned a level based upon the observability of the inputs which are significant to the overall valuation. The three-tier hierarchy of inputs is summarized below:

- Level 1 – observable prices and quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurements falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement.

Investments are valued as follows:

- Investments in investee funds are valued based on reported net asset value per share as provided by the administrators of the investee funds.
- Securities that are listed on a national securities exchange are valued at the last reported sale price on the last business day of the year. In the event that a sale does not occur on the last business day of the year, such securities are valued at the "bid" price as reported by the principal securities exchange on which such securities are traded. To the extent that these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy.
- The fair value of debt instruments is estimated using various techniques, which may consider recently executed transactions in securities of the issuer or comparable issuer, market price quotations (where observable), bond spreads, fundamental data relating to the issuer, and credit default swap spreads adjusted for any basis difference between cash and derivatives instruments. While most debt instruments are categorized in Level 2 of the fair value hierarchy, in instances where lower relative weight is placed on transaction prices, quotations, or similar observable inputs, they are categorized in Level 3 of the fair value hierarchy.

# HSBC Managed Portfolios Limited

## Notes to the Financial Statements (Continued)

for the year ended June 30, 2016

### 2. Significant Accounting Policies (continued)

(c) Derivatives

Forward foreign currency contracts are recorded at fair value at the reporting date. The fair value of forward foreign currency contracts at the reporting date generally reflects the amount that the Fund would receive or pay to terminate the contract at the reporting date. Realized and unrealized changes in fair values are included in realized and change in unrealized gains and losses on derivative contracts in the statements of operations in the period in which the changes occur. Forward foreign currency contracts are categorized in Level 2 of the fair value hierarchy.

Unrealized gains and losses on open forward foreign currency contracts are calculated as the difference between the contract rate and the applicable forward rate based upon rates reported in published sources on the valuation date, applied to the face amount of the forward foreign currency contract.

The Fund has elected to not offset assets and liabilities on its statements of assets and liabilities, including cash, that may be received or paid as part of collateral agreements, even when an enforceable master netting agreement is in place that provides the Fund, in the event of counterparty default, the right to liquidate collateral and the right to offset a counterparty's rights and obligations.

(d) Cash and cash equivalents

Cash and cash equivalents includes cash balances, money market funds and short-term fixed deposits with maturity dates of less than 30 days from the date of purchase.

(e) Interest and dividend income

Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date net of withholding tax.

(f) Rebate income

Rebate income is calculated based on investments in certain investee funds and is recorded on the accrual basis.

(g) Expenses

The Fund bears all operating expenses which are allocated between all Portfolios in proportion to the respective net asset value of each Portfolio unless the expense is solely attributable to a specific Portfolio, whereby it is allocated to that specific Portfolio.

(h) Use of estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

# HSBC Managed Portfolios Limited

## Notes to the Financial Statements (Continued)

for the year ended June 30, 2016

### 2. Significant Accounting Policies (continued)

- (i) Foreign currency translation  
Assets and liabilities denominated in currencies other than the base currency of each Portfolio are translated into the base currency at the rate prevailing at the date of the financial statements. Transactions during the year in currencies other than the base currency have been translated into the base currency at the rate of exchange prevailing on the date of the transaction. Realized and unrealized gains and losses on translation of investment balances are included in the statements of operations under "net realized gain/(loss) on sale of investments and foreign exchange" and "net change in unrealized gain/(loss) on investments and foreign exchange", respectively. All other realized and unrealized gains and losses are included in the line item to which they relate.
- (j) Mandatory redeemable financial instruments  
Financial instruments, mandatorily redeemable at the option of the holder, are classified as liabilities when a redemption request has been received and the redemption amount has been determined.
- (k) Allocation of profits and losses  
All investment income and loss, realized and unrealized gains and losses of each Portfolio are allocated to each class of shares outstanding on a daily basis in proportion to their interest in the net asset value of the Portfolio.
- (l) New accounting pronouncements  
In August 2014, the FASB issued Accounting Standard Update 2014-15, *Presentation of Financial Statements – Going Concern* ("ASU 2014-15") relating to the presentation of financial statements on a going concern basis under U.S GAAP. It sets forth that if conditions or events raise substantial doubt about an entity's ability to continue as a going concern, but the substantial doubt is alleviated as a result of consideration of management's plans, the entity should include a statement in the footnotes indicating that there is substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or available to be issued). Additionally, the entity should disclose information that enables users of the financial statements to understand all of the following: (i) Principal conditions or events that raised substantial doubt about the entity's ability to continue as a going concern (before consideration of management's plans); (ii) management's evaluation of the significance of those conditions or events in relation to the entity's ability to meet its obligations; (iii) management's plans that alleviated substantial doubt about the entity's ability to continue as a going concern. The requirements of the standard are effective for interim and annual reporting periods in fiscal periods that begin after December 15, 2016 with early application permitted. The impact on the Fund's financial statement disclosures is not expected to be material.

In May 2015, the FASB issued Accounting Standards Update No. 2015-07 ("ASU 2015-07"), "Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent)". ASU 2015-07 removes the requirement to categorize within the fair value hierarchy, all investments for which fair value is measured using net asset value per share (or its equivalent) using the practical expedient. ASU 2015-07 is effective for fiscal years beginning on or after December 15, 2016 for private companies, however, early adoption is permitted. The Fund elected to early adopt ASU 2015-07. Accordingly, investments for which fair value is measured using net asset value per share (or its equivalent) as a practical expedient, have not been categorized within the fair value hierarchy.

# HSBC Managed Portfolios Limited

## Notes to the Financial Statements (Continued)

for the year ended June 30, 2016

### 3. Cash and Cash Equivalents and Bank Overdraft

(a) Cash and cash equivalents

Cash and fixed deposit balances are held with the Bank. Cash equivalents comprise investments in HSBC Corporate Money Funds Limited.

	World Selection - 1 USD	World Selection - 2 USD	World Selection - 3 USD	World Selection - 4 USD	World Selection - 5 USD
Cash at bank	258	10,270	10,282	367,015	500,081
Overdraft at bank	-	-	-	-	(428,672)
Money market fund	5,474,655	4,105,031	3,183,985	465,532	-
	5,474,913	4,115,301	3,194,267	832,547	71,409

(b) Bank overdraft

Under an agreement dated October 16, 2006 and amended December 17, 2010, the Bank made an overdraft facility available to the Fund.

For World Selection - 1, the maximum amount that may be advanced is the lesser of the sum of 10% of the Net Assets in Custody ("NVAC") held in the Bank's custody or USD 9,200,000.

For World Selection - 2, the maximum amount that may be advanced is the lesser of the sum of 10% of the Net Assets in Custody ("NVAC") held in the Bank's custody or USD 12,000,000.

For World Selection - 3, the maximum amount that may be advanced is the lesser of the sum of 10% of the Net Assets in Custody ("NVAC") held in the Bank's custody or USD 13,100,000.

For World Selection - 4, the maximum amount that may be advanced is the lesser of the sum of 10% of the Net Assets in Custody ("NVAC") held in the Bank's custody or USD 5,000,000.

For World Selection - 5, the maximum amount that may be advanced is the lesser of the sum of 10% of the Net Assets in Custody ("NVAC") held in the Bank's custody or USD 4,600,000.

Under the terms of the agreement, all assets of the Fund held in the Bank's custody are pledged as security against advances made by the Bank. The amount outstanding is due upon demand and interest is payable on balances drawn at an amount equal to the Bank's base rate plus 125 basis points. At June 30, 2016, USD 428,672 is outstanding under this facility for World Selection - 5.

(c) Foreign exchange transactions facility

Under an agreement dated October 16, 2006 and amended December 9, 2011, the Bank made available a foreign exchange transactions facility to the Fund, up to a maximum of the lesser of USD 100,000,000 or 100% of the Net Asset Value (NAV) of each Portfolio. At June 30, 2016, USD Nil is outstanding under this facility. The facility is collateralized by the Fund's assets held in the Bank's custody.

# HSBC Managed Portfolios Limited

## Notes to the Financial Statements (Continued)

for the year ended June 30, 2016

#### 4. Manager

Under an agreement dated August 29, 2002 and amended on October 11, 2006, the Manager is entitled to receive a quarterly fee calculated at a rate outlined below of the average of the weekly value of the net assets of each of the Portfolios during the quarter. If the current fee rate is to be changed, notice must first be given to the Fund and Shareholders.

The maximum management fee permitted under the terms of the amended agreement is 2.50% per annum in the case of each Class. The fee rates incurred during the year were as follows:

Portfolio	Class	Rate
World Selection - 1	AC	1.35%
World Selection - 1	AD	1.35%
World Selection - 1	IC	1.25%
World Selection - 1	LC	1.35%
World Selection - 1	ID	1.25%
World Selection - 2	AC	1.75%
World Selection - 2	AD	1.75%
World Selection - 2	IC	1.45%
World Selection - 2	LC	1.75%
World Selection - 3	AC	1.75%
World Selection - 3	AD	1.75%
World Selection - 3	IC	1.45%
World Selection - 3	LC	1.75%
World Selection - 4	AC	1.75%
World Selection - 4	IC	1.45%
World Selection - 4	LC	1.75%
World Selection - 5	AC	1.75%
World Selection - 5	IC	1.45%
World Selection - 5	LC	1.75%

The fees payable to the Custodian and Administrator by the Fund will proportionately reduce amounts payable by the Fund to the Manager (see also note 15). For the year ended June 30, 2016, the Manager invested certain of the Fund's assets in various other HSBC Funds. In respect of investments in other HSBC funds, the Manager waives from the quarterly fee the amount of the management fee of the underlying fund.

#### 5. Administrator

Under an agreement dated August 29, 2002 between the Fund and HSBC Securities Services (Bermuda) Limited (the "Administrator"), a wholly-owned subsidiary of the Bank, the Administrator agreed to act as share registrar, transfer agent, secretary and to provide Foreign Account Tax Compliance Act (FATCA) assistance services, accounting and administrative services to the Fund. The Administrator is entitled to receive fees from the Fund for services provided as agreed from time to time between the Fund and the Administrator out of fees payable to the Manager.

The Administrator is also entitled to receive an amount equal to the out-of-pocket expenses incurred in carrying out its duties.

# HSBC Managed Portfolios Limited

## Notes to the Financial Statements (Continued)

for the year ended June 30, 2016

### 6. Custodian

Under an agreement effective October 2, 2006, HSBC Institutional Trust Services (Bermuda) Limited was appointed as Custodian for the Fund. The Custodian is entitled to receive fees from the Fund for services provided at such rates agreed from time to time between the Fund and the Custodian out of fees payable to the Manager. The Custodian fees are charged on a per transaction basis.

The Custodian is also entitled to receive an amount equal to the out-of-pocket expenses incurred in carrying out its duties.

### 7. Taxation

At the present time no income, corporation profit or capital gains taxes are levied in Bermuda and accordingly no provision for such taxes has been recorded by the Fund. In the event that such taxes are levied, the Fund received an undertaking from the Bermuda Government under the Exempted Undertaking Tax Protection Act 1966, exempting it from all such taxes until March 31, 2035.

### 8. Directors' Fees

Each of the Directors is entitled to receive from the Fund a fee at such rate as may be set from time to time by the Board of Directors, provided such remuneration shall not exceed an aggregate of USD 30,000 per annum without prior consent of the shareholders in a general meeting. The Directors may also be reimbursed for all travel, hotel and other expenses properly incurred by them in attending meetings of the Fund. No such fees will be payable where the Director is employed by the Bank or any of its subsidiaries or affiliates.

For the year ended June 30, 2016, Mr. L. Anthony Joaquin and Ms. Julie E. McLean each received Director's fee at an annual rate of USD 5,000.

### 9. Directors' Interests

As at June 30, 2016, the Directors of the Fund had the following holdings:

<b>Director</b>	<b>Portfolio</b>	<b>Number of Shares</b>
Faith Outerbridge (HBBM Pension)	World Selection - 1	365
	World Selection - 5	2,572
Anthony Riker	World Selection - 2	3,296
Julie McLean	World Selection - 1	39
	World Selection - 5	403

# HSBC Managed Portfolios Limited

## Notes to the Financial Statements (Continued)

for the year ended June 30, 2016

### 10. Share Capital

The present authorized share capital of USD 100,000 of the Fund is divided into 9,999,900 voting participating shares ("Shares") of USD 0.01 par value each and 100 founders' shares of USD 0.01 par value each. The Manager holds all of the founders' shares, USD nil paid. The founders' shares do not have any voting or other rights and are only entitled to the return of capital paid upon winding up. Participating shares may be subscribed for and redeemed on a weekly basis. Shareholders requesting redemption of shares must give prior written notice and should be received by the Administrator by 12:00 noon (Bermuda time) on Wednesday of each week and/or such other day or days as the Manager may determine.

	World Selection - 1 Class AC	World Selection - 1 Class AD	World Selection - 1 Class IC	World Selection - 1 Class LC	World Selection - 1 Class ID
Shares in issue July 1, 2015	92,546	68,081	178,974	21,435	275,825
Shares issued during the year	3,029	2,134	10,428	4,593	23,278
Shares redeemed during the year	(16,889)	(9,178)	(26,711)	(7,771)	(57,018)
Shares in issue June 30, 2016	78,686	61,037	162,691	18,257	242,085

	World Selection - 2 Class AC	World Selection - 2 Class AD	World Selection - 2 Class IC	World Selection - 2 Class LC
Shares in issue July 1, 2015	216,954	17,392	499,576	10,856
Shares issued during the year	8,850	490	41,164	4,083
Shares redeemed during the year	(27,306)	(224)	(55,024)	(2,482)
Shares in issue June 30, 2016	198,498	17,658	485,716	12,457

	World Selection - 3 Class AC	World Selection - 3 Class AD	World Selection - 3 Class IC	World Selection - 3 Class LC
Shares in issue July 1, 2015	280,533	18,138	449,170	36,994
Shares issued during the year	12,887	178	49,095	10,134
Shares redeemed during the year	(45,251)	(568)	(65,685)	(7,683)
Shares in issue June 30, 2016	248,169	17,748	432,580	39,445

	World Selection - 4 Class AC	World Selection - 4 Class IC	World Selection - 4 Class LC
Shares in issue July 1, 2015	131,657	142,360	34,686
Shares issued during the year	6,834	13,646	10,177
Shares redeemed during the year	(40,688)	(24,395)	(8,420)
Shares in issue June 30, 2016	97,803	131,611	36,443



HSBC Managed Portfolios Limited  
Notes to the Financial Statements (Continued)  
for the year ended June 30, 2016

10. Share Capital (continued)

	World Selection - 5 Class AC	World Selection - 5 Class IC	World Selection - 5 Class LC
Shares in issue July 1, 2015	53,978	168,170	32,895
Shares issued during the year	6,758	12,758	6,918
Shares redeemed during the year	(8,684)	(27,721)	(6,603)
Shares in issue June 30, 2016	52,052	153,207	33,210

11. Cost of Investments

Cost of Investments as at June 30, 2016	USD
World Selection - 1	81,721,893
World Selection - 2	114,719,227
World Selection - 3	129,160,877
World Selection - 4	49,670,540
World Selection - 5	46,227,073

12. Derivative financial instruments and risk

In the normal course of its business, the Fund may use forward foreign currency contracts to hedge its foreign currency exposure. The Fund attempts to protect itself against any adverse changes in foreign currencies to US Dollar rate. As such it is also precluded from participating in favorable exchange rate movements. Although the Fund attempts to minimize its foreign currency exposure, some unhedged foreign currency exposure may occur.

Forward foreign currency contracts are over-the-counter contractual commitments to purchase or sell a specified amount of foreign currency at a future date at a predetermined price. Forward foreign currency contracts expose the Fund to credit risk, which arises from the potential inability of counterparties to perform under the terms of the contract. Forward foreign currency contracts also expose the Fund to market risk to the extent that adverse changes occur in the exchange rate of underlying foreign currency that a perfect hedge is not achieved.

HSBC Managed Portfolios Limited  
Notes to the Financial Statements (Continued)  
for the year ended June 30, 2016

12. Derivative financial instruments and risk (continued)

At June 30, 2016, the notional amount of the Fund's derivative financial instruments are as follows:

	World Selection - 1 USD	World Selection - 2 USD	World Selection - 3 USD	World Selection - 4 USD	World Selection - 5 USD
<b>Forward foreign currency exchange contracts</b>					
Long exposure	3,290,000	5,300,000	8,060,000	3,730,000	3,500,000
Short exposure	580,000	660,000	400,000	200,000	180,000
	3,870,000	5,960,000	8,460,000	3,930,000	3,680,000

The Fund recognizes derivative financial instruments in an asset or liability position in the statements of assets and liabilities on a gross basis. The following table identifies the fair value amounts of derivative instruments included on the statements of assets and liabilities as derivative contracts at fair value as of June 30, 2016.

	World Selection - 1 USD	World Selection - 2 USD	World Selection - 3 USD	World Selection - 4 USD	World Selection - 5 USD
Location on the statements of assets and liabilities					
<b>Derivative Assets</b>					
Forward foreign currency exchange contracts	34,050	52,087	55,734	24,523	22,851
<b>Derivative Liabilities</b>					
Forward foreign currency exchange contracts	30,079	40,106	67,102	34,532	32,043
Net position	3,971	11,981	(11,368)	(10,009)	(9,192)
Cash collateral pledged	-	-	-	-	-
Net amount	3,971	11,981	(11,368)	(10,009)	(9,192)

# HSBC Managed Portfolios Limited

## Notes to the Financial Statements (Continued)

for the year ended June 30, 2016

### 12. Derivative financial instruments and risk (continued)

The following is a summary of the net realized and change in unrealized gains and losses attributable to derivative financial instruments for the year ended June 30, 2016:

	World Selection - 1 USD	World Selection - 2 USD	World Selection - 3 USD	World Selection - 4 USD	World Selection - 5 USD
<b>Net realized loss</b>					
Forward foreign currency exchange contracts	(141,990)	(241,524)	(452,286)	(192,417)	(195,471)
<b>Net change in unrealized (loss)/gain</b>					
Forward foreign currency exchange contracts	(2,239)	10,084	(3,786)	(4,675)	(6,918)
<b>Net realized and change in unrealized (loss)/gain</b>	<b>(144,229)</b>	<b>(231,440)</b>	<b>(456,072)</b>	<b>(197,092)</b>	<b>(202,389)</b>

#### Offsetting assets and liabilities

As at June 30, 2016, the Fund is subject to master netting arrangements with the counterparties to the forward foreign currency contracts. No financial assets or liabilities, subject to enforceable master netting arrangements or similar arrangements, are presented on a net basis in the statements of assets and liabilities of the Fund as at June 30, 2016. The gross amounts of unrealized gains and losses on forward foreign currency contracts, are disclosed in statements of net assets.

### 13. Financial Instruments and Associated Risks

#### Price Risk

Price risk arises primarily from uncertainty around the future prices of financial instruments held by the Fund and represents the loss the Fund might incur through holding such instruments in the face of price movements. The Manager allocates the Fund's portfolio of investments with a view to minimizing the risk associated with particular countries and industry sectors.

#### Currency Risk

Currency risk is the risk that future changes in exchange rates will make financial instruments held by the Fund less valuable. Substantially all the investments of each Portfolio are denominated in the related base currency thus minimizing currency risk.

#### Interest Rate Risk

The Fund is exposed to interest rate risk to the extent that the fair value of the Fund's financial instruments may fluctuate with movements in interest rates. The Fund manages interest rate risk by investing in short duration debt instruments. The Fund may invest in other investment companies exposed to significant interest rate risk. The Fund's exposure to interest rate risk through its investment in investee funds is limited to its investment in such funds.

# HSBC Managed Portfolios Limited

## Notes to the Financial Statements (Continued)

for the year ended June 30, 2016

### 13. Financial Instruments and Associated Risks (continued)

#### Liquidity Risk

The Fund mainly invests in funds managed by an HSBC Group affiliate. The Fund invests in other investment companies that are not publicly traded or for which there is no liquid market. The Fund is exposed to liquidity risk to the extent that it is unable to realize its positions to meet liabilities and redemptions as they fall due in a timely and favorable manner. The liquidity profile of the Fund's investment portfolio as at June 30, 2016 is disclosed in the statements of net assets. The Fund manages liquidity risk by investing mainly in funds with daily redemptions.

#### Credit Risk

Credit risk is the risk that a counterparty will fail to discharge its obligation or commitment related to a financial instrument it has issued. Financial assets that potentially expose the Fund to credit risk consist primarily of cash and cash equivalents, investments, due from broker and dividends and rebates receivable. The extent of the Fund's exposure to credit risk in respect of these financial assets approximate the carrying values as recorded in the statements of assets and liabilities. Credit risk is managed by dealing with reputable counterparties.

#### Investments in Other Investment Funds

The investments in other investment funds (the "investee funds") are valued at their fair value. The fair value represents the amount the Fund would have received at June 30, 2016 if it had liquidated its investments. The Fund has the ability to liquidate its investments periodically depending on the provisions of the respective investee funds' offering documents.

World Selection - 1 – USD, World Selection - 2 – USD, World Selection - 3 – USD, World Selection - 4 – USD and World Selection - 5 – USD had invested 77%, 75%, 50%, 28% and 14%, respectively, as of June 30, 2016 of their net assets in HSBC Global Investment Funds, a fund managed by HSBC Investment Funds (Luxembourg) S.A. and administered by RBC Investor Services Bank S.A. HSBC Global Investment Funds is an open ended investment company with multiple sub-funds organized under the laws of Luxembourg and offers several portfolios with various investment objectives through investing in global government bonds, corporate bonds and emerging market debt. The Fund and HSBC Global Investment Funds are related due to having investment managers under common control.

World Selection - 1 – USD, World Selection - 2 – USD, World Selection - 3 – USD, World Selection - 4 – USD and World Selection - 5 – USD had invested 6%, 13%, 33%, 45% and 44%, respectively, as of June 30, 2016 of their net assets in HSBC Index Tracker Investment Funds, a fund managed and administered by HSBC Global Asset Management (UK). HSBC Index Tracker Investment Funds is authorized and regulated by the Financial Services Authority and is structured as an "umbrella" company, in that the company proposes to issue shares linked to different funds which have been established with various investment objectives through investing in various index related investments. The Fund and HSBC Index Tracker Investment Funds are related due to having investment managers under common control.

The investee funds in which the Fund has invested utilize a variety of financial instruments in their trading strategies including equity and debt securities of both U.S. and foreign issuers, options, futures contracts, forward contracts, and swap contracts. Several of these financial instruments contain varying degrees of off-balance sheet risk whereby changes in the market value of the securities underlying the financial instruments may be in excess of the amounts recorded on each investee fund's balance sheet. However, due to the nature of the Fund's interests in the investee funds, such risks are limited to the Fund's investment in each investee fund.

# HSBC Managed Portfolios Limited

## Notes to the Financial Statements (Continued)

for the year ended June 30, 2016

### 13. Financial Instruments and Associated Risks (continued)

#### Investments in Other Investment Funds (continued)

At June 30, 2016, the Fund held positions in investee funds which utilized the following investment strategies as disclosed in the statements of net assets:

**Bonds** – This strategy mainly holds long bond positions in selective investee funds and government bonds with varying degrees of yield.

**Equities** – This strategy mainly holds long equity positions and the manager may have a geographical or sector specific focus.

The agreements relating to investments in investee funds provide for compensation to the investment managers in the form of management fees generally ranging from 0.04% to 1.50% per annum of net assets.

Complete information about the underlying investments held by the investee funds is not readily available, so it is unknown whether the investee funds hold any single investment whereby the Portfolio's proportionate share exceeds 5% of the respective Portfolio's net assets as of June 30, 2016.

### 14. Dividends

The Directors' intention is to declare semi-annual dividends with respect to the Class A - Dividend Share Class of each of the World Selection - 1, World Selection - 2, and the World Selection - 3 Portfolios and the Class I Dividend Share Class of the World Selection - 1 Portfolio. There were no dividends declared pertaining to World Selection - 4 Portfolio and World Selection - 5 Portfolio.

During the year ended June 30, 2016, the Directors of the Fund did not declare any dividends with respect to the World Selection - 1 Portfolio, World Selection - 2 Portfolio and World Selection - 3 Portfolio.

The Directors are empowered to declare and pay dividends on any Class of Shares in the Fund. It is intended that the majority of each of the World Selection - 1 Portfolio's, World Selection - 2 Portfolio's and the World Selection - 3 Portfolio's net investment income, in Class AD and the World Selection - 1 Portfolio's net investment income, in Class ID that is income from dividends, interest or otherwise, less that Portfolio's incurred expenses, will be distributed by way of dividend.

### 15. Management and Administration Fees

	World Selection - 1 USD	World Selection - 2 USD	World Selection - 3 USD	World Selection - 4 USD	World Selection - 5 USD
Class AC management and administration fees	184,706	585,338	785,207	363,650	168,183
Class AD management and administration fees	128,606	45,200	51,785	-	-
Class IC management and administration fees	349,607	1,210,420	1,132,912	384,491	460,158
Class LC management and administration fees	43,365	33,165	114,284	120,214	109,288
Class ID management and administration fees	498,702	-	-	-	-
<b>Total management and administration fees</b>	<b>1,204,986</b>	<b>1,874,123</b>	<b>2,084,188</b>	<b>868,355</b>	<b>737,629</b>
Management and administration fees payable	582,196	840,356	962,605	368,264	373,719

HSBC Managed Portfolios Limited  
Notes to the Financial Statements (Continued)  
for the year ended June 30, 2016

**16. Fair Value Measurements**

The following table summarizes the valuation of the Fund's investments by investment type within each Portfolio by the fair value hierarchy levels as of June 30, 2016:

**World Selection – 1**

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investments in securities, at fair value:				
Bonds	\$ -	\$ 4,831,509	\$ -	\$ 4,831,509
Equities	5,590,505	-	-	5,590,505
Total investments in securities, at fair value	5,590,505	4,831,509	-	10,422,014
Investments in investee funds, measured at net asset value <sup>1</sup>	-	-	-	73,226,854
Derivative contracts, at fair value:				
Unrealized gains on forward foreign currency contracts	-	34,050	-	34,050
Total derivative contracts, at fair value	-	34,050	-	34,050
Cash equivalents	5,474,655	-	-	5,474,655
<b>Total</b>	<b>\$ 11,065,160</b>	<b>\$ 4,865,559</b>	<b>\$ -</b>	<b>\$ 89,157,573</b>
<b>Liabilities</b>				
Derivative contracts, at fair value:				
Unrealized losses on forward foreign currency contracts	\$ -	\$ (30,079)	\$ -	\$ (30,079)
Total derivative contracts, at fair value	-	(30,079)	-	(30,079)
<b>Total</b>	<b>\$ -</b>	<b>\$ (30,079)</b>	<b>\$ -</b>	<b>\$ (30,079)</b>

<sup>1</sup> The Fund has early adopted ASU 2015-07, which removes the requirement to categorize within the fair value hierarchy, all investments for which fair value is measured using the net asset value per share (or its equivalent) practical expedient.

HSBC Managed Portfolios Limited  
Notes to the Financial Statements (Continued)  
for the year ended June 30, 2016

16. Fair Value Measurements (continued)

World Selection – 2

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investments in securities, at fair value:				
Bonds	\$ -	\$ 2,579,980	\$ -	\$ 2,579,980
Equities	8,765,356	-	-	8,765,356
Total investments in securities, at fair value	8,765,356	2,579,980	-	11,345,336
Investments in investee funds, measured at net asset value <sup>1</sup>	-	-	-	104,715,851
Derivative contracts, at fair value:				
Unrealized gains on forward foreign currency contracts	-	52,087	-	52,087
Total derivative contracts, at fair value	-	52,087	-	52,087
Cash equivalents	4,105,031	-	-	4,105,031
<b>Total</b>	<b>\$ 12,870,387</b>	<b>\$ 2,632,067</b>	<b>\$ -</b>	<b>\$ 120,218,305</b>
<b>Liabilities</b>				
Derivative contracts, at fair value:				
Unrealized losses on forward foreign currency contracts	\$ -	\$ (40,106)	\$ -	\$ (40,106)
Total derivative contracts, at fair value	-	(40,106)	-	(40,106)
<b>Total</b>	<b>\$ -</b>	<b>\$ (40,106)</b>	<b>\$ -</b>	<b>\$ (40,106)</b>

<sup>1</sup> The Fund has early adopted ASU 2015-07, which removes the requirement to categorize within the fair value hierarchy, all investments for which fair value is measured using the net asset value per share (or its equivalent) practical expedient.

HSBC Managed Portfolios Limited  
Notes to the Financial Statements (Continued)  
for the year ended June 30, 2016

16. Fair Value Measurements (continued)

World Selection – 3

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investments in securities, at fair value:				
Bonds	\$ -	\$ 2,579,981	\$ -	\$ 2,579,981
Equities	16,919,765	-	-	16,919,765
Total investments in securities, at fair value	16,919,765	2,579,981	-	19,499,746
Investments in investee funds, measured at net asset value <sup>1</sup>	-	-	-	107,678,319
Derivative contracts, at fair value:				
Unrealized gains on forward foreign currency contracts	-	55,734	-	55,734
Total derivative contracts, at fair value	-	55,734	-	55,734
Cash equivalents	3,183,985	-	-	3,183,985
<b>Total</b>	<b>\$ 20,103,750</b>	<b>\$ 2,635,715</b>	<b>\$ -</b>	<b>\$ 130,417,784</b>
<b>Liabilities</b>				
Derivative contracts, at fair value:				
Unrealized losses on forward foreign currency contracts	\$ -	\$ (67,102)	\$ -	\$ (67,102)
Total derivative contracts, at fair value	-	(67,102)	-	(67,102)
<b>Total</b>	<b>\$ -</b>	<b>\$ (67,102)</b>	<b>\$ -</b>	<b>\$ (67,102)</b>

<sup>1</sup> The Fund has early adopted ASU 2015-07, which removes the requirement to categorize within the fair value hierarchy, all investments for which fair value is measured using the net asset value per share (or its equivalent) practical expedient.



HSBC Managed Portfolios Limited  
Notes to the Financial Statements (Continued)  
for the year ended June 30, 2016

16. Fair Value Measurements (continued)

World Selection - 4	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investments in securities, at fair value:				
Equities	\$ 12,227,851	\$ -	\$ -	\$ 12,227,851
Total investments in securities, at fair value	12,227,851	-	-	12,227,851
Investments in investee funds, measured at net asset value <sup>1</sup>	-	-	-	35,165,377
Derivative contracts, at fair value:				
Unrealized gains on forward foreign currency contracts	-	24,523	-	24,523
Total derivative contracts, at fair value	-	24,523	-	24,523
Cash equivalents	465,532	-	-	465,532
<b>Total</b>	<b>\$ 12,693,383</b>	<b>\$ 24,523</b>	<b>\$ -</b>	<b>\$ 47,883,283</b>
<b>Liabilities</b>				
Derivative contracts, at fair value:				
Unrealized losses on forward foreign currency contracts	\$ -	\$ (34,532)	\$ -	\$ (34,532)
Total derivative contracts, at fair value	-	(34,532)	-	(34,532)
<b>Total</b>	<b>\$ -</b>	<b>\$ (34,532)</b>	<b>\$ -</b>	<b>\$ (34,532)</b>

<sup>1</sup> The Fund has early adopted ASU 2015-07, which removes the requirement to categorize within the fair value hierarchy, all investments for which fair value is measured using the net asset value per share (or its equivalent) practical expedient.

HSBC Managed Portfolios Limited  
Notes to the Financial Statements (Continued)  
for the year ended June 30, 2016

16. Fair Value Measurements (continued)

World Selection - 5	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investments in securities, at fair value:				
Equities	\$ 18,371,389	\$ -	\$ -	\$ 18,371,389
Total investments in securities, at fair value	18,371,389	-	-	18,371,389
Investments in investee funds, measured at net asset value <sup>1</sup>	-	-	-	25,158,913
Derivative contracts, at fair value:				
Unrealized gains on forward foreign currency contracts	-	22,851	-	22,851
Total derivative contracts, at fair value	-	22,851	-	22,851
<b>Total</b>	<b>\$ 18,371,389</b>	<b>\$ 22,851</b>	<b>\$ -</b>	<b>\$ 43,553,153</b>
<b>Liabilities</b>				
Derivative contracts, at fair value:				
Unrealized losses on forward foreign currency contracts	\$ -	\$ (32,043)	\$ -	\$ (32,043)
Total derivative contracts, at fair value	-	(32,043)	-	(32,043)
<b>Total</b>	<b>\$ -</b>	<b>\$ (32,043)</b>	<b>\$ -</b>	<b>\$ (32,043)</b>

<sup>1</sup> The Fund has early adopted ASU 2015-07, which removes the requirement to categorize within the fair value hierarchy, all investments for which fair value is measured using the net asset value per share (or its equivalent) practical expedient.

HSBC Managed Portfolios Limited  
Notes to the Financial Statements (Continued)  
for the year ended June 30, 2016

16. Fair Value Measurements (continued)

The Fund's policy is to recognize transfers into and out of various levels of the fair value hierarchy as at the actual date of the event or change in circumstances that caused the transfer. No transfers were made between Levels 1, 2 or 3 of the fair value hierarchy during the year ended June 30, 2016.

17. Financial Highlights

**Schedule of Financial Highlights for World Selection - 1  
for the year ended June 30, 2016**

	USD				
	Class AC	Class AD	Class IC	Class LC	Class ID
<b>Selected per share data</b>					
Net asset value at beginning of the year	158.24	146.78	158.34	158.24	146.87
<b>Income from investment operations</b>					
Net investment income	0.51	0.47	0.66	0.51	0.62
Net realized and change in unrealized gains on investments and derivative contracts	3.84	3.57	3.86	3.85	3.57
Total from investment operations	4.35	4.04	4.52	4.36	4.19
Net asset value at end of the year	162.59	150.82	162.86	162.60	151.06
Total return	2.75 %	2.75 %	2.85 %	2.75 %	2.85 %
<b>Ratios to average net assets</b>					
Total expenses	1.41 %	1.41 %	1.31 %	1.41 %	1.31 %
Net investment income	0.41 %	0.39 %	0.45 %	0.40 %	0.46 %
<b>Supplemental data</b>					
Net assets at end of the year	12,793,753	9,205,649	26,495,354	2,968,511	36,568,874

HSBC Managed Portfolios Limited  
Notes to the Financial Statements (Continued)  
for the year ended June 30, 2016

17. Financial Highlights (continued)

**Schedule of Financial Highlights for World Selection - 2  
for the year ended June 30, 2016**

	USD			
	Class AC	Class AD	Class IC	Class LC
<b>Selected per share data</b>				
Net asset value at beginning of the year	160.37	145.64	165.32	160.37
<b>Income from investment operations</b>				
Net investment income	0.10	0.09	0.59	0.10
Net realized and change in unrealized gains on investments and derivative contracts	2.72	2.47	2.82	2.72
Total from investment operations	2.82	2.56	3.41	2.82
Net asset value at end of the year	163.19	148.20	168.73	163.19
Total return	1.76 %	1.76 %	2.06 %	1.76 %
<b>Ratios to average net assets</b>				
Total expenses	1.80 %	1.80 %	1.50 %	1.80 %
Net investment income/(loss)	0.12 %	0.04 %	0.36 %	(0.01) %
<b>Supplemental data</b>				
Net assets at end of the year	32,392,147	2,617,001	81,956,806	2,032,850

HSBC Managed Portfolios Limited  
Notes to the Financial Statements (Continued)  
for the year ended June 30, 2016

17. Financial Highlights (continued)

**Schedule of Financial Highlights for World Selection - 3  
for the year ended June 30, 2016**

	USD			
	Class AC	Class AD	Class IC	Class LC
<b>Selected per share data</b>				
Net asset value at beginning of the year	174.67	169.49	179.28	174.67
<b>Loss from investment operations</b>				
Net investment income	0.63	0.61	1.17	0.63
Net realized and change in unrealized losses on investments and derivative contracts	<u>(2.35)</u>	<u>(2.28)</u>	<u>(2.40)</u>	<u>(2.35)</u>
Total from investment operations	<u>(1.72)</u>	<u>(1.67)</u>	<u>(1.23)</u>	<u>(1.72)</u>
Net asset value at end of the year	<u>172.95</u>	<u>167.82</u>	<u>178.05</u>	<u>172.95</u>
Total return	(0.98) %	(0.98) %	(0.69) %	(0.98) %
<b>Ratios to average net assets</b>				
Total expenses	1.79 %	1.79 %	1.49 %	1.79 %
Net investment income	0.40 %	0.38 %	0.70 %	0.36 %
<b>Supplemental data</b>				
Net assets at end of the year	42,920,985	2,978,463	77,019,940	6,822,106

**Schedule of Financial Highlights for World Selection - 4  
for the year ended June 30, 2016**

	USD		
	Class AC	Class IC	Class LC
<b>Selected per share data</b>			
Net asset value at beginning of the year	185.94	190.86	185.94
<b>Loss from investment operations</b>			
Net investment income	0.31	0.86	0.31
Net realized and change in unrealized losses on investments and derivative contracts	<u>(7.83)</u>	<u>(8.03)</u>	<u>(7.83)</u>
Total from investment operations	<u>(7.52)</u>	<u>(7.17)</u>	<u>(7.52)</u>
Net asset value at end of the year	<u>178.42</u>	<u>183.69</u>	<u>178.42</u>
Total return	(4.04) %	(3.76) %	(4.04) %
<b>Ratios to average net assets</b>			
Total expenses	1.90 %	1.61 %	1.91 %
Net investment income	0.18 %	0.49 %	0.16 %
<b>Supplemental data</b>			
Net assets at end of the year	17,449,892	24,175,715	6,502,145

HSBC Managed Portfolios Limited  
Notes to the Financial Statements (Continued)  
for the year ended June 30, 2016

17. Financial Highlights (continued)

Schedule of Financial Highlights for World Selection - 5  
for the year ended June 30, 2016

	USD		
	Class AC	Class IC	Class LC
<b>Selected per share data</b>			
Net asset value at beginning of the year	193.07	193.32	193.07
<b>Loss from investment operations</b>			
Net investment income	0.80	1.36	0.81
Net realized and change in unrealized losses on investments and derivative contracts	<u>(12.41)</u>	<u>(12.43)</u>	<u>(12.42)</u>
Total from investment operations	<u>(11.61)</u>	<u>(11.07)</u>	<u>(11.61)</u>
Net asset value at end of the year	<u>181.46</u>	<u>182.25</u>	<u>181.46</u>
Total return	(6.01) %	(5.73) %	(6.01) %
<b>Ratios to average net assets</b>			
Total expenses	1.86 %	1.56 %	1.86 %
Net investment income	0.48 %	0.76 %	0.45 %
<b>Supplemental data</b>			
Net assets at end of the year	9,445,322	27,922,485	6,026,331

An individual shareholder's return may vary from the above, based on the timing of subscriptions and redemptions.

18. Subsequent Events

The Directors have assessed and evaluated all subsequent events arising from the date of statements of assets and liabilities up until September 26, 2016 and have concluded that no additional disclosures are required.

# HSBC Managed Portfolios Limited

## Management and Administration

for the year ended June 30, 2016

### Directors and Officers

L. Anthony Joaquin, President  
Retired Managing Partner  
Ernst & Young

Faith Outerbridge, Vice President  
Head of Global Asset Management  
HSBC Bank Bermuda Limited

Wayne P. Chapman, Director  
(Resigned: February 16, 2016)  
Head of Group Private Banking  
HSBC Bank Bermuda Limited

Julie E. McLean, Director  
Conyers, Dill & Pearman Limited

Anthony T. Riker, Director  
(Appointed: February 16, 2016)  
Vice President & Business Development Manager  
HSBC Bank Bermuda Limited

### Secretary and Registered Office

HSBC Securities Services (Bermuda) Limited  
6 Front Street  
Hamilton HM 11, Bermuda

### Manager

HSBC Global Asset Management (Bermuda) Limited  
6 Front Street  
Hamilton HM 11, Bermuda

### Custodian

HSBC Institutional Trust Services (Bermuda) Limited  
6 Front Street  
Hamilton HM 11, Bermuda

### Banker

HSBC Bank Bermuda Limited  
6 Front Street  
Hamilton HM 11, Bermuda

### Administrator

HSBC Securities Services (Bermuda) Limited  
6 Front Street  
Hamilton HM 11, Bermuda

### Auditors

KPMG Audit Limited  
Crown House  
4 Par-la-Ville Road  
Hamilton HM 08, Bermuda

### Legal Advisers

Conyers Dill & Pearman Limited  
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