

# HSBC Managed Portfolios Limited

Annual Report June 2015

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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 17, 2015 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, 2015

## Annual Report Review 2015

### Managed Portfolios

In the closing months of 2014, an end to the Federal Reserve's quantitative easing program, slowing European growth, the Ukraine–Russian crisis and the spread of the Ebola virus dominated the news and helped trigger an equity sell-off in October. Global markets remained volatile into 2015 with equities generally recovering in February and ending mostly flat for the fiscal year. Emerging Markets followed a similar path however weak growth figures from China dampened returns for the sector in the final quarter. Bond yields stayed low as the Fed remained data defendant and the Eurozone and Japan began their own quantitative easing programs.

The portfolios were mixed for the fiscal year with the more conservative strategies having the strongest performances. Global corporate bonds and US equities were among the best performing sectors while Emerging Market bonds in local currency, European equities and Emerging Market equities were among the weakest performers. Allocations were shifted during the course of the year with the elimination of private equity, commodities and alternative hedge funds from our strategic models. On a more short term tactical basis, exposures to sterling, euro and yen within equities were hedged back into US dollars and an overweight bias towards global corporate bonds and high yield bonds was maintained.

Looking forward we continue to have a more favorable view of equities over bonds however given the recent richness in valuations we've cut back the overweight bias towards equities within the portfolios. The US is likely to start increasing interest rates within the latter half of 2015 while the European Central Bank and Bank of Japan are likely to continue with their quantitative easing programs. As such we have a positive bias towards European and Japanese equity however we will likely continue to hedge the currencies back into US dollars during this time. Emerging markets are experiencing a slow-down in growth led by China and as such we are cautious on this sector. Within bonds we continue to have a positive bias towards global corporate bonds and high yield bonds while being cautious on Emerging Market bonds and government bonds particularly at a time when the US is looking to increase interest rates.

HSBC Global Asset Management (Bermuda) Limited – September 2015

*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 Auditors' 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, 2015, and the related statements of operations and changes in net assets for the year ended June 30, 2015, for World Selection – 2, World Selection – 3 and World Selection – 4 and the period from August 27, 2014 (commencement of operations) to June 30, 2015 for World Selection – 1 and World Selection – 5, 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.

### ***Auditors' 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 auditors' 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, 2015, and the results of its operations for the year ended June 30, 2015 for World Selection – 2, World Selection – 3 and World Selection – 4 and the period from August 27, 2014 (commencement of operations) to June 30, 2015 for World Selection – 1 and World Selection – 5 in accordance with U.S. generally accepted accounting principles.

*KPMG Audit Limited*

Chartered Professional Accountants  
Hamilton, Bermuda  
September 17, 2015

# HSBC Managed Portfolios Limited

## Statements of Assets and Liabilities

as at June 30, 2015

	World Selection - 1*	World Selection - 2**	World Selection - 3**	World Selection - 4**	World Selection - 5*
	USD	USD	USD	USD	USD
<b>Assets</b>					
Investments, at fair value (notes 3, 11, 13 & 17)	94,041,426	120,101,983	136,252,191	57,225,923	48,276,768
Cash and cash equivalents (notes 3 & 17)	3,064,684	1,874,627	3,516,485	1,665,552	-
Derivative contracts, at fair value (notes 12, 13 & 17)	13,581	22,356	32,583	15,425	12,016
Due from broker	1,548,420	2,515,200	2,593,800	716,635	2,135,539
Rebates receivable (note 15)	-	79,272	82,328	49,713	-
Interest receivable	62,645	-	-	-	-
Prepaid expenses	-	527	4,108	404	-
	98,730,756	124,593,965	142,481,495	59,673,652	50,424,323
<b>Liabilities</b>					
Bank overdraft (note 3)	-	-	-	-	21,150
Derivative contracts, at fair value	7,371	20,459	40,165	20,759	14,291
Due to broker	1,201,304	1,773,354	2,337,764	858,074	686,459
Management and administration fees payable (notes 4, 5 & 16)	364,782	521,841	633,811	298,323	284,875
Redemptions payable	266,648	590,145	368,049	380,640	118,022
Accounts payable and accrued expenses	14,158	32,243	35,732	14,805	15,997
	1,854,263	2,938,042	3,415,521	1,572,601	1,140,794
Net assets	96,876,493	121,655,923	139,065,974	58,101,051	49,283,529
<b>Net assets attributable to:</b>					
Class AC shares	14,644,284	34,792,067	49,001,981	24,480,487	10,421,310
Class AD shares	9,992,992	2,532,971	3,074,128	-	-
Class IC shares	28,338,167	82,589,917	80,527,954	27,171,089	32,511,283
Class LC shares	3,391,866	1,740,968	6,461,911	6,449,475	6,350,936
Class ID shares	40,509,184	-	-	-	-
	96,876,493	121,655,923	139,065,974	58,101,051	49,283,529
<b>Shares outstanding (note 10)</b>					
Class AC Shares	92,546	216,954	280,533	131,657	53,978
Class AD Shares	68,081	17,392	18,138	-	-
Class IC Shares	178,974	499,576	449,170	142,360	168,170
Class LC Shares	21,435	10,856	36,994	34,686	32,895
Class ID Shares	275,825	-	-	-	-
<b>Net asset value per share</b>					
Class AC Shares	158.24	160.37	174.67	185.94	193.07
Class AD Shares	146.78	145.64	169.49	-	-
Class IC Shares	158.34	165.32	179.28	190.86	193.32
Class LC Shares	158.24	160.37	174.67	185.94	193.07
Class ID Shares	146.87	-	-	-	-

\*Launched on August 27, 2014.

\*\*World Selection - 2, World Selection - 3 and World Selection - 4 formerly known as World Selection - Cautious, World Selection - Balanced and World Selection - Dynamic respectively.

The accompanying notes form an integral part of these Financial Statements

  
Director

  
Director

HSBC Managed Portfolios Limited  
 Statements of Net Assets  
 as at June 30, 2015

World Selection - 1	Liquidity Period	Holdings In Shares/ Par Amount	Purchase Price USD	Fair Value USD Net Assets	% of	
Investments in investee funds:						
Bonds						
HSBC Global Investment Funds-Global Corporate Bond	Daily	1,379,160	14,066,064	14,081,223	14.54	
HSBC Global Investment Funds-Global Emerging Markets Bond Fund	Daily	192,978	4,114,186	4,043,478	4.17	
HSBC Global Investment Funds-Global Emerging Markets Local Debt	Daily	371,283	4,471,471	4,067,036	4.20	
HSBC Global Investment Funds-Global Government Bond Fund	Daily	3,924,442	39,981,198	40,975,100	42.30	
HSBC Global Investment Funds-Global High Yield Bond	Daily	952,970	9,750,000	9,758,416	10.07	
			72,382,919	72,925,253	75.28	
Equities						
HSBC Global Investment Funds-Global Real Estate Equity	Daily	85,288	852,879	796,333	0.82	
HSBC Index Tracker Investment Funds-European Index Fund	Daily	180,681	1,977,487	1,934,243	2.00	
HSBC Index Tracker Investment Funds-FTSE All World Index Fund	Daily	4,325,841	7,312,047	7,357,839	7.60	
			10,142,413	10,088,415	10.42	
Total investments in investee funds			82,525,332	83,013,668	85.70	
Investments in securities:						
Bonds						
Bermuda (Govt Of) (144A) (REG) 5.603% 07/20/2020		Director Director	2,500,000	2,797,600	2,771,525	2.86
				2,797,600	2,771,525	2.86
Equities						
HSBC ESI Worldwide Equity UCITS ETF		325,000	4,924,182	4,849,813	5.01	
iShares Lehman 1-3 Year Treasury Bond ETF		12,000	1,018,746	1,018,320	1.05	
WisdomTree Japan Hedged Equity Fund ETF		41,750	2,297,789	2,388,100	2.46	
			8,240,717	8,256,233	8.52	
Total investments in securities			11,038,317	11,027,758	11.38	
Total investments			93,563,649	94,041,426	97.08	
Derivative Contracts - Asset						
Unrealized gain on forward foreign currency contracts						
Buy USD 2,430,000/Sell EUR 2,161,153, 07/03/2015				13,581	0.01	
Total derivative contracts - asset				13,581	0.01	
Derivative Contracts - Liability						
Unrealized loss on forward foreign currency contracts						
Buy USD 490,000/Sell JPY 60,887,400, 07/03/2015				(7,371)	(0.01)	
Total derivative contracts - liability				(7,371)	(0.01)	
Other net assets				2,828,857	2.92	
Net assets				96,876,493	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, 2015

World Selection - 2

	Liquidity Period	Holdings In Shares	Purchase Price USD	Fair Value USD	% of Net Assets
Investments in investee funds:					
Bonds					
HSBC Global Investment Funds-Global Corporate Bond	Daily	4,370,244	44,214,879	44,620,188	36.68
HSBC Global Investment Funds-Global Emerging Markets Bond Fund	Daily	285,373	6,171,407	6,135,512	5.04
HSBC Global Investment Funds-Global Emerging Markets Local Debt	Daily	465,409	5,603,064	4,890,517	4.02
HSBC Global Investment Funds-Global Government Bond Fund	Daily	1,719,021	17,500,533	17,948,295	14.75
HSBC Global Investment Funds-Global High Yield Bond	Daily	1,185,534	12,051,396	12,139,865	9.98
			85,541,279	85,734,377	70.47
Equities					
HSBC Global Investment Funds-Global Real Estate Equity	Daily	579,172	5,783,172	5,407,725	4.45
HSBC Index Tracker Investment Funds-European Index Fund	Daily	232,002	2,539,185	2,483,658	2.04
HSBC Index Tracker Investment Funds-FTSE All World Index Fund	Daily	8,364,660	14,173,276	14,227,483	11.69
			22,495,633	22,118,866	18.18
Total investments in investee funds			108,036,912	107,853,243	88.65
Investments in securities:					
Equities					
HSBC ESI Worldwide Equity UCITS ETF		580,000	8,788,757	8,655,050	7.12
iShares Lehman 1-3 Year Treasury Bond ETF		7,500	636,716	636,450	0.52
WisdomTree Japan Hedged Equity Fund ETF		51,700	2,767,889	2,957,240	2.43
			12,193,362	12,248,740	10.07
Total investments in securities			12,193,362	12,248,740	10.07
Total investments			120,230,274	120,101,983	98.72
Derivative Contracts - Asset					
Unrealized gain on forward foreign currency contracts					
Buy USD 4,000,000/Sell EUR 3,557,453, 07/03/2015				22,356	0.02
Total derivative contracts - asset				22,356	0.02
Derivative Contracts - Liability					
Unrealized loss on forward foreign currency contracts					
Buy USD 1,360,000/Sell JPY 168,993,600, 07/03/2015				(20,459)	(0.02)
Total derivative contracts - liability				(20,459)	(0.02)
Other net assets				1,552,043	1.28
Net assets				121,655,923	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, 2015

World Selection - 3

	Liquidity Period	Holdings In Shares	Purchase Price USD	Fair Value USD Net Assets	% of
Investments in investee funds:					
Bonds					
HSBC Global Investment Funds-Global Corporate Bond	Daily	3,507,934	35,626,031	35,816,010	25.76
HSBC Global Investment Funds-Global Emerging Markets Bond Fund	Daily	310,886	6,744,009	6,684,050	4.81
HSBC Global Investment Funds-Global Emerging Markets Local Debt	Daily	507,167	6,135,174	5,329,307	3.83
HSBC Global Investment Funds-Global Government Bond Fund	Daily	402,789	4,109,946	4,205,520	3.02
HSBC Global Investment Funds-Global High Yield Bond	Daily	1,378,534	14,008,759	14,116,190	10.15
			66,623,919	66,151,077	47.57
Equities					
HSBC Global Investment Funds - Global Real Estate Equity HSBC	Daily	715,273	7,152,726	6,678,501	4.80
Index Tracker Investment Funds-European Index Fund HSBC	Daily	258,015	2,823,882	2,762,129	1.99
Index Tracker Investment Funds-FTSE All World Index Fund	Daily	23,370,952	39,558,763	39,751,746	28.58
			49,535,371	49,192,376	35.37
Total investments in investee funds			116,159,290	115,343,453	82.94
Investments in securities:					
Equities					
HSBC ESI Worldwide Equity UCITS ETF		1,175,000	17,804,810	17,533,938	12.61
WisdomTree Japan Hedged Equity Fund ETF		59,000	3,136,939	3,374,800	2.43
Total investments in securities			20,941,749	20,908,738	15.04
Total investments			137,101,039	136,252,191	97.98
Derivative Contracts - Asset					
Unrealized gain on forward foreign currency contracts					
Buy USD 5,830,000/Sell EUR 5,184,988, 07/03/2015				32,583	0.02
Total derivative contracts – asset				32,583	0.02
Derivative Contracts – Liability					
Unrealized loss on forward foreign currency contracts					
Buy USD 2,670,000/Sell JPY 331,774,200, 07/03/2015				(40,165)	(0.03)
Total derivative contracts - liability				(40,165)	(0.03)
Other net assets				2,821,365	2.03
Net assets				139,065,974	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, 2015

World Selection - 4

	Liquidity Period	Holdings In Shares	Purchase Price USD	Fair Value USD Net Assets	% of
Investments in investee funds:					
Bonds					
HSBC Global Investment Funds-Global Corporate Bond	Daily	229,901	2,378,616	2,347,287	4.04
HSBC Global Investment Funds-Global Emerging Markets Bond Fund	Daily	130,730	2,831,484	2,810,691	4.84
HSBC Global Investment Funds-Global Emerging Markets Local Debt	Daily	224,370	2,654,401	2,357,683	4.06
HSBC Global Investment Funds-Global High Yield Bond	Daily	585,308	5,998,905	5,980,093	10.29
			13,863,406	13,495,754	23.23
Equities					
HSBC Global Investment Funds-Global Real Estate Equity	Daily	304,111	3,026,862	2,839,485	4.89
HSBC Index Tracker Investment Funds - European Index Fund	Daily	108,971	1,192,648	1,166,567	2.01
HSBC Index Tracker Investment Funds - FTSE All World Index Fund	Daily	14,118,620	23,889,202	24,014,417	41.33
			28,108,712	28,020,469	48.23
Total investments in investee funds			41,972,118	41,516,223	71.46
Investments in securities:					
Equities					
HSBC ESI Worldwide Equity UCITS ETF		745,000	11,289,007	11,117,263	19.13
HSBC Worldwide Equity UCITS ETF		193,000	3,095,395	3,133,837	5.39
WisdomTree Japan Hedged Equity Fund ETF		25,500	1,362,549	1,458,600	2.51
Total investments in securities			15,746,951	15,709,700	27.03
Total investments			57,719,069	57,225,923	98.49
Derivative Contracts - Asset					
Unrealized gain on forward foreign currency contracts					
Buy USD 2,760,000/Sell EUR 2,454,642, 07/03/2015				15,425	0.03
Total derivative contracts - asset				15,425	0.03
Derivative Contracts - Liability					
Unrealized loss on forward foreign currency contracts					
Buy USD 1,380,000/Sell JPY 171,478,800, 07/03/2015				(20,759)	(0.04)
Total derivative contracts - liability				(20,759)	(0.04)
Other net assets				880,462	1.52
Net assets				58,101,051	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, 2015

World Selection - 5

	Liquidity Period	Holdings In Shares	Purchase Price USD	Fair Value USD Net Assets	% of
Investments in investee funds:					
Bonds					
HSBC Global Investment Funds-Global Emerging Markets Local Debt	Daily	185,359	2,124,028	1,947,752	3.95
HSBC Global Investment Funds-Global High Yield Bond	Daily	50,715	525,000	518,153	1.05
			2,649,028	2,465,905	5.00
Equities					
HSBC Global Investment Funds-Global Real Estate Equity HSBC	Daily	263,260	2,622,759	2,458,057	4.99
Index Tracker Investment Funds-European Index Fund HSBC	Daily	94,910	1,038,758	1,016,042	2.06
Index Tracker Investment Funds-FTSE All World Index Fund	Daily	11,676,550	19,924,818	19,860,689	40.30
			23,586,335	23,334,788	47.35
Total investments in investee funds			26,235,363	25,800,693	52.35
Investments in securities:					
Equities					
HSBC ESI Worldwide Equity UCITS ETF		905,000	13,711,953	13,504,862	27.40
HSBC Worldwide Equity UCITS ETF		475,000	7,616,636	7,712,813	15.65
WisdomTree Japan Hedged Equity Fund ETF		22,000	1,215,836	1,258,400	2.56
Total investments in securities			22,544,425	22,476,075	45.61
Total investments			48,779,788	48,276,768	97.96
Derivative Contracts - Asset					
Unrealized gain on forward foreign currency contracts					
Buy USD 2,150,000/Sell EUR 1,912,131, 07/03/2015				12,016	0.02
Total derivative contracts - asset				12,016	0.02
Derivative Contracts - Liability					
Unrealized loss on forward foreign currency contracts					
Buy USD 950,000/Sell JPY 118,047,000, 07/03/2015				(14,291)	(0.03)
Total derivative contracts - liability				(14,291)	(0.03)
Other net assets				1,009,036	2.05
Net assets				49,283,529	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, 2015

	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 26,060, USD 37,106, USD 50,814, USD 25,966 and USD 20,786 respectively)	389,919	1,200,026	1,534,741	444,368	434,910
Rebate income (note 15)	-	16,515	5,117	10,918	-
Interest income	172,308	(81)	(59)	(34)	(10)
Other income	23,062	10,841	17,776	15,128	-
	585,289	1,228,196	1,558,230	470,763	435,016
<b>Expenses</b>					
Management and administration fees (notes 4, 5 & 16)	1,056,567	1,885,260	2,136,838	952,172	713,753
Audit fees	11,088	27,821	37,013	14,671	12,467
Directors' fees (note 8)	1,701	2,717	3,837	1,430	1,913
Other expenses	7,949	1,018	39,403	5,905	13,003
	1,077,305	1,916,816	2,217,091	974,178	741,136
Net investment loss	(492,016)	(688,620)	(658,861)	(503,415)	(306,120)
Net realized (loss)/gain on sale of investments and foreign exchange	(85,680)	6,100,737	8,557,493	4,924,327	(715)
Net realized gain on derivative contracts	169,923	270,411	212,043	80,149	60,377
Net change in unrealized gain/(loss) on investments and foreign exchange	419,681	(6,090,078)	(9,236,713)	(4,993,823)	(508,965)
Net change in unrealized gain/(loss) on derivative contracts	6,210	1,897	(7,582)	(5,334)	(2,275)
	510,134	282,967	(474,759)	5,319	(451,578)
Net increase/(decrease) in net assets resulting from operations	18,118	(405,653)	(1,133,620)	(498,096)	(757,698)

\*For the period August 27, 2014 (commencement of operations) to June 30, 2015.

\*\*World Selection - 2, World Selection - 3 and World Selection - 4 formerly known as World Selection Cautious, World Selection Balanced and World Selection Dynamic respectively.

HSBC Managed Portfolios Limited  
 Statements of Changes in Net Assets  
 for the year ended June 30, 2015

World Selection - 1*	Class AC USD	Class AD USD	Class IC USD	Class LC USD	Class ID USD	Total
Net assets at start of the period	-	-	-	-	-	-
Net decrease/(increase) in net assets from operations						
Net investment loss	(86,663)	(61,049)	(137,763)	(18,427)	(188,114)	(492,016)
Net realized loss on sale of investments and foreign exchange	(15,058)	(17,474)	(34,452)	(1,128)	(17,568)	(85,680)
Net realized gain on sale of derivative contracts	27,858	19,948	54,066	5,575	62,476	169,923
Net change in unrealized gain on investments and foreign exchange	23,844	28,019	200,491	13,312	154,015	419,681
Net change in unrealized gain on derivative contracts	1,210	(79)	(69)	(19)	3,309	6,210
	(48,809)	(29,761)	83,040	(470)	14,118	18,118
Subscriptions and redemptions						
Proceeds on issue of shares	43,901,654	32,156,156	32,766,268	3,751,249	43,977,508	156,552,835
Payments on redemption of shares	(29,208,561)	(22,108,397)	(4,511,141)	(358,913)	(3,394,117)	(59,581,129)
	14,693,093	10,047,759	28,255,127	3,392,336	40,583,391	96,971,706
Dividends	-	(25,006)	-	-	(88,325)	(113,331)
Net assets at end of the period	14,644,284	9,992,992	28,338,167	3,391,866	40,509,184	96,876,493

\*For the period August 27, 2014 (commencement of operations) to June 30, 2015.

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, 2015

<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	58,103,431	2,038,004	64,011,299	1,715,397	125,868,131
<b>Net decrease in net assets from operations</b>					
Net investment loss	(239,112)	(18,869)	(416,978)	(13,661)	(688,620)
Net realized gain on sale of investments and foreign exchange	2,240,022	105,532	3,671,787	83,396	6,100,737
Net realized gain on sale of derivative contracts	92,226	4,344	170,352	3,489	270,411
Net change in unrealized loss on investments and foreign exchange	(2,185,574)	(102,753)	(3,721,531)	(80,220)	(6,090,078)
Net change in unrealized (loss)/gain on derivative contracts	(3,232)	(346)	5,362	113	1,897
	(95,670)	(12,092)	(291,008)	(6,883)	(405,653)
<b>Subscriptions and redemptions</b>					
Proceeds on issue of shares	2,337,225	750,000	28,426,564	688,527	32,202,316
Payments on redemption of shares	(25,552,919)	(242,941)	(9,556,938)	(656,073)	(36,008,871)
	(23,215,694)	507,059	18,869,626	32,454	(3,806,555)
Net assets at end of the year	34,792,067	2,532,971	82,589,917	1,740,968	121,655,923

\*\*World Selection - 2, World Selection - 3 and World Selection - 4 formerly known as World Selection - Cautious, World Selection - Balanced and World Selection - Dynamic respectively.

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, 2015

<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	67,659,003	3,588,941	70,733,768	4,996,082	146,977,794
<b>Net decrease in net assets from operations</b>					
Net investment loss	(299,112)	(19,119)	(299,438)	(41,192)	(658,861)
Net realized gain on sale of investments and foreign exchange	3,450,588	193,008	4,591,427	322,470	8,557,493
Net realized gain on sale of derivative contracts	88,852	5,199	110,253	7,739	212,043
Net change in unrealized loss on investments and foreign exchange	(3,706,081)	(205,095)	(4,980,481)	(345,056)	(9,236,713)
Net change in unrealized loss on derivative contracts	(5,956)	(442)	(305)	(879)	(7,582)
	(471,709)	(26,449)	(578,544)	(56,918)	(1,133,620)
<b>Subscriptions and redemptions</b>					
Proceeds on issue of shares	4,274,250	70,000	21,765,676	2,419,341	28,529,267
Payments on redemption of shares	(22,459,563)	(558,364)	(11,392,946)	(896,594)	(35,307,467)
	(18,185,313)	(488,364)	10,372,730	1,522,747	(6,778,200)
Net assets at end of the year	49,001,981	3,074,128	80,527,954	6,461,911	139,065,974

<b>World Selection - 4**</b>	Class AC USD	Class IC USD	Class LC USD	Total
Net assets at start of the year	29,216,360	22,218,155	6,004,628	57,439,143
<b>Net decrease in net assets from operations</b>				
Net investment loss	(268,493)	(170,288)	(64,634)	(503,415)
Net realized gain on sale of investments and foreign exchange	2,429,458	1,955,302	539,567	4,924,327
Net realized gain on sale of derivative contracts	46,281	23,989	9,879	80,149
Net change in unrealized loss on investments and foreign exchange	(2,447,984)	(2,014,798)	(531,041)	(4,993,823)
Net change in unrealized loss on derivative contracts	(3,797)	(666)	(871)	(5,334)
	(244,535)	(206,461)	(47,100)	(498,096)
<b>Subscriptions and redemptions</b>				
Proceeds on issue of shares	3,010,804	8,560,287	1,839,189	13,410,280
Payments on redemption of shares	(7,502,142)	(3,400,892)	(1,347,242)	(12,250,276)
	(4,491,338)	5,159,395	491,947	1,160,004
Net assets at end of the year	24,480,487	27,171,089	6,449,475	58,101,051

\*\*World Selection - 2, World Selection - 3 and World Selection - 4 formerly known as World Selection - Cautious, World Selection - Balanced and World Selection - Dynamic respectively.

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, 2015

<b>World Selection - 5*</b>	Class AC USD	Class IC USD	Class LC USD	Total
Net assets at start of the period	-	-	-	-
<b>Net decrease in net assets from operations</b>				
Net investment loss	(85,833)	(175,087)	(45,200)	(306,120)
Net realized (loss)/gain on sale of investments and foreign exchange	(8,012)	7,256	41	(715)
Net realized gain on sale of derivative contracts	15,057	37,231	8,089	60,377
Net change in unrealized loss on investments and foreign exchange	(46,874)	(406,964)	(55,127)	(508,965)
Net change in unrealized gain/(loss) on derivative contracts	148	(2,171)	(252)	(2,275)
	(125,514)	(539,735)	(92,449)	(757,698)
<b>Subscriptions and redemptions</b>				
Proceeds on issue of shares	27,930,782	35,353,740	7,689,147	70,973,669
Payments on redemption of shares	(17,383,958)	(2,302,722)	(1,245,762)	(20,932,442)
	10,546,824	33,051,018	6,443,385	50,041,227
Net assets at end of the period	10,421,310	32,511,283	6,350,936	49,283,529

\*For the period August 27, 2014 (commencement of operations) to June 30, 2015.

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, 2015

### 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, 2015, the Directors were not aware of any such specific existing or contingent liabilities.

By resolution of the Directors on July 16, 2014, effective August 27, 2014, the following Portfolios were renamed:

<u>Current Portfolio Name</u>	<u>Old Portfolio Name</u>
World Selection - 2	World Selection - Cautious
World Selection - 3	World Selection - Balanced
World Selection - 4	World Selection - Dynamic

By resolution of the Directors on July 16, 2014, the Fund created two additional new classes of shares of the Fund named "World Selection - 1" and "World Selection - 5", available for subscription from August 27, 2014.

# HSBC Managed Portfolios Limited

## Notes to the Financial Statements (Continued)

for the year ended June 30, 2015

### 1. The Fund (continued)

The Portfolios and share classes existing as at June 30, 2015 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

On August 27, 2014 the World Selection - 1 and World Selection - 5 received an in-kind distribution of USD 96,593,109 and USD 52,658,602, respectively from HSBC Fund of Funds Limited.

### 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, 2015

### 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. The Fund's ability to redeem its investment with the investee fund on the reporting date at the reported net asset value per share and any redemption restrictions for the investee fund, will determine which level in the fair value hierarchy the investment will fall into. The Fund classifies all short-term investments in investee funds with daily liquidity as Level 1 and with monthly liquidity as Level 2 within the fair value hierarchy.
- 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, 2015

### 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 statement 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, 2015

### 2 Significant Accounting Policies (continued)

- ⓐ 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 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.
- ⓑ 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.
- ⓓ 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.
- ⓔ 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, *Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or its equivalent)* ("ASU 2015-07"). It removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value ("NAV") per share practical expedient. The requirements of the standard are effective for interim and annual reporting periods in fiscal periods that begin after December 15, 2015 with early application permitted. The impact on the Fund's financial statement disclosures is not expected to be material.

# HSBC Managed Portfolios Limited

## Notes to the Financial Statements (Continued)

for the year ended June 30, 2015

### 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	220,674	324,580	10,136	206,592	315,011
Overdraft at bank	-	-	(604,961)	-	(336,161)
Money market fund	2,844,010	1,550,047	4,111,310	1,458,960	-
	3,064,684	1,874,627	3,516,485	1,665,552	(21,150)

(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 9,300,000.

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 12,400,000.

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 13,200,000.

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 5,400,000.

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 4,900,000.

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, 2015, USD 604,961 and USD 336,161 is outstanding under this facility for World Selection - 3 and World Selection - 5 respectively.

(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, 2015, 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, 2015

#### 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	C	1.25%
World Selection - 1	LC	1.35%
World Selection - 1	D	1.25%
World Selection - 2	AC	1.75%
World Selection - 2	AD	1.75%
World Selection - 2	C	1.45%
World Selection - 2	LC	1.75%
World Selection - 3	AC	1.75%
World Selection - 3	AD	1.75%
World Selection - 3	C	1.45%
World Selection - 3	LC	1.75%
World Selection - 4	AC	1.75%
World Selection - 4	C	1.45%
World Selection - 4	LC	1.75%
World Selection - 5	AC	1.75%
World Selection - 5	C	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 16). For the year ended June 30, 2015, 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, 2015

### 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, 2015, 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, 2015, the Directors of the Fund had the following holdings:

Director	Portfolio	Number of Shares
Wayne Chapman	World Selection - 1	2,051
	World Selection - 5	7,481
Faith Outerbridge (HBBM Pension)	World Selection - 1	339
	World Selection - 5	1,855
Faith Outerbridge (Direct)	World Selection - 5	588
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, 2015

### 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 August 27, 2014	-	-	-	-	-
Shares issued during the period	277,689	218,779	207,489	23,698	298,883
Shares redeemed during the period	(185,143)	(150,698)	(28,515)	(2,263)	(23,058)
Shares in issue June 30, 2015	92,546	68,081	178,974	21,435	275,825

	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, 2014	360,620	13,928	386,575	10,647
Shares issued during the year	14,435	5,117	170,287	4,255
Shares redeemed during the year	(158,101)	(1,653)	(57,286)	(4,046)
Shares in issue June 30, 2015	216,954	17,392	499,576	10,856

	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, 2014	383,866	20,984	392,150	28,345
Shares issued during the year	24,260	413	120,083	13,750
Shares redeemed during the year	(127,593)	(3,259)	(63,063)	(5,101)
Shares in issue June 30, 2015	280,533	18,138	449,170	36,994

	World Selection - 4 Class AC	World Selection - 4 Class IC	World Selection - 4 Class LC
Shares in issue July 1, 2014	155,819	115,788	32,025
Shares issued during the year	16,066	44,319	9,856
Shares redeemed during the year	(40,228)	(17,747)	(7,195)
Shares in issue June 30, 2015	131,657	142,360	34,686

HSBC Managed Portfolios Limited  
Notes to the Financial Statements (Continued)  
for the year ended June 30, 2015

10. Share Capital (continued)

	World Selection - 5 Class AC	World Selection - 5 Class IC	World Selection - 5 Class LC
Shares in issue August 27, 2014	-	-	-
Shares issued during the period	142,480	180,020	39,291
Shares redeemed during the period	(88,502)	(11,850)	(6,396)
Shares in issue June 30, 2015	53,978	168,170	32,895

11. Cost of Investments

Cost of Investments as at June 30, 2015	USD
World Selection - 1	93,563,649
World Selection - 2	120,230,274
World Selection - 3	137,101,039
World Selection - 4	57,719,069
World Selection - 5	48,779,788

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 favourable 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, 2015

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

At June 30, 2015, 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>Short exposure</b>					
Forward foreign currency exchange contracts	2,920,000	5,360,000	8,500,000	4,140,000	3,100,000

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, 2015.

	World Selection - 1 USD	World Selection - 2 USD	World Selection - 3 USD	World Selection - 4 USD	World Selection - 5 USD
Location on the statement of assets and liabilities					
<b>Derivative Assets</b>					
Forward foreign currency exchange contracts	13,581	22,356	32,583	15,425	12,016
<b>Derivative Liabilities</b>					
Forward foreign currency exchange contracts	7,371	20,459	40,165	20,759	14,291
Net position	6,210	1,897	(7,582)	(5,334)	(2,275)
Cash collateral pledged	-	-	-	-	-
Net amount	6,210	1,897	(7,582)	(5,334)	(2,275)

# HSBC Managed Portfolios Limited

## Notes to the Financial Statements (Continued)

for the year ended June 30, 2015

### 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, 2015:

	World Selection - 1* USD	World Selection - 2 USD	World Selection - 3 USD	World Selection - 4 USD	World Selection - 5* USD
<b>Net realized gain</b>					
Forward foreign currency exchange contracts	169,923	270,411	212,043	80,149	60,377
<b>Net change in unrealized gain/(loss)</b>					
Forward foreign currency exchange contracts	6,210	1,897	(7,582)	(5,334)	(2,275)
<b>Net realized and change in unrealized gain/(loss)</b>	<b>176,133</b>	<b>272,308</b>	<b>204,461</b>	<b>74,815</b>	<b>58,102</b>

\*For the period August 27, 2014 (commencement of operations) to June 30, 2015.

#### Offsetting assets and liabilities

As at June 30, 2015, 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, 2015. The gross amounts of unrealized gains and losses on forward foreign currency contracts, are disclosed in statements of net assets. At the June 30, 2015, the Fund does not have any material amounts of unrealized gains and losses on open forward foreign currency contracts.

### 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.

# HSBC Managed Portfolios Limited

## Notes to the Financial Statements (Continued)

for the year ended June 30, 2015

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

#### 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.

#### 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, 2015 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, 2015 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 76%, 75%, 52%, 28% and 10%, respectively, as of June 30, 2015 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.

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.

At June 30, 2015, 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.

# HSBC Managed Portfolios Limited

## Notes to the Financial Statements (Continued)

for the year ended June 30, 2015

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

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

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, 2015.

### 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, 2015, the Directors of the Fund declared the following dividends in respect of the World Selection - 1 Portfolio:

	Class AD USD	Class ID USD
Dividends declared	25,006	88,325

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. Rebate Income

Under a sub-distribution agreement dated July 6, 2009 for HSBC International Select Fund, the Manager serves as a sub-distributor of the investee funds. Effective October 2006, the Fund started recording on an accruals basis rebates due to the Fund. Rebates are earned quarterly and are calculated weekly at a rate ranging from 0.04% to 0.25% of the average of the weekly values of HSBC International Select Fund positions held by each Portfolio.

HSBC Managed Portfolios Limited  
Notes to the Financial Statements (Continued)  
for the year ended June 30, 2015

16. 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	177,604	730,294	926,848	486,381	179,842
Class AD management and administration fees	129,924	38,793	54,246	-	-
Class IC management and administration fees	305,639	1,085,945	1,059,540	351,484	437,281
Class LC management and administration fees	36,835	30,228	96,204	114,307	96,630
Class ID management and administration fees	406,565	-	-	-	-
<u>Total management and administration fees</u>	<u>1,056,567</u>	<u>1,885,260</u>	<u>2,136,838</u>	<u>952,172</u>	<u>713,753</u>
<u>Management and administration fees payable</u>	<u>364,782</u>	<u>521,841</u>	<u>633,811</u>	<u>298,323</u>	<u>284,875</u>

\*For the period August 27, 2014 (commencement of operations) to June 30, 2015.

HSBC Managed Portfolios Limited  
Notes to the Financial Statements (Continued)  
for the year ended June 30, 2015

17. 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, 2015:

World Selection - 1	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investments in investee funds, at fair value:				
Bonds	\$ 72,925,253	\$ -	\$ -	\$ 72,925,253
Equities	10,088,415	-	-	10,088,415
Total investments in investee funds, at fair value	83,013,668	-	-	83,013,668
Investments in securities, at fair value:				
Bonds	2,771,525	-	-	2,771,525
Equities	8,256,233	-	-	8,256,233
Total investments in securities, at fair value	11,027,758	-	-	11,027,758
Derivative contracts, at fair value:				
Unrealized gains on forward foreign currency contracts	-	13,581	-	13,581
Total derivative contracts, at fair value	-	13,581	-	13,581
Cash equivalents	2,844,010	-	-	2,844,010
<b>Total</b>	<b>\$ 96,885,436</b>	<b>\$ 13,581</b>	<b>\$ -</b>	<b>\$ 96,899,017</b>
<b>Liabilities</b>				
Derivative contracts, at fair value:				
Unrealized losses on forward foreign currency contracts	\$ -	\$ (7,371)	\$ -	\$ (7,371)
Total derivative contracts, at fair value	-	(7,371)	-	(7,371)
<b>Total</b>	<b>\$ -</b>	<b>\$ (7,371)</b>	<b>\$ -</b>	<b>\$ (7,371)</b>

HSBC Managed Portfolios Limited  
Notes to the Financial Statements (Continued)  
for the year ended June 30, 2015

17. Fair Value Measurements (continued)

World Selection - 2	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investments in investee funds, at fair value:				
Bonds	\$ 85,734,377	\$ -	\$ -	\$ 85,734,377
Equities	22,118,866			- 22,118,866
Total investments in investee funds, at fair value	107,853,243	- -		107,853,243
Investments in securities, at fair value:				
Equities	12,248,740	- -		12,248,740
Total investments in securities, at fair value	12,248,740	- -		12,248,740
Derivative contracts, at fair value:				
Unrealized gains on forward foreign currency contracts	-	22,356	-	22,356
Total derivative contracts, at fair value	-	22,356	-	22,356
Cash equivalents	1,550,047	- -		1,550,047
Total	\$ 121,652,030	\$ 22,356	\$ -	\$ 121,674,386
<b>Liabilities</b>				
Derivative contracts, at fair value:				
Unrealized losses on forward foreign currency contracts	\$ -	\$ (20,459)	\$ -	\$ (20,459)
Total derivative contracts, at fair value	-	(20,459)	-	(20,459)
Total	\$ -	\$ (20,459)	\$ -	\$ (20,459)

HSBC Managed Portfolios Limited  
Notes to the Financial Statements (Continued)  
for the year ended June 30, 2015

17. Fair Value Measurements (continued)

World Selection - 3	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investments in investee funds, at fair value:				
Bonds	\$ 66,151,077	\$ -	\$ -	\$ 66,151,077
Equities	49,192,376	- -		49,192,376
Total investments in investee funds, at fair value	115,343,453	- -		115,343,453
Investments in securities, at fair value:				
Equities	20,908,738	- -		20,908,738
Total investments in securities, at fair value	20,908,738	- -		20,908,738
Derivative contracts, at fair value:				
Unrealized gains on forward foreign currency contracts	-	32,583	-	32,583
Total derivative contracts, at fair value	-	32,583	-	32,583
Cash equivalents	4,111,310	- -		4,111,310
Total	\$ 140,363,501	\$ 32,583	\$ -	\$ 140,396,084
<b>Liabilities</b>				
Derivative contracts, at fair value:				
Unrealized losses on forward foreign currency contracts	\$ -	\$ (40,165)	\$ -	\$ (40,165)
Total derivative contracts, at fair value	-	(40,165)	-	(40,165)
Total	\$ -	\$ (40,165)	\$ -	\$ (40,165)

HSBC Managed Portfolios Limited  
Notes to the Financial Statements (Continued)  
for the year ended June 30, 2015

17. Fair Value Measurements (continued)

World Selection - 4	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investments in investee funds, at fair value:				
Bonds	\$ 13,495,754	\$ -	\$ -	\$ 13,495,754
Equities	28,020,469	-	-	28,020,469
Total investments in investee funds, at fair value	41,516,223	-	-	41,516,223
Investments in securities, at fair value:				
Equities	15,709,700	-	-	15,709,700
Total investments in securities, at fair value	15,709,700	-	-	15,709,700
Derivative contracts, at fair value:				
Unrealized gains on forward foreign currency contracts	-	15,425	-	15,425
Total derivative contracts, at fair value	-	15,425	-	15,425
Cash equivalents	1,458,960	-	-	1,458,960
Total	\$ 58,684,883	\$ 15,425	\$ -	\$ 58,700,308
<b>Liabilities</b>				
Derivative contracts, at fair value:				
Unrealized losses on forward foreign currency contracts	\$ -	\$ (20,759)	\$ -	\$ (20,759)
Total derivative contracts, at fair value	-	(20,759)	-	(20,759)
Total	\$ -	\$ (20,759)	\$ -	\$ (20,759)

HSBC Managed Portfolios Limited  
Notes to the Financial Statements (Continued)  
for the year ended June 30, 2015

17. Fair Value Measurements (continued)

World Selection - 5	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investments in investee funds, at fair value:				
Bonds	\$ 2,465,905	\$ -	\$ -	\$ 2,465,905
Equities	23,334,788	- -		23,334,788
Total investments in investee funds, at fair value	25,800,693	- -		25,800,693
Investments in securities, at fair value:				
Equities	22,476,075	- -		22,476,075
Total investments in securities, at fair value	22,476,075	- -		22,476,075
Derivative contracts, at fair value:				
Unrealized gains on forward foreign currency contracts	-	12,016	-	12,016
Total derivative contracts, at fair value	-	12,016	-	12,016
<b>Total</b>	<b>\$ 48,276,768</b>	<b>\$ 12,016</b>	<b>\$ -</b>	<b>\$ 48,288,784</b>
<b>Liabilities</b>				
Derivative contracts, at fair value:				
Unrealized losses on forward foreign currency contracts	\$ -	\$ (14,291)	\$ -	\$ (14,291)
Total derivative contracts, at fair value	-	(14,291)	-	(14,291)
<b>Total</b>	<b>\$ -</b>	<b>\$ (14,291)</b>	<b>\$ -</b>	<b>\$ (14,291)</b>

# HSBC Managed Portfolios Limited

## Notes to the Financial Statements (Continued)

for the year ended June 30, 2015

### 17. 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, 2015.

### 18. Financial Highlights

#### Schedule of Financial Highlights for World Selection - 1\*<sup>A</sup> for the period ended June 30, 2015

	USD				
	Class AC	Class AD	Class IC	Class LC	Class ID
<b>Selected per share data</b>					
Net asset value at beginning of the period	158.04	146.93	158.04	158.04	146.94
<b>Income from investment operations</b>					
Net investment loss	(0.90)	(0.82)	(0.79)	(0.89)	(0.73)
Net realized and change in unrealized gains on investments and derivative contracts	1.10	1.02	1.09	1.09	1.01
Total from investment operations	0.20	0.20	0.30	0.20	0.28
Dividends declared	-	(0.35)	-	-	(0.35)
Net asset value at end of the period	158.24	146.78	158.34	158.24	146.87
Total return excluding dividends declared	0.13 %	0.14 %	0.19 %	0.13 %	0.19 %
<b>Ratios to average net assets</b>					
Total expenses	1.43 %	1.42 %	1.33 %	1.41 %	1.32 %
Net investment loss	(0.69) %	(0.66) %	(0.59) %	(0.69) %	(0.60) %
<b>Supplemental data</b>					
Net assets at end of the period	14,644,284	9,992,992	28,338,167	3,391,866	40,509,184

\*For the period August 27, 2014 (commencement of operations) to June 30, 2015. <sup>A</sup>The financial highlights are annualized for period less than a year.

HSBC Managed Portfolios Limited  
Notes to the Financial Statements (Continued)  
for the year ended June 30, 2015

18. Financial Highlights (continued)

Schedule of Financial Highlights for World Selection - 2  
for the year ended June 30, 2015

	USD			
	Class AC	Class AD	Class IC	Class LC
<b>Selected per share data</b>				
Net asset value at beginning of the year	161.12	146.33	165.59	161.12
<b>Loss from investment operations</b>				
Net investment loss	(1.22)	(1.11)	(0.75)	(1.22)
Net realized and change in unrealized gains on investments and derivative contracts	0.47	0.42	0.48	0.47
Total from investment operations	(0.75)	(0.69)	(0.27)	(0.75)
Net asset value at end of the year	160.37	145.64	165.32	160.37
Total return	(0.47) %	(0.47) %	(0.16) %	(0.47) %
<b>Ratios to average net assets</b>				
Total expenses	1.72 %	1.73 %	1.43 %	1.74 %
Net investment loss	(0.56) %	(0.83) %	(0.54) %	(0.77) %
<b>Supplemental data</b>				
Net assets at end of the year	34,792,067	2,532,971	82,589,917	1,740,968

HSBC Managed Portfolios Limited  
Notes to the Financial Statements (Continued)  
for the year ended June 30, 2015

18. Financial Highlights (continued)

Schedule of Financial Highlights for World Selection - 3  
for the year ended June 30, 2015

	USD			
	Class AC	Class AD	Class IC	Class LC
Selected per share data				
Net asset value at beginning of the year	176.26	171.03	180.37	176.26
Loss from investment operations				
Net investment loss	(1.16)	(1.13)	(0.66)	(1.16)
Net realized and change in unrealized losses on investments and derivative contracts	(0.43)	(0.41)	(0.43)	(0.43)
Total from investment operations	(1.59)	(1.54)	(1.09)	(1.59)
Net asset value at end of the year	174.67	169.49	179.28	174.67
Total return	(0.90) %	(0.90) %	(0.61) %	(0.90) %
Ratios to average net assets				
Total expenses	1.76 %	1.77 %	1.47 %	1.76 %
Net investment loss	(0.55) %	(0.60) %	(0.40) %	(0.73) %
Supplemental data				
Net assets at end of the year	49,001,981	3,074,128	80,527,954	6,461,911

Schedule of Financial Highlights for World Selection - 4  
for the year ended June 30, 2015

	USD		
	Class AC	Class IC	Class LC
Selected per share data			
Net asset value at beginning of the year	187.50	191.89	187.50
Loss from investment operations			
Net investment loss	(1.89)	(1.37)	(1.89)
Net realized and change in unrealized gains on investments and derivative contracts	0.33	0.34	0.33
Total from investment operations	(1.56)	(1.03)	(1.56)
Net asset value at end of the year	185.94	190.86	185.94
Total return	(0.83) %	(0.54) %	(0.83) %
Ratios to average net assets			
Total expenses	1.85 %	1.55 %	1.85 %
Net investment loss	(1.00) %	(0.73) %	(1.03) %
Supplemental data			
Net assets at end of the year	24,480,487	27,171,089	6,449,475

HSBC Managed Portfolios Limited  
Notes to the Financial Statements (Continued)  
for the year ended June 30, 2015

18. Financial Highlights (continued)

Schedule of Financial Highlights for World Selection - 5\*<sup>A</sup>  
for the period ended June 30, 2015

	USD		
	Class AC	Class IC	Class LC
<b>Selected per share data</b>			
Net asset value at beginning of the period	196.05	196.05	196.05
<b>Loss from investment operations</b>			
Net investment loss	(1.34)	(1.08)	(1.34)
Net realized and change in unrealized losses on investments and derivative contracts	(1.64)	(1.65)	(1.64)
Total from investment operations	(2.98)	(2.73)	(2.98)
Net asset value at end of the period	193.07	193.32	193.07
Total return	(1.52) %	(1.39) %	(1.52) %
<b>Ratios to average net assets</b>			
Total expenses	1.89 %	1.70 %	1.87 %
Net investment loss	(0.87) %	(0.66) %	(0.83) %
<b>Supplemental data</b>			
Net assets at end of the period	10,421,310	32,511,283	6,350,936

\*For the period August 27, 2014 (commencement of operations) to June 30, 2015. <sup>A</sup>The financial highlights are annualized for period less than a year.

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

19. Subsequent Events

The Directors have assessed and evaluated all subsequent events arising from the date of statements of assets and liabilities up until September 17, 2015 and have concluded that no other additional disclosures are required.

# HSBC Managed Portfolios Limited

## Management and Administration

for the year ended June 30, 2015

### 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  
Head of Group Private Banking  
HSBC Bank Bermuda Limited

Julie E. McLean, Director  
Conyers, Dill & Pearman 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  
Clarendon House  
2 Church Street  
Hamilton HM 11, Bermuda

### Bermuda Stock Exchange Listing Sponsor

Bermuda International Securities Limited  
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Hamilton HM 11, Bermuda

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