

HSBC Investments

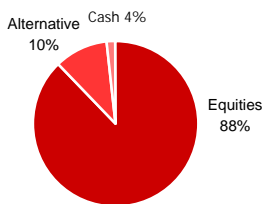
HSBC Managed Portfolios Strategic Equity USD Class A

as at 31 December 2007

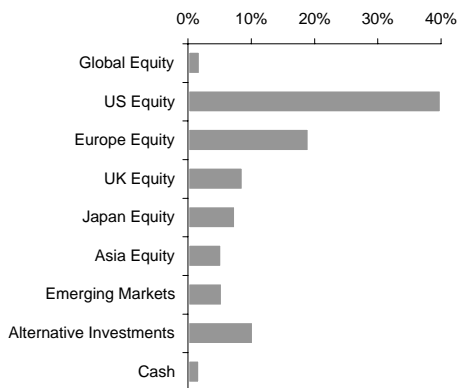
Profile

The principal objective of the HSBC Managed Portfolios is 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 Strategic Equity Portfolio is for equity investors seeking aggressive capital growth. Investors in this portfolio will have a high tolerance for risk and a long-term investment horizon.

Portfolio Composition



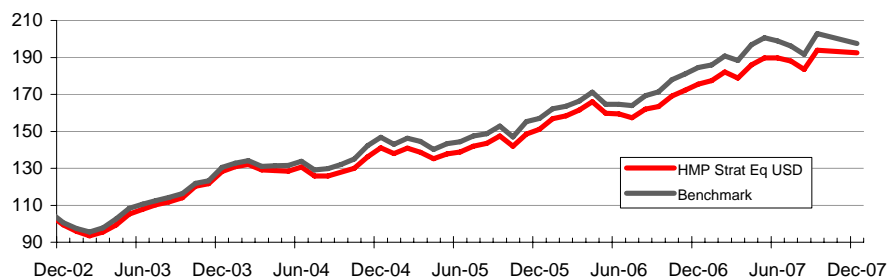
Sector Weightings	Weight
Equities	87.9%
Alternative	10.3%
Cash	1.8%



Asset Class Breakdown	Weight
Global Equity	1.9%
US Equity	40.0%
Europe Equity	19.1%
UK Equity	8.7%
Japan Equity	7.5%
Asia Equity	5.3%
Emerging Markets	5.4%
Alternative Investments	10.3%
Cash	1.8%

Performance Data*

Performance since inception vs. benchmark



Fund Information

Structure

Open-ended equity fund of funds, domiciled in Bermuda

Inception date

October 16, 2002

Price per share

USD 192.55 (non-trading price)

Benchmark

Equities: 95% MSCI World USD

Cash: 5% Cash Deposits

Total fund size

USD 8.8 million

Annual fees

2.3% Annual Expense Ratio (including underlying funds)

Dealing cut-off time

Weekly, Wednesdays to 12:00 noon (Bda. time)

Settlement

6 business days after Dealing day

Minimum / Subsequent investment

USD 10,000 / USD 5,000

ISIN code

BMG468AP1470

Bloomberg ticker

ALLMNSU BH

CUSIP code

G468AP147

Performance*	Str Eq	Benchmark
1 quarter	-0.66%	-2.63%
1 Year	9.69%	7.04%
3 Year	37.21%	35.04%
YTD	9.69%	7.04%
Since inception	92.55%	97.49%

Commentary

Equities pulled back while government bonds outperformed all fixed income sectors.

- US Equities fell during Q4 amid weaker than expected earnings and concerns of how much the weakness in the housing market would slow the broader economy.
- A flight to government bonds sent yields to 3 year lows and causing spreads between high quality and lower quality bonds to widen.
- The Federal Reserve cut the benchmark rate by 50bps during the quarter and is expected to continue to cut rates through Q1 of 2008 to counter slowing growth.

The Managed Portfolios had strong performance for the quarter and all outperformed their respective benchmarks for the year.

- Leading the portfolios were strong gains in the HIS US equity funds with the US Core fund up 17.3% for the year. Additionally the Global Equity and Emerging Market funds were up 19.9% and 36.7% respectively.
- In equities we are neutral US and Europe, negative on Japan and the UK and positive on Asia and Emerging Markets.

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** Performance Data Source: HSBC Investments (Bermuda) Ltd*

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