

HSBC Amanah Investment SPC

HSBC Amanah Saudi Equity Segregated Portfolio

as at 31 December 2007

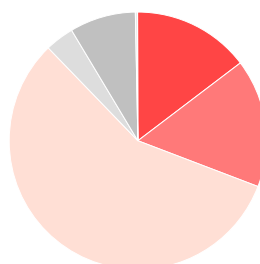
Fund profile

The Portfolio seeks to achieve medium to long-term capital appreciation, measured in US dollars, through investments in a portfolio of Shariah-compliant listed equities in the Kingdom of Saudi Arabia.

Fund details

Launch date	13 November 2006
ISIN Code	KYG4672M1033
Current adviser	HSBC Saudi Arabia Limited
Adviser appointed	13 November 2006
Annual management fee	1.75% (max)
Initial charge	3.25% (max)
Switching fee	1.00%
Dealing	Weekly. Orders to be placed by 11:00am Dublin time
Base currency	USD
Minimum investment	\$10,000
Subsequent investment	\$5,000
Fund size	\$15.2m
Price per share (as at 31/12/2007)	\$13.56

Fund composition



Top 5 holdings

1. Saudi Basic Industries Corp	38.16%
2. Al Rajhi Banking & Investment	13.80%
3. Saudi Arabia Fertilizers Co.	7.30%
4. Etihad Etisalat	4.40%
5. STC	3.93%
Total	67.59%

Adviser's commentary

Overview

The TASI ended the year at 11,175.96, surging by 18.08 percent over the month and bringing the total 2007 return to 40.87 percent. December's rally helped the TASI achieve its biggest monthly gain in 2007, where it broke both the 10,000 and 11,000 levels in a single week. December's gain comes on the heels of two consecutive monthly gains and extends the fourth quarter ("Q4") gain to 42.67 percent. Prior to Q4, the TASI was down 1.26 percent as of September 30th. This spectacular rally was initially triggered by strong third quarter results across the board and was later boosted by the significant foreign funds that were rumored to have entered the market in December following the Council of Ministers' endorsement of the 2008 record budget. Whether or not these levels will be sustained in the short-term remains to be seen and will highly depend on Q4 results.

Trading activity continued to increase over the month, reaching SAR 255,569.08 million, 34.97 percent higher the November's level. Average daily trading value reached SAR 13,451.00 million in December, an increase of 42.07 percent compared to the previous month's level. Trading activity in 2007 crossed the SAR 2.55 trillion mark.

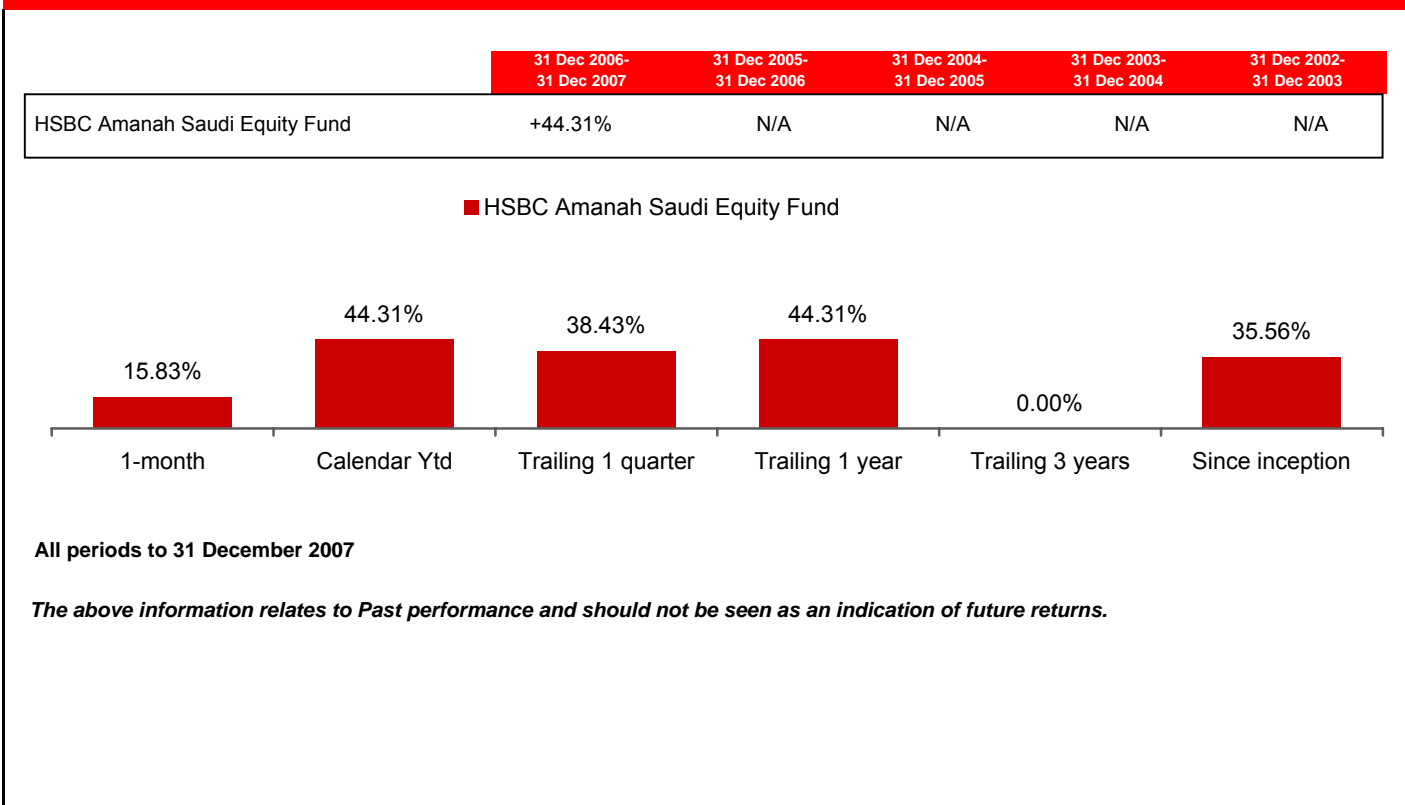
All indices, with the exception of the agriculture and insurance indices, extended their gains in December. The banking and industrial sectors were the biggest winners, gaining 22.60 and 22.03 percent, respectively.

The gains in both sectors were mainly driven by the injection of smart money from abroad, where many foreign investors view the two sectors as the most promising sectors on the Saudi exchange. The agricultural and insurance sectors were this month's only losers, with the former losing 8.03 percent and the latter declining by 1.12 percent. Over the month, trading activity in the speculative insurance, agricultural, and services sectors combined represented 46.29 percent (7.30, 4.11, and 34.88 percent, respectively) of total value traded in the entire market, while they only constitute 7.06 percent of the market's value. This sustained level of below 50 percent of trading activity over Q4 confirms the view that most market participants are opting to hold stocks with positive earnings potential versus purely speculative ones with unpredictable futures.

Market Outlook

The Saudi stock market had a remarkable run in December, where the TASI's performance exceeded our expectations. We believe that the index ended at reasonable levels in terms of valuations; however, the speed by which it reached that level is somewhat alarming. Irrational exuberance took over most market participants especially during the last two weeks of the month. As investors realize that a number of their holdings have substantially increased in value in a relatively short period and have started to move away from their fair values, the market will undergo another round of profit taking.

Performance in US dollars



Contact details

Institutions and institutional consultant advisers	Tel: 971 4 5077 168	email:	mohammeddawood@hsbc.com
	Tel: 971 4 5093 521	email:	rana.kudsi@hsbc.com
Individuals (UAE)	Tel: +9714 5077 252	email:	shahzad.waraich@hsbc.com
Bermuda	Tel: +441 299 6200	email:	investmentcentre@bob.hsbc.com
Hong Kong		email:	mark.p.valadao@hsbc.com.hk

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Unless otherwise stated, all Fund information is as at 31 December 2007.

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HSBC Amanah Investment SPC

HSBC Amanah GCC ex Saudi Equity Segregated Portfolio

as at 31 December 2007

Fund profile

The Portfolio seeks to achieve medium to long-term capital appreciation, measured in US dollars, primarily through investments in a portfolio of Shariah-compliant equities, available to foreign investors, listed or traded on stock markets in United Arab Emirates, Kingdom of Bahrain, Sultanate of Oman, State of Qatar and State of Kuwait.

Fund details

Launch date 13 November 2006
ISIN Code KYG4672M1298
Current adviser Shuaa Asset Management
Adviser appointed 13 November 2006

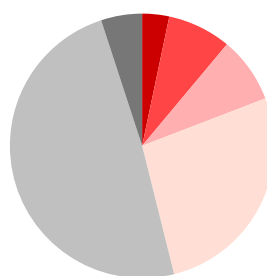
Annual management fee 1.75% (max)
Initial charge 3.25% (max)
Switching fee 1.00%

Dealing Weekly. Orders to be placed by 11:00am Dublin time

Base currency USD
Minimum investment \$10,000
Subsequent investment \$5,000

Fund size \$21.1m
Price per share (as at 31/12/2007) \$14.45

Fund composition



Country	Weight
Bahrain	3.24%
Kuwait	8.00%
Oman	8.00%
Qatar	27.00%
UAE	49.00%
Other	5.00%
Total	100%

Top 5 holdings

1. Emaar Properties	13.65%
2. Qatar Industries	11.41%
3. Aldar Properties	9.72%
4. Qatar Islamic Bank	5.99%
5. Dubai Islamic Bank	4.25%
Total	45.02%

Adviser's commentary

Overview

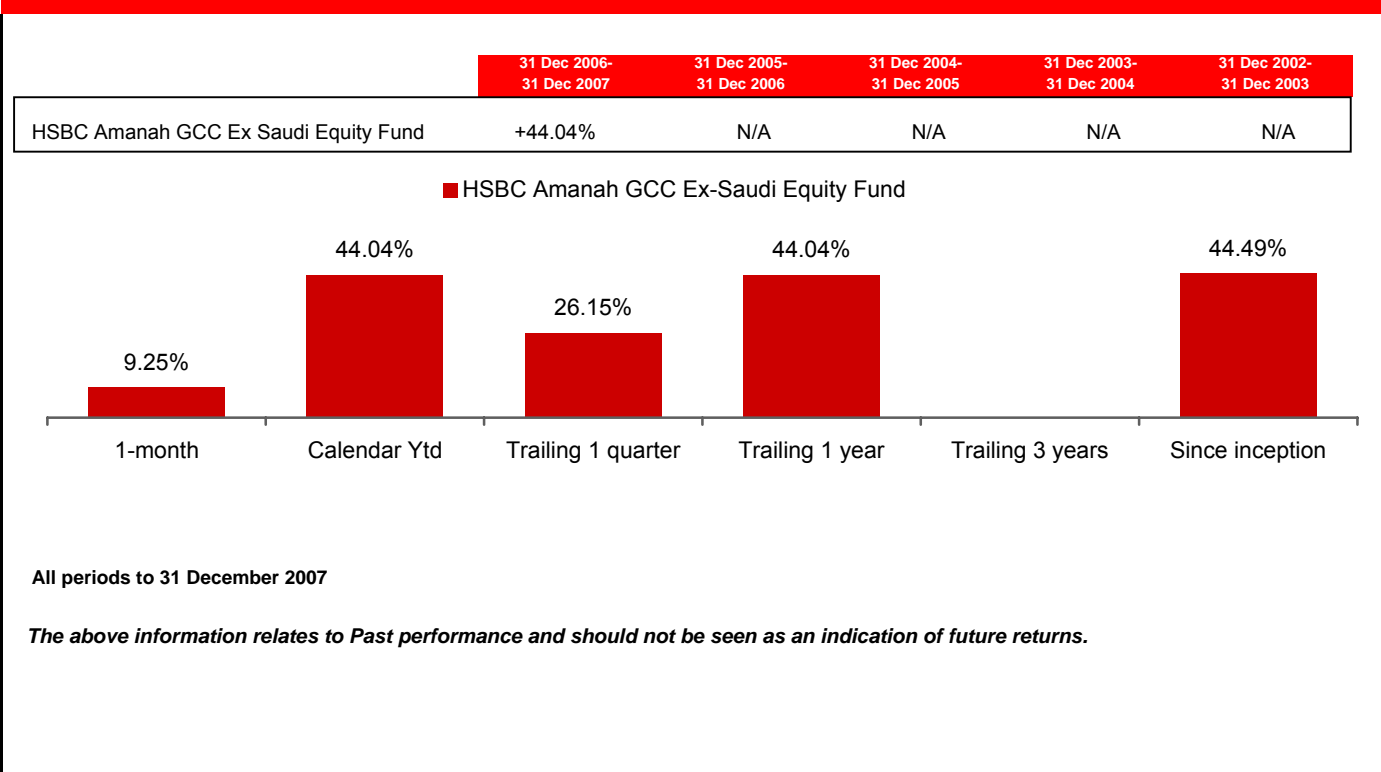
All the GCC markets posted impressive gains in 2007 as demonstrated by the MSCI Arabian Index, which registered a 47% gain. Saudi Arabia and the UAE witnessed the most turbulence, rallying mostly in the last quarter; they ended the year rising by 44% and 47% respectively. In fact, the Tadawul was the world's best performing stock market in Q4 2007.

Oman continued to be the star performer for two years in a row, increasing by a staggering 64% YTD. Qatar also followed suit, posting a 46% return. Kuwait that had enjoyed a strong run for most of 2007 corrected towards the last quarter, ending the year with an overall impressive 39% gain. The HSBC Amanah fund registered a gain of 44% in the year 2007.

The GCC markets benefited from increased investor interest, foreign and local alike, who flocked in, attracted by surging liquidity, improved quality of earnings, competitive market valuations and strong growth prospects in a high oil prices, low interest rates environment.

Going forward, we continue to take advantage of the prevailing positive sentiment, benefiting from our overweight in UAE and Qatar, while awaiting fourth quarter announcements to assess our exposure, following the steep rally in prices.

Performance in US dollars



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