

HSBC Investment Funds

Interim Report and Accounts

15 July 2023



HSBC

| Opening up a world of opportunity

Company Information

Company

HSBC Investment Funds
Registered in England with
Company Number IC000073

Registered Office

8 Canada Square
London E14 5HQ

Directors

The Authorised Corporate Director (the "ACD") is HSBC Global Asset Management (UK) Limited, which is the sole director.

HSBC Global Asset Management (UK) Limited is authorised and regulated by the Financial Conduct Authority (FCA) and is a member of The Investment Association (IA).

HSBC Global Asset Management (UK) Limited - Directors

R.E.W. Apenbrink (resigned 20 June 2023)

J.S. Calvery (appointed 20 April 2023)

S.Y.C. Chow (resigned 10 January 2023)

P.G.P. Dew

J.M. Munro

T.J. Palmer (resigned 1 March 2023)

M.B.A. Pardi (appointed 13 July 2023)

J.R. Paterson

S.K. White

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Market Review

**Welcome to the Interim Report for the HSBC Investment Funds Open-Ended Investment Company (OEIC).
The report covers the period 16 January 2023 to 15 July 2023.**

Please do take the time to look through the report and if you have any questions, contact our Customer Services on 0800 358 3011*.

To help us continually improve our service, and in the interests of security, we may monitor and/or record your communications with us.

***Lines are open 9am to 5pm Monday to Friday (excluding public holidays).**

Economic Overview

The period was an uncertain one for the global economy, affected by falling – but still persistently high – inflation levels, rising interest rates and sluggish economic growth.

Headline inflation continued to fall across most major economies, most notably in the US, where it fell to 3% in May – less than half its peak level in mid-2022 and the lowest level since March 2021. It continued to fall in the eurozone and the UK, too, although the decline in the UK's inflation rate was less pronounced as food prices remained stubbornly high. In Mainland China, inflation almost disappeared, falling to zero in June. However, core inflation, which excludes volatile food and energy prices, remained stubbornly high, an indication that inflationary pressures had spread across economies.

The world's major central banks continued to tighten monetary policy but at a slower pace. The US Federal Reserve (Fed) raised its Fed funds rate to 5.25% through three 25 basis point (bp) increases. In June, after 10 successive rate hikes dating back to March 2022, it left rates unchanged. However, Fed Chairman Jerome Powell warned that further rate hikes were still needed to cool inflation. The Bank of England (BoE) took interest rates from 3.5% to 5.0% over the six months to June, including a higher-than-expected 50bp hike in June. Meanwhile, the European Central Bank (ECB) also continued to raise rates to 4% and warned of more to come.

Economic growth generally slowed as higher interest rates and the prospect of further rate hikes affected demand. In the US, annualised GDP growth slowed to 2.0% in the first quarter of 2023, down from 2.6% in the final quarter of 2022. The eurozone appeared to fall into a technical recession, as a quarterly fall in GDP of 0.1% occurred in two successive quarters. However, the figure for the first quarter of 2023 was revised to flat from -0.1% and a technical recession was thereby avoided. The UK also narrowly avoided a recession by growing 0.1% in both the final quarter of 2022 and the first quarter of 2023. Despite easing its Covid-19 restrictions late in 2022, which produced an initial burst of economic recovery, growth in Mainland China appeared to wane in the second quarter. By the end of the period, many global institutions and commentators were warning that the global economy was set to slow further, with some countries, notably the UK, in danger of recession.

Global Equities

Global equities rose over the period on hopes that inflation would continue to fall, interest rates were close to peaking and the global economy would begin to recover. Corporate earnings also generally exceeded expectations, which boosted sentiment. However, while headline inflation rates fell, core inflation levels did not fall as much and, in some cases, they rose – an indication that inflation had spread beyond just energy and food. The situation in Ukraine continued to cast its shadow over markets, while in late February and early March, there was significant financial turmoil following the bankruptcy of two sizeable US regional banks and financial distress at Credit Suisse, which was finally taken over by UBS. Markets were also unsettled in May by growing fears of a potential US debt default as Congress remained divided about a compromise on government spending plans. However, the debt ceiling was ultimately extended, bringing relief to markets, which continued to rally through June and early July.

Inflation and central banks' response to it remained a key factor driving markets throughout the period. Headline inflation continued to fall, most notably in the US, where it reached just 3% in June – the lowest level for over two years. Eurozone and Asian inflation rates also eased in aggregate, with Mainland China's inflation rate dropping to zero in June. While inflation fell in the UK, it remained at higher levels compared with other G7 countries, largely due to relatively higher food price inflation.

The major global central banks continued to raise interest rates but at a generally slower pace. Having raised interest rates on four consecutive occasions in 2022 by 75bps, the Fed slowed its tightening in 2023 to three 25bp increases and left rates unchanged at its June policy meeting.

Developed world markets outperformed emerging markets over the period. Emerging markets were negatively impacted by Mainland China's disappointingly weak performance. This was due to sluggish economic momentum despite the easing of Mainland China's Covid-19 restrictions at the end of 2022, which had led to a spurt of growth in the early spring but petered out thereafter. The US outperformed both Europe and the UK and was led by a strong rally in large-cap technology shares, such as Tesla, Amazon and Meta Platforms. Within Europe, the UK was relatively weak as investors fretted about the slow decline in inflation and the belief that interest rates would need to rise more and stay higher for longer compared with the rest of Europe.

UK Equities

UK equities fell mildly over the period. After moving higher in January and February, they fell in March as global concerns about banks, which saw Credit Suisse and some high-profile regional banks in the US fail and need to be rescued. Although the market recovered in April, it fell away again in May and June on worries about rising interest rates, the economy and the government's finances.

Although headline inflation fell in the UK, it remained relatively high compared to most other countries and was the highest among G7 nations. The fall in the UK's inflation rate was slower than other countries. It fell from 10.1% in January to 8.7% in May as food prices remained stubbornly high and wage pressure intensified. May's figure was a surprise for markets as inflation was unchanged from April's 8.7% rate, while core inflation climbed to a new 31-year high of 7.1%.

The BoE raised interest rates at every policy meeting during the period, taking them from 3.5% to 5.0%, which included a higher-than-expected 50bp hike in June. This marked the 13th consecutive rate hike from the BoE. The central bank warned that further tightening of monetary policy might be needed to address stubbornly high levels of inflation.

Economic growth deteriorated. The UK narrowly avoided a recession by growing by 0.1% in both the final quarter of 2022 and the first quarter of 2023. However, there were increasing fears that the UK was headed for a recession, either late in 2023 or in 2024. The labour market remained relatively robust, with the number of people in work at high levels. Vacancy rates were also high. However, unemployment began to pick up a little, reaching 4% in the three months to May, up from 3.7% in January.

The UK's finances were a source of worry. The UK's net debt to GDP ratio rose above 100% for the first time in peace time as borrowing costs increased due to higher interest rates and as widespread strikes among public-sector employees forced the government to offer higher wage settlements.

However, the market did take some comfort from largely better-than-expected corporate earnings results and the resilience of the corporate sector in the face of rising costs and weak economic growth.

UK Bonds

UK bond prices fell and yields rose over the period as inflation remained relatively high and the BoE responded with further interest-rate hikes. The 10-year gilt yield rose from 3.4% to more than 4.4% over the period. Two-year yields jumped even more, rising from 3.4% to approximately 5%, rising to levels not seen for 15 years. The inversion, or negative spread, between 10-year and two-year gilts rose close to 90bps in late June, the widest level for several years – an inverted yield curve is often seen as an indicator of economic recession. UK corporate bonds also fell but did relatively better than government bonds as investors became more risk tolerant in the second half of the period.

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US Equities

The US market rallied over the period, driven by hopes that the Fed was nearing the completion of its tightening cycle and on the back of largely better-than-expected corporate results. Both the S&P 500 and Nasdaq indices hit 15-month highs, while the Nasdaq experienced its best first half of a year for 40 years in the first six months of 2023. Technology shares drove what transpired to be a quite narrowly-focused market.

The market experienced some volatility and suffered a sell-off in February and early March as a mini-banking crisis erupted, which saw two regional banks (Silicon Valley Bank and Signature Bank) need bailing out. This was swiftly followed by the failure of First Republic Bank in April. The market was also dogged by concerns in May that there would be no agreement in Congress about extending the government's permitted debt ceiling. However, these fears were allayed when a deal was hatched between the Republicans and Democrats ahead of the self-imposed deadline in early June. Geopolitical worries, notably the ongoing situation in Ukraine, kept investors nervous. US relations with Mainland China were also tense given the latter's support for Russia and threats towards Taiwan.

Falling headline inflation provided a benign backdrop to the market. It fell from 6.4% in January to just 3% in June – less than half its peak level in mid-2022 and the lowest level since March 2021. Core inflation (excluding energy and food prices) fell to 4.8% in June. The Fed raised interest rates by 25bps on three occasions in the first six months of the year, taking the Fed funds rate to 5.25%. In June, it left rates unchanged after 10 successive interest-rate hikes dating back to March 2022. However, Fed Chairman Jerome Powell warned that the tightening was not finished and that rates would likely need to go higher still in the second half of 2023, although June's inflation data appeared to brighten the mood somewhat.

Economic growth showed signs of slowing. Annualised GDP growth slowed to 2.0% in the first quarter of 2023, down from 2.6% in the final quarter of 2022. However, the labour market stayed relatively robust. Non-farm payrolls remained well supported, while the unemployment rate only rose mildly over the period from 3.4% in January to 3.7% in May. However, initial jobless claims began to show signs of a sustainable change as they climbed in late May and early June to levels not seen for well over a year.

Japan Equities

Japan was one of the strongest markets in local currency terms over the period, although its returns were more modest in sterling terms, owing to the weakness in the yen. Both the Topix and Nikkei indices hit their highest levels since 1990 as investors grew more optimistic that the Japanese economy was escaping its decades-long period of deflation. The market also rallied along with other world markets on the hope that the pace of global interest-rate hikes might slacken during the year, leading to a revival in the global economy. Although these hopes appeared to be dashed towards the end of the period as the Fed, in particular, suggested that further monetary tightening was necessary in its battle to tame inflation, bullish sentiment prevailed among investors and the market continued to rally.

Annual consumer inflation stayed well above the Bank of Japan (BoJ)'s mid-term target of 2%. It hit a 41-year high of 4.3% in January, before falling to 3.2% in May as energy and utility price inflation eased. However, food price inflation remained elevated at 8.6%, the highest since 1976. Additionally, Japan's so-called 'core-core' inflation rate (excluding food and energy costs) rose steadily and hit 4.3% in May, the highest level since the early eighties.

Despite the inflationary pressures, the BoJ did not alter its ultra-loose monetary policy despite much speculation that it was close to doing so. New BoJ Governor Kazuo Ueda reasserted that the central bank's policy would not change for the foreseeable future, although he did concede that growing wage pressures in the economy, if persistent, might force the BoJ to alter its stance.

The economy showed signs of recovery over the period. GDP rose by 0.4% on an annualised basis in the final quarter of 2022. This was followed by 2.7% growth in the first quarter of 2023, beating market forecasts, as both household consumption and capital expenditure picked up. The BoJ's Tankan survey – a quarterly indicator of economic sentiment across the economy – also accelerated from +1 in the first quarter to +5% in the second quarter.

The yen weakened against the US dollar, rising from approximately 128 to 138 over the period, causing concerns at the BoJ and within the government. The weakness reflected the divergent policy stances of the Fed and the BoJ. There was talk of intervention to support the yen by the Japanese authorities towards the end of the period, but this did not ultimately transpire.

Asia ex-Japan Equities

Asia ex Japan equities weakened over the period. Although inflation rates fell throughout the region, investors were concerned about the impact of higher interest rates on economic demand. Mainland China's economic growth appeared to wane following an initial boost after the ending of its Covid-19-related restrictions in late 2022. Geopolitical concerns were to the fore, especially relations between the US and Mainland China. On the positive side, the US dollar was flat to mildly weaker and earnings were generally better than expected.

Mainland China was one of the weakest major markets in the region, while Hong Kong also notably declined. Thailand was weak on worries about political uncertainty in the country, the weaker baht and disappointing corporate earnings. India was relatively flat despite falling inflation and resilient economic growth. The market experienced a sell-off earlier in the year amid accusations of fraud and stock-price rigging at the Adani Group. In contrast, both South Korea and Taiwan produced strong returns, benefitting from the surge in technology stocks, given the large exposure in their market indices to technology, especially in the case of Taiwan.

Central banks across the region generally tightened their monetary policy, albeit at a slower pace. This was despite falling inflation levels as, although headline inflation rates improved, underlying inflation remained persistent. However, most countries enjoyed falling headline inflation. In India, headline inflation dropped from 6.5% in January to 4.3% in May as food prices eased. In South Korea, it fell from 5.2% to 3.3% over the same period. Mainland China was an outlier as inflation remained minimal. The annual consumer inflation rate dropped to zero in June, while its producer price index fell 5.4% year on year in June, the steepest drop for over seven years. Owing to these minimal price pressures and weaker economic trends, the People's Bank of China kept liquidity abundant in the money markets over the period. It cut its key lending rates in June to try and support the economy.

Mainland China's GDP rose by just 3% in 2022, the weakest rate for 50 years bar one year (1976), although the first quarter of 2023 saw more promising growth of 4.5%. Nevertheless, the market was disappointed by the government's official target of just 5% for 2023. India's economy picked up in the first quarter of 2023, growing by 6.1% year on year, after growth of 4.5% in the fourth quarter of 2022, driven by recovering household consumption and a pick-up in manufacturing. Although most Pacific Asian economies saw some relief in 2023 from a weakening US dollar and a slower pace in interest-rate hikes, economic growth in the region still remained meagre in aggregate and compared with history.

Emerging Markets

Emerging markets fell over the period. Although inflation rates fell throughout the region, investors were concerned about the impact of higher interest rates on economic demand. Mainland China's economic growth appeared to wane following an initial boost after the ending of its Covid-19-related restrictions in late 2022. Geopolitical concerns were to the fore, especially relations between the US and Mainland China. On the positive side, the US dollar was flat to mildly weaker and earnings were generally better than expected.

While Asian emerging markets were a drag, Latin American and emerging European equities were relatively strong. In Latin America, all major markets rose in sterling terms, with the key exception of Colombia. Argentina was the strongest performer. Despite rampant, triple-digit inflation and near triple-digit interest rates in the country, investors chased equities as an inflation hedge and in the expectation that better times were around the corner. Mexico benefitted from resilient economic growth and falling inflation. Brazil produced positive returns, too, but underperformed other Latin American markets in aggregate. Socialist President Lula da Silva's presidential victory was taken badly by investors, who fretted about his policies. The market had also suffered earlier in the year when government buildings were attacked in anti-government demonstrations. However, Brazil recovered strongly through May and June on improved economic performance and falling inflation. Colombia was the exception, plagued by anti-government reform demonstrations earlier in the year, while an uncertain political backdrop and the potential re-classification of the market by the MSCI to frontier status all undermined sentiment and caused a sell-off. Emerging European markets benefitted from falling European gas prices and their relatively resilient economies in face of the ongoing situation in Ukraine. The Czech Republic, Poland and Hungary all delivered decent returns.

In Asia, Mainland China was one of the weakest major markets in the region. Thailand was weak on worries about political uncertainty in the country, the weaker baht and disappointing corporate earnings. India was relatively flat despite falling inflation and resilient economic growth. The market experienced a sell-off earlier in the year amid accusations of fraud and stock-price rigging at the Adani Group. In contrast, both South Korea and Taiwan produced strong returns, benefitting from the surge in technology stocks, given the large exposure in their market indices to technology, especially in the case of Taiwan.

Both Turkey and South Africa were weak. Although Turkey rallied in local currency terms as its spectacularly high inflation rate began to moderate, returns in sterling and US dollars were negative owing to the weakness of the lira and ongoing concerns about President Erdogan's support for Russia. The South African market suffered from economic disruption due to power outages and floodings earlier in the year.

The above information refers to past performance and should not be seen as a reliable indication of future returns. Information provided by HSBC Global Asset Management (UK) Limited, 15 July 2023.

Balanced

Investment Objective

The Fund aims to provide growth in the long term, which is a period of five years or more, together with income.

Investment Policy

To achieve its objective the Fund will invest in a range of asset types such as shares (equities) of companies, bonds, property, hedge funds and cash. The portfolio will be invested across global markets.

The Fund will invest at least 70% and up to 100% of its value in other funds that in turn invest in a range of asset types, including funds which aim to track an index. The other funds in which the Fund may invest will, where possible, be those managed by the HSBC Group.

The Fund may invest up to 30% directly in shares of companies, bonds, as well as cash.

The Fund may invest in different types of derivatives for efficient portfolio management purposes, including hedging, and for broader investment purposes to help the Fund meet its objective. In particular derivatives will be used to reduce or increase the Fund's exposure to different types of assets and to reduce the risk associated with movements in the rate of exchange between sterling and other currencies in which the Fund's assets may be held. The Fund does not intend to use derivatives extensively and their use will be consistent with the risk profile of the Fund.

Investment Strategy*

The Fund is actively managed and is not managed with reference to a specific benchmark.

Under normal market conditions, the Fund will have the following asset allocation: Equities: 50% - 80%, Bonds: 15% - 50%, other asset types, including cash: 0% - 30%. These percentages will fluctuate based upon market movement and adjustments to the asset allocation to enable the Fund to meet its aim.

The performance of the Fund is shown against the performance of the Investment Association Mixed Investment 40 - 85% Shares sector for comparison purposes.

*The full strategy can be found in the prospectus.

Portfolio Activity

As a result of the elevated risk environment, and our view that markets are underestimating the probability of a recession in early 2024, the fund has maintained a modestly cautious posture through the period; marginally reducing its global equity allocation, holding a preference for investment grade over high yield bonds, and marginally adding to rate duration. Additionally, the portfolios maintained a preference towards higher quality and more defensive areas of the developed equity market. Given the depth of the US Yield Curve inversion, we introduced a US Steepening trade.

During the period the portfolios have held a preference for 'Eastern' over 'Western' markets. We increased exposure to emerging market equities at the start of the year, and introduced a preference for Japan over developed market equity. Finally, we increased exposure to European ex-UK Equity as the economic outlook in the region improved, and sold out of our US Energy and US Minimum Volatility positions.

Largest Net Purchase(s): Lyxor US Curve Steepening 2-10 UCITS ETF and HSBC Global Sterling Liquidity Funds.

Largest Net Sale(s): HSBC FTSE All-World Index and HSBC HGIF Global Short Duration High Yield Bond.

Investment Performance

During the period under review, the value of the shares in the Fund decreased by 1.07% while the value of the IA Mixed Investment 40-85% Shares sector fell by 1.23%.

(Source: Morningstar Direct, GBP, UK net of tax, for the Accumulation C share class. Returns based on the NAV, which is a single price.)

Please note that the above information refers to the past and that past performance is not a reliable indication of future returns.

| Fund Particulars | | | | |
|--|------------------------|-------------|-------------------|-------------------------------|
| as at 17 July 2023 (unaudited) | | | | |
| | Retail Accumulation | Income C | Accumulation C | Institutional Accumulation |
| Price | 241.5p | 151.7p xd | 265.2p | 274.1p |
| Distribution payable (on 15 September 2023) per share net | 2.090000p | 2.090000p | 3.600000p | 4.490000p |
| Current net estimated yield | 1.20% | 2.25% | 2.21% | 2.77% |
| Annual ACD charge | 1.55% | 0.55% | 0.55% | 0.00% |

Portfolio Statement

as at 15 July 2023 (unaudited)

| <i>Security</i> | <i>Holding</i> | <i>Bid value £'000</i> | <i>Total net assets %</i> |
|---|----------------|--------------------------------|---------------------------------------|
| UNITED KINGDOM - 52.16% (49.88%) | | | |
| Antofagasta | 39,682 | 610 | 0.19 |
| AstraZeneca | 13,605 | 1,404 | 0.44 |
| BAE Systems | 111,975 | 1,027 | 0.32 |
| Barclays | 582,047 | 903 | 0.28 |
| Barratt Developments | 112,594 | 464 | 0.15 |
| BP | 359,199 | 1,639 | 0.51 |
| Britvic | 38,917 | 340 | 0.11 |
| Chemring Group | 59,490 | 170 | 0.05 |
| Coats Group | 449,946 | 297 | 0.09 |
| Compass Group | 51,962 | 1,088 | 0.34 |
| Diageo | 23,213 | 780 | 0.24 |
| Drax Group | 88,999 | 519 | 0.16 |
| FDM Group | 35,904 | 212 | 0.07 |
| GSK | 98,135 | 1,296 | 0.40 |
| Hays | 240,517 | 244 | 0.08 |
| Hikma Pharmaceuticals | 15,277 | 277 | 0.09 |
| +HSBC American Index Fund | 2,766,933 | 25,780 | 8.03 |
| +HSBC Corporate Bond Fund | 4,424,602 | 8,168 | 2.54 |
| +HSBC European Index Fund | 1,107,229 | 12,357 | 3.85 |
| +HSBC FTSE All-World Index Fund | 9,465,618 | 19,849 | 6.18 |
| +HSBC FTSE All-Share Index Fund | 7,977,751 | 27,954 | 8.71 |
| +HSBC Holdings (London listed) | 216,283 | 1,326 | 0.41 |
| +HSBC Japan Index Fund | 6,507,066 | 10,086 | 3.14 |
| +HSBC Pacific Index Fund | 928,073 | 3,188 | 0.99 |
| +HSBC UK Gilt Index Fund | 15,973,211 | 13,282 | 4.14 |
| +HSBC US Multi Factor Equity Fund | 3,238,570 | 17,880 | 5.57 |
| Ibstock | 226,633 | 326 | 0.10 |
| IG Group | 96,002 | 641 | 0.20 |
| Imperial Brands | 36,653 | 644 | 0.20 |
| Intertek Group | 15,962 | 663 | 0.21 |
| Moneysupermarket.com | 148,953 | 411 | 0.13 |
| NatWest Group | 273,058 | 664 | 0.21 |
| Next | 10,756 | 745 | 0.23 |
| Phoenix Group Holdings | 117,637 | 634 | 0.20 |
| Prudential | 90,779 | 973 | 0.30 |
| QinetiQ | 183,529 | 627 | 0.20 |
| Rentokil Initial | 121,672 | 747 | 0.23 |
| Rightmove | 127,348 | 689 | 0.22 |
| Rio Tinto | 21,987 | 1,146 | 0.36 |
| Sage Group | 74,175 | 688 | 0.21 |
| Shell | 119,581 | 2,766 | 0.86 |
| SSE | 41,366 | 742 | 0.23 |
| Tate & Lyle | 84,687 | 617 | 0.19 |
| Taylor Wimpey | 481,147 | 504 | 0.16 |
| Tesco | 310,660 | 777 | 0.24 |
| Unilever | 17,948 | 717 | 0.22 |
| Victrex | 17,758 | 266 | 0.08 |
| Volution Group | 90,575 | 326 | 0.10 |
| Total United Kingdom | | 167,453 | 52.16 |

Portfolio Statement

as at 15 July 2023 (unaudited)

| <i>Security</i> | <i>Holding</i> | <i>Bid value £'000</i> | <i>Total net assets %</i> |
|---|----------------|--------------------------------|---------------------------------------|
| UNITED STATES - 0.00% (0.00%) | | | |
| #Marriott International | 96,061 | - | 0.00 |
| Total United States | | - | 0.00 |
| AUSTRALIA - 0.16% (0.27%) | | | |
| BHP Group | 22,089 | 524 | 0.16 |
| Total Australia | | 524 | 0.16 |
| CHANNEL ISLANDS - 0.19% (0.19%) | | | |
| Ferguson | 4,914 | 605 | 0.19 |
| Total Channel Islands | | 605 | 0.19 |
| IRELAND - 20.16% (18.31%) | | | |
| DCC (London listed) | 7,932 | 347 | 0.11 |
| +HSBC Global Funds ICAV - Global Emerging Market Government Bond Index Fund | 524,621 | 3,223 | 1.00 |
| +HSBC Global Sterling Liquidity Fund | 6,933,460 | 6,933 | 2.16 |
| +HSBC MSCI Emerging Markets UCITIS ETF | 647,183 | 5,132 | 1.60 |
| +HSBC MSCI Korea Capped UCITS ETF | 66,582 | 2,763 | 0.86 |
| +HSBC Multi Factor Worldwide Equity Fund | 2,287,974 | 23,856 | 7.43 |
| iShares - S&P 500 Health Care Sector UCITS ETF | 378,800 | 2,937 | 0.91 |
| iShares Bloomberg Enhanced Roll Yield Commodity Swap UCITS ETF | 594,835 | 3,225 | 1.01 |
| iShares Edge MSCI USA Quality Factor UCITS ETF | 2,822 | 3,540 | 1.10 |
| iShares S&P 500 Consumer Staples UCITS ETF | 504,804 | 3,029 | 0.94 |
| L&G India INR Government Bond UCITS ETF | 227,448 | 1,575 | 0.49 |
| Passim Structured Funds Cross Asset Trend Strategy B Acc | 52,465 | 4,558 | 1.42 |
| Smurfit Kappa Group | 13,950 | 400 | 0.13 |
| Xtrackers MSCI USA Information Technology UCITS ETF | 54,229 | 3,221 | 1.00 |
| Total Ireland | | 64,739 | 20.16 |
| LUXEMBOURG - 24.57% (29.44%) | | | |
| +HSBC GIF Frontier Markets Fund | 192,185 | 3,568 | 1.11 |
| +HSBC GIF Global Emerging Markets Bond Fund | 723,351 | 3,996 | 1.25 |
| +HSBC GIF Global Emerging Markets Local Debt Fund | 1,857,875 | 11,537 | 3.59 |
| +HSBC GIF Global Government Bond | 389,094 | 3,140 | 0.98 |
| +HSBC GIF Global High Yield Bond Fund | 687,783 | 4,558 | 1.42 |
| +HSBC GIF Global Inflation Linked Bond | 295,196 | 2,133 | 0.67 |
| +HSBC GIF Global Infrastructure Equity | 1,262,147 | 9,590 | 2.99 |
| +HSBC GIF Global Investment Grade Securitised Credit Bond Fund | 287,876 | 2,147 | 0.67 |
| +HSBC GIF Global Real Estate Equity Fund | 1,048,285 | 7,136 | 2.22 |
| +HSBC Global Corporate Bond Fund | 711,944 | 5,371 | 1.67 |
| +HSBC Global Investment Fund | 554,451 | 3,417 | 1.06 |
| +HSBC Multi-Asset Style Factors Fund | 326,642 | 3,161 | 0.98 |
| Lyxor MSCI Brazil UCITS ETF | 126,456 | 2,113 | 0.66 |
| Lyxor US Curve Steepening 2-10 UCITS ETF | 146,801 | 10,113 | 3.15 |
| Structured Investments Goldman Sachs - Cross Asset Trend Portfolio | 502,800 | 4,631 | 1.44 |
| Xtrackers CSI300 Swap UCITS ETF | 207,648 | 2,289 | 0.71 |
| Total Luxembourg | | 78,900 | 24.57 |

Portfolio Statement

as at 15 July 2023 (unaudited)

| <i>Security</i> | <i>Holding</i> | <i>Bid value £'000</i> | <i>Total net assets %</i> |
|---|-------------------|--------------------------------|---------------------------------------|
| Forward Foreign Exchange Contracts - 0.29% (0.08)% | | | |
| #GBP Forward Currency Contract 17/08/2023 | GBP 54,811,122 | 945 | 0.29 |
| #USD Forward Currency Contract 17/08/2023 | (USD 70,672,036) | | |
| #GBP Forward Currency Contract 17/08/2023 | GBP 4,117,960 | 12 | - |
| #JPY Forward Currency Contract 17/08/2023 | (JPY 742,156,813) | | |
| #CHF Forward Currency Contract 17/08/2023 | CHF 1,792,169 | 11 | - |
| #GBP Forward Currency Contract 17/08/2023 | (GBP 1,582,650) | | |
| #EUR Forward Currency Contract 17/08/2023 | EUR 1,871,817 | 6 | - |
| #GBP Forward Currency Contract 17/08/2023 | (GBP 1,600,731) | | |
| Total Forward Foreign Exchange Contracts | | 974 | 0.29 |
| Futures - 0.00% (0.01)% | | | |
| ICF FTSE 100 Index Future September 2023 | 4 | (4) | - |
| ICF Long Gilt Future September 2023 | 73 | (115) | - |
| Total Futures | | (119) | 0.00 |
| Portfolio of investments | | 313,076 | 97.53 |
| Net other assets | | 7,938 | 2.47 |
| Net assets | | 321,014 | 100.00 |

+Funds managed by the ACD/HSBC Group

#unlisted

Figures in brackets denote the comparative percentage holdings as at 15 January 2023.

Unless otherwise stated, all investments are listed securities.

The counterparty for futures is HSBC.

The counterparties for the forward foreign exchange contracts are HSBC and Merrill Lynch.

Total purchases for the period, including transaction charges, were £76,790,482.

Total sales for the period, net of transaction charges, were £85,651,793.

Comparative Tables

| Retail Income# | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|--|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | N/A | N/A | N/A | 152.30p |
| Return before operating charges* | N/A | N/A | N/A | (0.07p) |
| Operating charges** | N/A | N/A | N/A | (0.23p) |
| Return after operating charges* | N/A | N/A | N/A | (0.30p) |
| Distributions on income shares | N/A | N/A | N/A | 0.00p |
| Cancellation price | N/A | N/A | N/A | (152.00p) |
| Closing net asset value per share | N/A | N/A | N/A | 0.00p |
| *after direct transaction costs of:*** | N/A | N/A | N/A | 0.03p |
| Performance | | | | |
| Return after charges | N/A | N/A | N/A | (0.20%) |
| Other information | | | | |
| Closing net asset value | N/A | N/A | N/A | N/A |
| Closing number of shares | N/A | N/A | N/A | N/A |
| Operating charges - OCF | N/A | N/A | N/A | N/A |
| Direct transaction costs | N/A | N/A | N/A | N/A |
| Prices | | | | |
| Highest share price | N/A | N/A | N/A | 153.30p |
| Lowest share price | N/A | N/A | N/A | 148.60p |

| Retail Accumulation | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|---|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 245.30p | 251.60p | 231.10p | 235.00p |
| Return before operating charges* | (1.89p) | (2.46p) | 24.41p | 1.20p |
| Operating charges** | (1.91p) | (3.84p) | (3.91p) | (5.10p) |
| Return after operating charges* | (3.80p) | (6.30p) | 20.50p | (3.90p) |
| Distributions on accumulation shares | (2.09p) | (2.25p) | (1.34p) | 0.00p |
| Retained distributions on accumulation shares | 2.09p | 2.25p | 1.34p | 0.00p |
| Closing net asset value per share | 241.50p | 245.30p | 251.60p | 231.10p |
| *after direct transaction costs of:*** | 0.02p | 0.04p | 0.03p | 0.05p |
| Performance | | | | |
| Return after charges | (1.55%) | (2.50%) | 8.87% | (1.66%) |
| Other information | | | | |
| Closing net asset value | £20,820 | £22,017 | £325,484 | £44,191 |
| Closing number of shares | 8,622 | 8,977 | 129,363 | 19,123 |
| Operating charges - OCF | 1.67% | 1.67% | 1.68% | 1.68% † |
| Direct transaction costs | 0.01% | 0.02% | 0.01% | 0.02% |
| Prices | | | | |
| Highest share price | 249.96p | 254.17p | 257.50p | 236.40p |
| Lowest share price | 236.70p | 229.21p | 225.80p | 180.90p |

#The Retail Income share class converted to Income C class on 7 February 2020.

†Estimated value following a change to the charging structure on 1 October 2020.

**The operating charges include all costs borne by the Fund, except for direct transaction costs.

***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.

Comparative Tables

| Income C | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|--|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 155.40p | 160.90p | 148.30p | 152.10p |
| Return before operating charges* | (1.26p) | (1.58p) | 15.66p | (0.36p) |
| Operating charges** | (0.45p) | (0.94p) | (0.99p) | (0.90p) |
| Return after operating charges* | (1.71p) | (2.52p) | 14.67p | (1.26p) |
| Distributions on income shares | (2.09p) | (2.98p) | (2.07p) | (2.54p) |
| Closing net asset value per share | 151.60p | 155.40p | 160.90p | 148.30p |
| *after direct transaction costs of:*** | 0.01p | 0.02p | 0.02p | 0.03p |
| Performance | | | | |
| Return after charges | (1.10%) | (1.57%) | 9.89% | (0.83%) |
| Other information | | | | |
| Closing net asset value | £13,575,664 | £14,843,075 | £17,432,024 | £16,641,718 |
| Closing number of shares | 8,952,409 | 9,552,354 | 10,832,704 | 11,220,098 |
| Operating charges - OCF | 0.68% | 0.67% | 0.73% | 0.74%† |
| Direct transaction costs | 0.01% | 0.02% | 0.01% | 0.02% |
| Prices | | | | |
| Highest share price | 158.52p | 162.88p | 165.10p | 153.00p |
| Lowest share price | 150.22p | 146.07p | 145.00p | 117.30p |

| Accumulation C | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|---|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 268.00p | 272.20p | 247.60p | 249.40p |
| Return before operating charges* | (2.12p) | (2.60p) | 26.26p | (0.31p) |
| Operating charges** | (0.78p) | (1.60p) | (1.66p) | (1.49p) |
| Return after operating charges* | (2.90p) | (4.20p) | 24.60p | (1.80p) |
| Distributions on accumulation shares | (3.60p) | (5.07p) | (3.47p) | (4.19p) |
| Retained distributions on accumulation shares | 3.60p | 5.07p | 3.47p | 4.19p |
| Closing net asset value per share | 265.10p | 268.00p | 272.20p | 247.60p |
| *after direct transaction costs of:*** | 0.02p | 0.04p | 0.03p | 0.05p |
| Performance | | | | |
| Return after charges | (1.08%) | (1.54%) | 9.94% | (0.72%) |
| Other information | | | | |
| Closing net asset value | £47,507,265 | £49,207,090 | £52,666,831 | £45,880,221 |
| Closing number of shares | 17,918,556 | 18,362,321 | 19,350,140 | 18,530,696 |
| Operating charges - OCF | 0.68% | 0.67% | 0.73% | 0.74%† |
| Direct transaction costs | 0.01% | 0.02% | 0.01% | 0.02% |
| Prices | | | | |
| Highest share price | 273.26p | 275.48p | 278.30p | 250.80p |
| Lowest share price | 259.07p | 249.79p | 242.00p | 192.30p |

†Estimated value following a change to the charging structure on 1 October 2020.

**The operating charges include all costs borne by the Fund, except for direct transaction costs.

***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.

Comparative Tables

| Institutional Accumulation | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|---|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 276.20p | 278.90p | 252.20p | 252.40p |
| Return before operating charges* | (2.16p) | (2.64p) | 26.75p | (0.15p) |
| Operating charges** | (0.04p) | (0.06p) | (0.05p) | (0.05p) |
| Return after operating charges* | (2.20p) | (2.70p) | 26.70p | (0.20p) |
| Distributions on accumulation shares | (4.49p) | (6.80p) | (5.19p) | (5.71p) |
| Retained distributions on accumulation shares | 4.49p | 6.80p | 5.19p | 5.71p |
| Closing net asset value per share | 274.00p | 276.20p | 278.90p | 252.20p |
| *after direct transaction costs of:*** | 0.02p | 0.04p | 0.03p | 0.05p |
| Performance | | | | |
| Return after charges | (0.80%) | (0.97%) | 10.59% | (0.08%) |
| Other information | | | | |
| Closing net asset value | £259,910,423 | £274,349,437 | £297,167,459 | £287,182,458 |
| Closing number of shares | 94,846,965 | 99,327,979 | 106,550,972 | 113,893,973 |
| Operating charges - OCF | 0.11% | 0.10% | 0.11% | 0.10% |
| Direct transaction costs | 0.01% | 0.02% | 0.01% | 0.02% |
| Prices | | | | |
| Highest share price | 282.00p | 283.00p | 285.00p | 254.40p |
| Lowest share price | 267.00p | 257.00p | 246.50p | 194.80p |
| **The operating charges include all costs borne by the Fund, except for direct transaction costs. | | | | |
| ***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. | | | | |

Statement of Total Return

for the six months ended 15 July 2023 (unaudited)

| | 15.7.23 | | 15.7.22 | |
|--|--------------|----------------|---------|----------|
| | £'000 | £'000 | £'000 | £'000 |
| Income | | | | |
| Net capital losses | | (7,967) | | (22,867) |
| Revenue | 5,403 | | 5,016 | |
| Expenses | (215) | | (237) | |
| Interest payable and similar charges | (1) | | (7) | |
| Net revenue before taxation | 5,187 | | 4,772 | |
| Taxation | - | | (69) | |
| Net revenue after taxation | | 5,187 | | 4,703 |
| Total deficit before distributions | | (2,780) | | (18,164) |
| Distributions | | (5,174) | | (4,563) |
| Change in net assets attributable to shareholders from investment activities | | (7,954) | | (22,727) |

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2023 (unaudited)

| | 15.7.23 | | 15.7.22 | |
|--|-----------------|-----------------|----------|----------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 338,422 | | 367,592 |
| Amounts receivable on creation of shares | 1,132 | | 3,036 | |
| Amounts payable on cancellation of shares | (15,490) | | (17,278) | |
| | | (14,358) | | (14,242) |
| Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above) | | (7,954) | | (22,727) |
| Retained distribution on accumulation shares | | 4,904 | | 4,323 |
| Closing net assets attributable to shareholders | | 321,014 | | 334,946 |

Balance Sheet

as at 15 July 2023 (unaudited)

| | 15.7.23 | | 15.1.23 | |
|---|--------------|----------------|---------|---------|
| | £'000 | £'000 | £'000 | £'000 |
| Assets | | | | |
| Investments | | 313,195 | | 332,157 |
| Current assets | | | | |
| Debtors | 3,157 | | 1,695 | |
| Cash and bank balances | 5,657 | | 5,357 | |
| Total current assets | | 8,814 | | 7,052 |
| Total assets | | 322,009 | | 339,209 |
| Liabilities | | | | |
| Investment liabilities | | (119) | | (449) |
| Creditors | | | | |
| Distribution payable on income shares | (187) | | (127) | |
| Other creditors | (689) | | (211) | |
| Total creditors | | (876) | | (338) |
| Total liabilities | | (995) | | (787) |
| Net assets attributable to shareholders | | 321,014 | | 338,422 |

Distribution Table (pence per share)

for the six months ended 15 July 2023 (unaudited)

| | <i>Net income</i> | <i>Equalisation</i> | <i>Distribution payable 15.9.23</i> | <i>Distribution paid 15.9.22</i> |
|--|-----------------------|---------------------|---|--|
| Group 1: Shares purchased prior to 16 January 2023 | | | | |
| Group 2: Shares purchased from 16 January 2023 to 15 July 2023 | | | | |
| Retail Accumulation | | | | |
| Group 1 | 2.090000 | - | 2.090000 | 1.430000 |
| Group 2 | 2.090000 | 0.000000 | 2.090000 | 1.430000 |
| Income C | | | | |
| Group 1 | 2.090000 | - | 2.090000 | 1.660000 |
| Group 2 | 1.560000 | 0.530000 | 2.090000 | 1.660000 |
| Accumulation C | | | | |
| Group 1 | 3.600000 | - | 3.600000 | 2.810000 |
| Group 2 | 2.530000 | 1.070000 | 3.600000 | 2.810000 |
| Institutional Accumulation | | | | |
| Group 1 | 4.490000 | - | 4.490000 | 3.710000 |
| Group 2 | 0.600000 | 3.890000 | 4.490000 | 3.710000 |

UK Growth & Income

Investment Objective

The Fund aims to provide growth and income in the long term, which is a period of five years or more.

Investment Policy

To achieve its objective, the Fund will invest at least of 80% of its value in the shares (equities) of UK companies, including preference shares. UK companies are those that are based in the UK or earn at least 80% of their revenue from the UK.

The Fund may invest up to 20% of its value in other assets, such as shares of non-UK companies and cash. The Fund may invest up to 10% of its value in other funds, which may be managed by the HSBC Group. Typically the Fund will invest in the shares of 40 to 70 companies.

The Fund may invest in different types of derivatives for efficient portfolio management purposes, including hedging. The Fund does not currently use derivatives to reduce the risk of movements in the rate of exchange between sterling and other currencies in which the Fund's assets may be held. The use of derivatives will be consistent with the risk profile of the Fund.

Investment Strategy*

The Fund is actively managed and is managed with reference to the FTSE All-Share Index.

The level of risk the Fund may take is considered relative to the FTSE All-Share Index as part of the portfolio construction process, which means the Fund returns are more likely to be closer to the returns of the FTSE All-Share Index than if there were no limits on the level of risk the Fund may take.

The FTSE All-Share Index is also considered as part of our investment risk monitoring process, to check that the overall level of risk taken by the fund manager is not inconsistent with the UK equities market.

The performance of the Fund is therefore shown against the performance of the FTSE All-Share Index.

*The full strategy can be found in the prospectus.

Portfolio Activity

Contributors to relative performance included Moneysupermarket.com (Communication Services) with a total effect of 0.40%. Additionally, Tesco (Consumer Staples) was in the top two contributors with a total effect of 0.20%.

Detractors included NatWest Group (Financials) with a total effect of -0.34% and Prudential (Financials) with a total effect of -0.34%.

During this period, major purchases included Taylor Wimpey, Rightmove, GSK and Sage Group, and major sales included AstraZeneca, Imperial Brands, Bunzl and BP.

Sector allocation effects are residual to stock selection. At the sector level, effects were positive, given an overweight exposure to Industrials.

Investment Performance

During the period under review, the value of the shares in the Fund decreased by 4.00% while the value of the FTSE All-Share Index fell by 3.72%.

(Source: Morningstar Direct, GBP, UK net of tax, for the Accumulation C share class. Returns based on the NAV, which is a single price.)

Please note that the above information refers to the past and that past performance is not a reliable indication of future returns.

Fund Particulars

as at 17 July 2023 (unaudited)

| | Retail Income | Retail Accumulation | Retail B Income | Retail B Accumulation |
|---|---------------|---------------------|-----------------|-----------------------|
| Price | 60.94p xd | 141.2p | 69.72p xd | 161.7p |
| Distribution payable (on 15 September 2023) per share net | 1.370000p | 3.110000p | 1.570000p | 3.570000p |
| Current net estimated yield | 4.32% | 4.19% | 4.32% | 4.19% |
| Annual ACD charge | 1.50% | 1.50% | 0.60% | 0.60% |

| | Institutional Income | Institutional A Accumulation | Income C | Accumulation C |
|---|----------------------|------------------------------|-----------|----------------|
| Price | 68.83p xd | 152.8p | 66.55p xd | 152.0p |
| Distribution payable (on 15 September 2023) per share net | 1.540000p | 3.360000p | 1.490000p | 3.340000p |
| Current net estimated yield | 4.29% | 4.18% | 4.30% | 4.17% |
| Annual ACD charge | 0.00% | 0.75% | 0.80% | 0.80% |

Portfolio Statement

as at 15 July 2023 (unaudited)

| <i>Security</i> | <i> Holding</i> | <i> Bid value £'000</i> | <i> Total net assets %</i> |
|---|-----------------|---------------------------------|--|
| Oil & Gas - 14.17% (15.68%) | | | |
| BP | 2,890,867 | 13,194 | 5.24 |
| Shell | 973,174 | 22,510 | 8.93 |
| Total Oil & Gas | | 35,704 | 14.17 |
| Basic Materials - 8.07% (9.15%) | | | |
| Antofagasta | 342,096 | 5,256 | 2.09 |
| BHP Group | 149,079 | 3,534 | 1.40 |
| Rio Tinto | 179,946 | 9,379 | 3.72 |
| Victrex | 145,369 | 2,178 | 0.86 |
| Total Basic Materials | | 20,347 | 8.07 |
| Industrials - 18.45% (14.50%) | | | |
| BAE Systems | 869,819 | 7,980 | 3.17 |
| Chemring Group | 481,595 | 1,377 | 0.55 |
| Coats Group | 3,382,798 | 2,236 | 0.89 |
| DCC (London listed) | 64,108 | 2,803 | 1.11 |
| Ferguson | 41,775 | 5,142 | 2.04 |
| Hays | 1,939,514 | 1,969 | 0.78 |
| Ibstock | 1,810,417 | 2,603 | 1.03 |
| Intertek Group | 130,494 | 5,418 | 2.15 |
| QinetiQ | 1,425,370 | 4,872 | 1.93 |
| Rentokil Initial | 985,283 | 6,046 | 2.40 |
| Smurfit Kappa Group | 116,474 | 3,340 | 1.33 |
| Volution Group | 749,973 | 2,701 | 1.07 |
| Total Industrials | | 46,487 | 18.45 |
| Consumer Goods - 15.52% (12.46%) | | | |
| Barratt Developments | 908,327 | 3,744 | 1.49 |
| Britvic | 315,363 | 2,758 | 1.09 |
| Diageo | 188,427 | 6,331 | 2.51 |
| Imperial Brands | 293,270 | 5,151 | 2.04 |
| Tate & Lyle | 686,253 | 5,003 | 1.99 |
| Taylor Wimpey | 3,895,094 | 4,082 | 1.62 |
| Tesco | 2,499,049 | 6,248 | 2.48 |
| Unilever | 145,361 | 5,804 | 2.30 |
| Total Consumer Goods | | 39,121 | 15.52 |
| Healthcare - 9.62% (10.09%) | | | |
| AstraZeneca | 109,988 | 11,353 | 4.50 |
| GSK | 806,917 | 10,653 | 4.23 |
| Hikma Pharmaceuticals | 123,746 | 2,240 | 0.89 |
| Total Healthcare | | 24,246 | 9.62 |

Portfolio Statement

as at 15 July 2023 (unaudited)

| <i>Security</i> | <i>Holding</i> | <i>Bid value £'000</i> | <i>Total net assets %</i> |
|---|----------------|--------------------------------|---------------------------------------|
| Consumer Services - 7.24% (8.87%) | | | |
| Compass Group | 420,647 | 8,804 | 3.49 |
| Moneysupermarket.com | 1,247,877 | 3,447 | 1.37 |
| Next | 86,648 | 5,999 | 2.38 |
| Total Consumer Services | | 18,250 | 7.24 |
| Telecommunications - 0.00% (0.86%) | | | |
| Utilities - 4.09% (4.36%) | | | |
| Drax Group | 731,452 | 4,269 | 1.69 |
| SSE | 336,931 | 6,041 | 2.40 |
| Total Utilities | | 10,310 | 4.09 |
| Financials - 16.55% (20.20%) | | | |
| Barclays | 4,604,064 | 7,140 | 2.83 |
| +HSBC Holdings (London listed) | 1,751,591 | 10,737 | 4.26 |
| IG Group | 780,626 | 5,211 | 2.07 |
| NatWest Group | 2,244,735 | 5,455 | 2.16 |
| Phoenix Group Holdings | 971,321 | 5,235 | 2.08 |
| Prudential | 740,504 | 7,934 | 3.15 |
| Total Financials | | 41,712 | 16.55 |
| Technology - 5.19% (2.41%) | | | |
| FDM Group | 290,127 | 1,715 | 0.68 |
| Rightmove | 1,032,804 | 5,592 | 2.22 |
| Sage Group | 622,789 | 5,779 | 2.29 |
| Total Technology | | 13,086 | 5.19 |
| Futures - 0.00% (0.04%) | | | |
| ICF FTSE 100 Index Future September 2023 | 37 | (3) | 0.00 |
| Total Futures | | (3) | 0.00 |
| Portfolio of investments | | 249,260 | 98.90 |
| Net other assets | | 2,760 | 1.10 |
| Net assets | | 252,020 | 100.00 |

+Funds managed by the ACD/HSBC Group

Figures in brackets denote the comparative percentage holdings as at 15 January 2023.

Unless otherwise stated, all investments are listed equities.

The counterparty for future is HSBC.

Total purchases for the period, including transaction charges, were £24,543,976.

Total sales for the period, net of transaction charges, were £35,113,361.

Comparative Tables

| Retail Income | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|--|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 65.46p | 65.27p | 59.51p | 71.46p |
| Return before operating charges* | (2.50p) | 3.88p | 8.94p | (9.52p) |
| Operating charges** | (0.49p) | (0.96p) | (0.96p) | (0.89p) |
| Return after operating charges* | (2.99p) | 2.92p | 7.98p | (10.41p) |
| Distributions on income shares | (1.37p) | (2.73p) | (2.22p) | (1.54p) |
| Closing net asset value per share | 61.10p | 65.46p | 65.27p | 59.51p |
| *after direct transaction costs of:*** | 0.03p | 0.07p | 0.06p | 0.06p |
| Performance | | | | |
| Return after charges | (4.57)% | 4.47% | 13.41% | (14.57)% |
| Other information | | | | |
| Closing net asset value | £3,323,402 | £3,600,154 | £3,816,308 | £3,562,098 |
| Closing number of shares | 5,439,463 | 5,499,436 | 5,846,696 | 5,985,568 |
| Operating charges - OCF | 1.53% | 1.53% | 1.53% | 1.53%† |
| Direct transaction costs | 0.05% | 0.12% | 0.09% | 0.11% |
| Prices | | | | |
| Highest share price | 67.14p | 66.67p | 66.80p | 71.76p |
| Lowest share price | 60.81p | 57.28p | 56.45p | 43.57p |

| Retail Accumulation | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|---|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 148.30p | 141.60p | 124.70p | 145.90p |
| Return before operating charges* | (5.69p) | 8.81p | 18.92p | (19.27p) |
| Operating charges** | (1.11p) | (2.11p) | (2.02p) | (1.93p) |
| Return after operating charges* | (6.80p) | 6.70p | 16.90p | (21.20p) |
| Distributions on accumulation shares | (3.11p) | (5.98p) | (4.69p) | (3.16p) |
| Retained distributions on accumulation shares | 3.11p | 5.98p | 4.69p | 3.16p |
| Closing net asset value per share | 141.50p | 148.30p | 141.60p | 124.70p |
| *after direct transaction costs of:*** | 0.07p | 0.16p | 0.12p | 0.12p |
| Performance | | | | |
| Return after charges | (4.59)% | 4.73% | 13.55% | (14.53)% |
| Other information | | | | |
| Closing net asset value | £1,686,091 | £1,809,718 | £1,828,845 | £1,856,877 |
| Closing number of shares | 1,191,369 | 1,220,204 | 1,291,187 | 1,488,569 |
| Operating charges - OCF | 1.53% | 1.53% | 1.53% | 1.53%† |
| Direct transaction costs | 0.05% | 0.12% | 0.09% | 0.11% |
| Prices | | | | |
| Highest share price | 152.10p | 148.20p | 142.20p | 146.60p |
| Lowest share price | 137.80p | 127.30p | 118.30p | 89.00p |

†Estimated value following a change to the charging structure on 1 October 2020.

**The operating charges include all costs borne by the Fund, except for direct transaction costs.

***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.

Comparative Tables

| Retail B Income | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|--|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 74.55p | 73.66p | 66.55p | 79.10p |
| Return before operating charges* | (2.86p) | 4.44p | 10.03p | (10.46p) |
| Operating charges** | (0.23p) | (0.45p) | (0.42p) | (0.37p) |
| Return after operating charges* | (3.09p) | 3.99p | 9.61p | (10.83p) |
| Distributions on income shares | (1.57p) | (3.10p) | (2.50p) | (1.72p) |
| Closing net asset value per share | 69.89p | 74.55p | 73.66p | 66.55p |
| *after direct transaction costs of:*** | 0.04p | 0.08p | 0.07p | 0.07p |
| Performance | | | | |
| Return after charges | (4.14)% | 5.42% | 14.44% | (13.69)% |
| Other information | | | | |
| Closing net asset value | £58,435,281 | £65,469,455 | £71,193,163 | £74,392,634 |
| Closing number of shares | 83,605,958 | 87,816,676 | 96,650,371 | 111,781,750 |
| Operating charges - OCF | 0.60% | 0.60% | 0.60% | 0.60%† |
| Direct transaction costs | 0.05% | 0.12% | 0.09% | 0.11% |
| Prices | | | | |
| Highest share price | 76.52p | 75.92p | 75.38p | 79.43p |
| Lowest share price | 69.55p | 65.07p | 63.15p | 48.32p |

| Retail B Accumulation | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|---|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 169.10p | 160.00p | 139.70p | 161.60p |
| Return before operating charges* | (6.48p) | 10.09p | 21.19p | (21.14p) |
| Operating charges** | (0.52p) | (0.99p) | (0.89p) | (0.76p) |
| Return after operating charges* | (7.00p) | (9.10p) | 20.30p | (21.90p) |
| Distributions on accumulation shares | (3.57p) | (6.81p) | (5.29p) | (3.53p) |
| Retained distributions on accumulation shares | 3.57p | 6.81p | 5.29p | 3.53p |
| Closing net asset value per share | 162.10p | 169.10p | 160.00p | 139.70p |
| *after direct transaction costs of:*** | 0.08p | 0.18p | 0.14p | 0.13p |
| Performance | | | | |
| Return after charges | (4.14)% | 5.69% | 14.53% | (13.55)% |
| Other information | | | | |
| Closing net asset value | £2,829,148 | £3,073,879 | £3,096,322 | £2,887,838 |
| Closing number of shares | 1,745,421 | 1,817,839 | 1,935,019 | 2,067,967 |
| Operating charges - OCF | 0.60% | 0.60% | 0.60% | 0.60%† |
| Direct transaction costs | 0.05% | 0.12% | 0.09% | 0.11% |
| Prices | | | | |
| Highest share price | 173.60p | 168.90p | 160.60p | 162.40p |
| Lowest share price | 157.80p | 144.80p | 132.50p | 98.71p |

†Estimated value following a change to the charging structure on 1 October 2020.

**The operating charges include all costs borne by the Fund, except for direct transaction costs.

***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.

Comparative Tables

| CTF Accumulation# | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|---|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | N/A | N/A | N/A | 149.10p |
| Return before operating charges* | N/A | N/A | N/A | (21.79p) |
| Operating charges** | N/A | N/A | N/A | (0.21p) |
| Return after operating charges* | N/A | N/A | N/A | (22.00p) |
| Distributions on accumulation shares | N/A | N/A | N/A | - |
| Retained distributions on accumulation shares | N/A | N/A | N/A | - |
| Cancellation price | N/A | N/A | N/A | (127.10p) |
| Closing net asset value per share | N/A | N/A | N/A | 0.00p |
| *after direct transaction costs of:*** | N/A | N/A | N/A | 0.15p |
| Performance | | | | |
| Return after charges | N/A | N/A | N/A | (14.76)% |
| Other information | | | | |
| Closing net asset value | N/A | N/A | N/A | N/A |
| Closing number of shares | N/A | N/A | N/A | N/A |
| Operating charges - OCF | N/A | N/A | N/A | N/A |
| Direct transaction costs | N/A | N/A | N/A | N/A |
| Prices | | | | |
| Highest share price | N/A | N/A | N/A | 149.80p |
| Lowest share price | N/A | N/A | N/A | 127.70p |

| Institutional Income | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|--|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 73.38p | 72.05p | 64.73p | 61.95p |
| Return before operating charges* | (2.83p) | 4.37p | 9.77p | 2.85p |
| Operating charges** | (0.01p) | (0.01p) | (0.01p) | 0.00p |
| Return after operating charges* | (2.84p) | 4.36p | 9.76p | 2.85p |
| Distributions on income shares | (1.54p) | (3.03p) | (2.44p) | (0.07p) |
| Closing net asset value per share | 69.00p | 73.38p | 72.05p | 64.73p |
| *after direct transaction costs of:*** | 0.04p | 0.08p | 0.06p | 0.07p |
| Performance | | | | |
| Return after charges | (3.87)% | 6.05% | 15.08% | 4.60% |
| Other information | | | | |
| Closing net asset value | £13,960,331 | £15,532,474 | £1,028,127 | £41,792 |
| Closing number of shares | 20,231,414 | 21,168,271 | 1,426,867 | 64,568 |
| Operating charges - OCF | 0.02% | 0.02% | 0.02% | 0.01% |
| Direct transaction costs | 0.05% | 0.12% | 0.09% | 0.11% |
| Prices | | | | |
| Highest share price | 75.35p | 74.72p | 73.74p | 65.74p |
| Lowest share price | 68.65p | 63.94p | 61.42p | 60.74p |

**The operating charges include all costs borne by the Fund, except for direct transaction costs.

***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.

Comparative Tables

| Institutional Accumulation# | 15.7.23 | 15.1.23 | 15.1.22 |
|---|----------------|----------------|----------------|
| Change in net assets per share | | | |
| Opening net asset value per share | N/A | 74.61p | 68.62p |
| Return before operating charges* | N/A | (0.48p) | 6.00p |
| Operating charges** | N/A | - | (0.01p) |
| Return after operating charges* | N/A | (0.48p) | 5.99p |
| Distributions on accumulation shares | N/A | - | (1.70p) |
| Retained distributions on accumulation shares | N/A | - | 1.70p |
| Cancellation price | N/A | (74.13p) | - |
| Closing net asset value per share | N/A | 0.00p | 74.61p |
| *after direct transaction costs of:*** | N/A | 0.08p | 0.07p |
| Performance | | | |
| Return after charges | N/A | (0.64)% | 8.73% |
| Other information | | | |
| Closing net asset value | N/A | N/A | £64,111 |
| Closing number of shares | N/A | N/A | 85,931 |
| Operating charges - OCF | N/A | N/A | 0.02% |
| Direct transaction costs | N/A | N/A | 0.09% |
| Prices | | | |
| Highest share price | N/A | 75.40p | 74.90p |
| Lowest share price | N/A | 68.49p | 66.05p |

| Institutional A Accumulation | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|---|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 160.00p | 151.60p | 132.50p | 153.60p |
| Return before operating charges* | (6.19p) | 9.55p | 20.20p | (20.17p) |
| Operating charges** | (0.61p) | (1.15p) | (1.10p) | (0.93p) |
| Return after operating charges* | (6.80p) | 8.40p | 19.10p | (21.10p) |
| Distributions on accumulation shares | (3.36p) | (6.42p) | (5.01p) | (3.34p) |
| Retained distributions on accumulation shares | 3.36p | 6.42p | 5.01p | 3.34p |
| Closing net asset value per share | 153.20p | 160.00p | 151.60p | 132.50p |
| *after direct transaction costs of:*** | 0.08p | 0.17p | 0.13p | 0.13p |
| Performance | | | | |
| Return after charges | (4.25)% | 5.54% | 14.42% | (13.74)% |
| Other information | | | | |
| Closing net asset value | £1,736,430 | £1,798,058 | £2,428,401 | £4,688,267 |
| Closing number of shares | 1,133,392 | 1,124,067 | 1,601,571 | 3,537,285 |
| Operating charges - OCF | 0.78% | 0.78% | 0.78% | 0.79%† |
| Direct transaction costs | 0.05% | 0.12% | 0.09% | 0.11% |
| Prices | | | | |
| Highest share price | 164.20p | 159.80p | 152.20p | 154.40p |
| Lowest share price | 149.10p | 137.00p | 125.70p | 93.82p |

#The Institutional Accumulation share class launched on 4 May 2021 and closed on 14 April 2022.

†Estimated value following a change to the charging structure on 1 October 2020.

**The operating charges include all costs borne by the Fund, except for direct transaction costs.

***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.

Comparative Tables

| Income C | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|--|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 71.22p | 70.51p | 63.84p | 76.09p |
| Return before operating charges* | (2.73p) | 4.23p | 9.61p | (10.09p) |
| Operating charges** | (0.29p) | (0.57p) | (0.56p) | (0.52p) |
| Return after operating charges* | (3.02p) | 3.66p | 9.05p | (10.61p) |
| Distributions on income shares | (1.49p) | (2.95p) | (2.38p) | (1.64p) |
| Closing net asset value per share | 66.71p | 71.22p | 70.51p | 63.84p |
| *after direct transaction costs of:*** | 0.04p | 0.08p | 0.06p | 0.06p |
| Performance | | | | |
| Return after charges | (4.24)% | 5.19% | 14.18% | (13.94)% |
| Other information | | | | |
| Closing net asset value | £120,029,201 | £134,065,882 | £145,470,165 | £149,089,742 |
| Closing number of shares | 179,938,424 | 188,242,643 | 206,306,269 | 233,520,036 |
| Operating charges - OCF | 0.83% | 0.83% | 0.83% | 0.83%† |
| Direct transaction costs | 0.05% | 0.12% | 0.09% | 0.11% |
| Prices | | | | |
| Highest share price | 73.10p | 72.54p | 72.17p | 76.41p |
| Lowest share price | 66.39p | 62.21p | 60.58p | 46.46p |

| Accumulation C | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|---|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 159.10p | 150.90p | 132.00p | 153.60p |
| Return before operating charges* | (6.05p) | 9.42p | 20.07p | (20.54p) |
| Operating charges** | (0.65p) | (1.22p) | (1.17p) | (1.06p) |
| Return after operating charges* | (6.70p) | 8.20p | 18.90p | (21.60p) |
| Distributions on accumulation shares | (3.34p) | (6.39p) | (4.97p) | (3.33p) |
| Retained distributions on accumulation shares | 3.34p | 6.39p | 4.97p | 3.33p |
| Closing net asset value per share | 152.40p | 159.10p | 150.90p | 132.00p |
| *after direct transaction costs of:*** | 0.08p | 0.17p | 0.13p | 0.13p |
| Performance | | | | |
| Return after charges | (4.21)% | 5.43% | 14.32% | (14.06)% |
| Other information | | | | |
| Closing net asset value | £50,019,912 | £54,363,445 | £55,575,456 | £52,249,885 |
| Closing number of shares | 32,826,515 | 34,162,457 | 36,825,950 | 39,587,039 |
| Operating charges - OCF | 0.83% | 0.83% | 0.83% | 0.83%† |
| Direct transaction costs | 0.05% | 0.12% | 0.09% | 0.11% |
| Prices | | | | |
| Highest share price | 163.30p | 159.00p | 151.50p | 154.40p |
| Lowest share price | 148.30p | 136.30p | 125.20p | 93.52p |

†Estimated value following a change to the charging structure on 1 October 2020.

**The operating charges include all costs borne by the Fund, except for direct transaction costs.

***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.

Statement of Total Return

for the six months ended 15 July 2023 (unaudited)

| | 15.7.23 | | 15.7.22 | |
|--|---------|----------|---------|----------|
| | £'000 | £'000 | £'000 | £'000 |
| Income | | | | |
| Net capital losses | | (16,189) | | (18,297) |
| Revenue | 5,832 | | 6,280 | |
| Expenses | (1,011) | | (1,058) | |
| Net revenue before taxation | 4,821 | | 5,222 | |
| Taxation | - | | (3) | |
| Net revenue after taxation | | 4,821 | | 5,219 |
| Total deficit before distributions | | (11,368) | | (13,078) |
| Distributions | | (5,765) | | (6,223) |
| Change in net assets attributable to shareholders from investment activities | | (17,133) | | (19,301) |

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2023 (unaudited)

| | 15.7.23 | | 15.7.22 | |
|--|----------|----------|----------|----------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 279,713 | | 284,501 |
| Amounts receivable on creation of shares | 643 | | 192 | |
| Amounts payable on cancellation of shares | (12,443) | | (14,166) | |
| | | (11,800) | | (13,974) |
| Dilution adjustment | | 6 | | 8 |
| Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above) | | (17,133) | | (19,301) |
| Retained distribution on accumulation shares | | 1,234 | | 1,352 |
| Closing net assets attributable to shareholders | | 252,020 | | 252,586 |

Balance Sheet

as at 15 July 2023 (unaudited)

| | 15.7.23 | | 15.1.23 | |
|---|---------|---------|---------|---------|
| | £'000 | £'000 | £'000 | £'000 |
| Assets | | | | |
| Investments | | 249,263 | | 275,844 |
| Current assets | | | | |
| Debtors | 5,615 | | 7,209 | |
| Cash and bank balances | 2,077 | | 1,434 | |
| Total current assets | | 7,692 | | 8,643 |
| Total assets | | 256,955 | | 284,487 |
| Liabilities | | | | |
| Investment liabilities | | (3) | | - |
| Creditors | | | | |
| Distribution payable on income shares | (4,380) | | (4,217) | |
| Other creditors | (552) | | (557) | |
| Total creditors | | (4,932) | | (4,774) |
| Total liabilities | | (4,935) | | (4,774) |
| Net assets attributable to shareholders | | 252,020 | | 279,713 |

Distribution Table (pence per share)

for the six months ended 15 July 2023 (unaudited)

| | <i>Net income</i> | <i>Equalisation</i> | <i>Distribution payable 15.9.23</i> | <i>Distribution paid 15.9.22</i> |
|--|-----------------------|---------------------|---|--|
| Group 1: Shares purchased prior to 16 January 2023 | | | | |
| Group 2: Shares purchased from 16 January 2023 to 15 July 2023 | | | | |
| Retail Income | | | | |
| Group 1 | 1.370000 | - | 1.370000 | 1.460000 |
| Group 2 | 0.810000 | 0.560000 | 1.370000 | 1.460000 |
| Retail Accumulation | | | | |
| Group 1 | 3.110000 | - | 3.110000 | 3.170000 |
| Group 2 | 1.310000 | 1.800000 | 3.110000 | 3.170000 |
| Retail B Income | | | | |
| Group 1 | 1.570000 | - | 1.570000 | 1.660000 |
| Group 2 | 0.700000 | 0.870000 | 1.570000 | 1.660000 |
| Retail B Accumulation | | | | |
| Group 1 | 3.570000 | - | 3.570000 | 3.610000 |
| Group 2 | 0.610000 | 2.960000 | 3.570000 | 3.610000 |
| Institutional Income | | | | |
| Group 1 | 1.540000 | - | 1.540000 | 1.620000 |
| Group 2 | 0.260000 | 1.280000 | 1.540000 | 1.620000 |
| Institutional A Accumulation | | | | |
| Group 1 | 3.360000 | - | 3.360000 | 3.400000 |
| Group 2 | 1.530000 | 1.830000 | 3.360000 | 3.400000 |
| Income C | | | | |
| Group 1 | 1.490000 | - | 1.490000 | 1.580000 |
| Group 2 | 0.940000 | 0.550000 | 1.490000 | 1.580000 |
| Accumulation C | | | | |
| Group 1 | 3.340000 | - | 3.340000 | 3.390000 |
| Group 2 | 2.330000 | 1.010000 | 3.340000 | 3.390000 |

Income

Investment Objective

The Fund aims to provide income together with growth in the long term, which is a period of five years or more. The Fund intends to provide a level of income consistent with the Investment Association UK Equity Income sector.

Investment Policy

To achieve its objective, the Fund will invest at least 80% of its value in shares (equities) of UK companies including preference shares. UK companies are those that are based in the UK or earn at least 80% of their revenue from the UK.

The Fund may invest up to 20% of its value in other assets, such as shares of non-UK companies and cash. The Fund may invest up to 10% of its value in other funds, which may be managed by the HSBC Group. The Fund will typically invest in the shares of 40 to 70 companies.

The Fund may invest in different types of derivatives for efficient portfolio management purposes, including hedging. The Fund does not currently use derivatives to reduce the risk of movements in the rate of exchange between sterling and other currencies in which the Fund's assets may be held. The use of derivatives will be consistent with the risk profile of the Fund.

Investment Strategy*

The Fund is actively managed and is managed with reference to the FTSE All-Share Index.

The level of risk the Fund may take is considered relative to the FTSE All-Share Index as part of the portfolio construction process, which means the Fund returns are more likely to be closer to the returns of the FTSE All-Share Index than if there were no limits on the level of risk the Fund may take.

The FTSE All-Share Index is also considered as part of our investment risk monitoring process, to check that the overall level of risk taken by the fund manager is not inconsistent with the UK equities market.

To be consistent with the definition of the Investment Association UK Equity Income sector the Fund intends to provide income above 100% of the income level of the FTSE All-Share Index over three-year periods and above 90% over one-year periods.

The performance of the Fund is therefore shown against the performance of the FTSE All-Share Index.

*The full strategy can be found in the prospectus.

Portfolio Activity

Contributors to relative performance included Moneysupermarket.com (Communication Services) with a total effect of 0.27%. Additionally, Tesco (Consumer Staples) was in the top two contributors with a total effect of 0.20%.

Detractors included NatWest Group (Financials) with a total effect of -0.31% and Prudential (Financials) with a total effect of -0.31%.

During this period, major purchases included Taylor Wimpey, GSK and Rio Tinto, and major sales included AstraZeneca, Bunzl and Antofagasta.

Sector allocation effects are residual to stock selection. At the sector level, effects were positive, given an overweight exposure to Industrials and an underweight exposure to Real Estate.

Investment Performance

During the period under review, the value of the shares in the Fund decreased by 4.06% while the value of the FTSE All-Share Index fell by 3.72%. For information on comparative yields please refer to The Investment Association's website (<https://www.theia.org/industry-data/fund-sectors/equity-income-yields>).

(Source: Morningstar Direct, GBP, UK net of tax, for the Accumulation C share class. Returns based on the NAV, which is a single price.)

Please note that the above information refers to the past and that past performance is not a reliable indication of future returns.

Fund Particulars

as at 17 July 2023 (unaudited)

| | Retail Income | Retail Accumulation | Income C | Accumulation C |
|--|------------------|------------------------|-------------|-------------------|
| Price | 277.0p xd | 690.9p | 303.9p xd | 745.8p |
| Distribution payable (on 15 September 2023) per share net | 6.540000p | 15.930000p | 7.160000p | 17.170000p |
| Current net estimated yield | 4.44% | 4.29% | 4.42% | 4.28% |
| Annual ACD charge | 1.50% | 1.50% | 0.80% | 0.80% |

Portfolio Statement

as at 15 July 2023 (unaudited)

| <i>Security</i> | <i>Holding</i> | <i>Bid value £'000</i> | <i>Total net assets %</i> |
|--|----------------|--------------------------------|---------------------------------------|
| Oil & Gas - 14.80% (15.17%) | | | |
| BP | 1,377,633 | 6,288 | 5.72 |
| Shell | 431,060 | 9,970 | 9.08 |
| Total Oil & Gas | | 16,258 | 14.80 |
| Basic Materials - 9.24% (9.92%) | | | |
| Antofagasta | 117,721 | 1,809 | 1.65 |
| BHP Group | 93,045 | 2,206 | 2.01 |
| Rio Tinto | 95,366 | 4,970 | 4.52 |
| Victrex | 77,553 | 1,162 | 1.06 |
| Total Basic Materials | | 10,147 | 9.24 |
| Industrials - 15.80% (15.74%) | | | |
| BAE Systems | 506,321 | 4,645 | 4.23 |
| Coats Group | 1,496,944 | 989 | 0.90 |
| DCC (London listed) | 28,591 | 1,250 | 1.14 |
| Ferguson | 17,444 | 2,147 | 1.95 |
| Hays | 838,272 | 851 | 0.77 |
| Ibstock | 794,660 | 1,143 | 1.04 |
| Intertek Group | 52,090 | 2,163 | 1.97 |
| Rentokil Initial | 385,413 | 2,365 | 2.15 |
| Smurfit Kappa Group | 48,956 | 1,404 | 1.28 |
| Volution Group | 113,022 | 407 | 0.37 |
| Total Industrials | | 17,364 | 15.80 |
| Consumer Goods - 14.99% (12.76%) | | | |
| Barratt Developments | 475,908 | 1,962 | 1.79 |
| Britvic | 137,683 | 1,204 | 1.10 |
| Diageo | 83,743 | 2,814 | 2.56 |
| Imperial Brands | 173,061 | 3,040 | 2.77 |
| Taylor Wimpey | 2,343,794 | 2,456 | 2.23 |
| Tate & Lyle | 299,663 | 2,185 | 1.99 |
| Unilever | 70,190 | 2,802 | 2.55 |
| Total Consumer Goods | | 16,463 | 14.99 |
| Healthcare - 10.42% (11.27%) | | | |
| AstraZeneca | 50,423 | 5,205 | 4.74 |
| GSK | 399,051 | 5,268 | 4.79 |
| Hikma Pharmaceuticals | 54,038 | 978 | 0.89 |
| Total Healthcare | | 11,451 | 10.42 |
| Consumer Services - 9.42% (8.66%) | | | |
| Compass Group | 191,105 | 4,000 | 3.64 |
| Moneysupermarket.com | 362,104 | 1,000 | 0.91 |
| Next | 37,528 | 2,598 | 2.37 |
| Tesco | 1,096,941 | 2,742 | 2.50 |
| Total Consumer Services | | 10,340 | 9.42 |

Portfolio Statement

as at 15 July 2023 (unaudited)

| <i>Security</i> | <i>Holding</i> | <i>Bid value £'000</i> | <i>Total net assets %</i> |
|---|----------------|--------------------------------|---------------------------------------|
| Telecommunications - 0.69% (1.00%) | | | |
| Vodafone Group | 1,046,892 | 756 | 0.69 |
| Total Telecommunications | | 756 | 0.69 |
| Utilities - 4.00% (4.27%) | | | |
| Drax Group | 313,590 | 1,830 | 1.66 |
| SSE | 143,142 | 2,567 | 2.34 |
| Total Utilities | | 4,397 | 4.00 |
| Financials - 17.29% (18.62%) | | | |
| Barclays | 2,068,596 | 3,208 | 2.92 |
| +HSBC Holdings (London listed) | 899,062 | 5,511 | 5.02 |
| IG Group | 331,149 | 2,210 | 2.01 |
| NatWest Group | 1,052,178 | 2,557 | 2.33 |
| Phoenix Group Holdings | 516,549 | 2,784 | 2.53 |
| Prudential | 254,202 | 2,724 | 2.48 |
| Total Financials | | 18,994 | 17.29 |
| Technology - 2.59% (1.50%) | | | |
| FDM Group | 126,939 | 750 | 0.68 |
| Sage Group | 226,217 | 2,099 | 1.91 |
| Total Technology | | 2,849 | 2.59 |
| Futures - (0.01)% (0.05%) | | | |
| ICF FTSE 100 Index Future September 2023 | 11 | (15) | (0.01) |
| Total Futures | | (15) | (0.01) |
| Portfolio of investments | | 109,004 | 99.23 |
| Net other assets | | 843 | 0.77 |
| Net assets | | 109,847 | 100.00 |

+Funds managed by the ACD/HSBC Group.

Figures in brackets denote the comparative percentage holdings as at 15 January 2023.

Unless otherwise stated, all investments are listed securities.

The counterparty for future is HSBC.

Total purchases for the period, including transaction charges, were £9,910,425 .

Total sales for the period, net of transaction charges, were £14,735,016.

Comparative Tables

| Retail Income | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|--|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 297.80p | 294.20p | 267.30p | 322.10p |
| Return before operating charges* | (11.41p) | 20.65p | 41.69p | (42.25p) |
| Operating charges** | (2.25p) | (4.38p) | (4.30p) | (4.48p) |
| Return after operating charges* | (13.66p) | 16.27p | 37.39p | (46.73p) |
| Distributions on income shares | (6.54p) | (12.67p) | (10.49p) | (8.07p) |
| Closing net asset value per share | 277.60p | 297.80p | 294.20p | 267.30p |
| *after direct transaction costs of:*** | 0.14p | 0.28p | 0.26p | 0.24p |
| Performance | | | | |
| Return after charges | (4.59%) | 5.53% | 13.99% | (14.51%) |
| Other information | | | | |
| Closing net asset value | £703,737 | £772,682 | £845,142 | £823,057 |
| Closing number of shares | 253,469 | 259,486 | 287,295 | 307,952 |
| Operating charges - OCF | 1.54% | 1.53% | 1.54% | 1.53%† |
| Direct transaction costs | 0.05% | 0.10% | 0.09% | 0.09% |
| Prices | | | | |
| Highest share price | 305.90p | 303.60p | 300.90p | 323.40p |
| Lowest share price | 277.00p | 260.80p | 253.40p | 196.60p |

| Retail Accumulation | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|---|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 725.80p | 686.00p | 600.90p | 701.30p |
| Return before operating charges* | (27.70p) | 50.12p | 94.87p | (85.33p) |
| Operating charges** | (5.50p) | (10.32p) | (9.77p) | (15.07p) |
| Return after operating charges* | (33.20p) | 39.80p | 85.10p | (100.40p) |
| Distributions on accumulation shares | (15.93p) | (29.88p) | (23.80p) | (17.77p) |
| Retained distributions on accumulation shares | 15.93p | 29.88p | 23.80p | 17.77p |
| Closing net asset value per share | 692.60p | 725.80p | 686.00p | 600.90p |
| *after direct transaction costs of:*** | 0.34p | 0.65p | 0.59p | 0.63p |
| Performance | | | | |
| Return after charges | (4.57%) | 5.80% | 14.16% | (14.32%) |
| Other information | | | | |
| Closing net asset value | £15,627 | £18,409 | £21,508 | £20,771 |
| Closing number of shares | 2,256 | 2,537 | 3,135 | 3,456 |
| Operating charges - OCF | 1.54% | 1.53% | 1.54% | 1.53%† |
| Direct transaction costs | 0.05% | 0.10% | 0.09% | 0.09% |
| Prices | | | | |
| Highest share price | 745.50p | 725.90p | 687.90p | 704.70p |
| Lowest share price | 675.20p | 623.60p | 569.80p | 428.20p |

†Estimated value following a change to the charging structure on 1 October 2020.

**The operating charges include all costs borne by the Fund, except for direct transaction costs.

***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.

Comparative Tables

| Income C | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|--|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 325.60p | 319.40p | 288.10p | 344.40p |
| Return before operating charges* | (12.49p) | 22.58p | 45.18p | (45.26p) |
| Operating charges** | (1.35p) | (2.59p) | (2.54p) | (2.38p) |
| Return after operating charges* | (13.84p) | 19.99p | 42.64p | (47.64p) |
| Distributions on income shares | (7.16p) | (13.79p) | (11.34p) | (8.66p) |
| Closing net asset value per share | 304.60p | 325.60p | 319.40p | 288.10p |
| *after direct transaction costs of:*** | 0.15p | 0.30p | 0.28p | 0.25p |
| Performance | | | | |
| Return after charges | (4.25%) | 6.26% | 14.80% | (13.83%) |
| Other information | | | | |
| Closing net asset value | £86,525,873 | £96,808,405 | £104,166,753 | £106,204,769 |
| Closing number of shares | 28,404,055 | 29,735,499 | 32,617,851 | 36,863,262 |
| Operating charges - OCF | 0.84% | 0.83% | 0.84% | 0.84%† |
| Direct transaction costs | 0.05% | 0.10% | 0.09% | 0.09% |
| Prices | | | | |
| Highest share price | 334.60p | 331.90p | 326.60p | 345.90p |
| Lowest share price | 303.90p | 284.60p | 273.30p | 210.60p |

| Accumulation C | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|---|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 780.70p | 732.80p | 637.40p | 738.60p |
| Return before operating charges* | (29.77p) | 53.91p | 101.07p | (96.08p) |
| Operating charges** | (3.23p) | (6.01p) | (5.67p) | (5.12p) |
| Return after operating charges* | (33.00p) | 47.90p | 95.40p | (101.20p) |
| Distributions on accumulation shares | (17.17p) | (32.01p) | (25.33p) | (18.73p) |
| Retained distributions on accumulation shares | 17.17p | 32.01p | 25.33p | 18.73p |
| Closing net asset value per share | 747.70p | 780.70p | 732.80p | 637.40p |
| *after direct transaction costs of:*** | 0.36p | 0.70p | 0.63p | 0.53p |
| Performance | | | | |
| Return after charges | (4.23%) | 6.54% | 14.97% | (13.70%) |
| Other information | | | | |
| Closing net asset value | £22,601,417 | £24,674,362 | £30,025,768 | £22,987,891 |
| Closing number of shares | 3,022,947 | 3,160,511 | 4,097,527 | 3,606,421 |
| Operating charges - OCF | 0.84% | 0.83% | 0.84% | 0.84%† |
| Direct transaction costs | 0.05% | 0.10% | 0.09% | 0.09% |
| Prices | | | | |
| Highest share price | 802.40p | 780.80p | 734.80p | 742.20p |
| Lowest share price | 728.70p | 669.60p | 604.50p | 451.50p |
| †Estimated value following a change to the charging structure on 1 October 2020. | | | | |
| **The operating charges include all costs borne by the Fund, except for direct transaction costs. | | | | |
| ***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. | | | | |

Statement of Total Return

for the six months ended 15 July 2023 (unaudited)

| | 15.7.23 | | 15.7.22 | |
|--|---------|---------|---------|---------|
| | £'000 | £'000 | £'000 | £'000 |
| Income | | | | |
| Net capital losses | | (7,154) | | (7,917) |
| Revenue | 2,660 | | 3,101 | |
| Expenses | (497) | | (530) | |
| Net revenue before taxation | 2,163 | | 2,571 | |
| Taxation | - | | (1) | |
| Net revenue after taxation | | 2,163 | | 2,570 |
| Total deficit before distributions | | (4,991) | | (5,347) |
| Distributions | | (2,636) | | (3,078) |
| Change in net assets attributable to shareholders from investment activities | | (7,627) | | (8,425) |

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2023 (unaudited)

| | 15.7.23 | | 15.7.22 | |
|--|---------|---------|----------|----------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 122,274 | | 135,059 |
| Amounts receivable on creation of shares | 243 | | 1,336 | |
| Amounts payable on cancellation of shares | (5,565) | | (12,128) | |
| | | (5,322) | | (10,792) |
| Dilution adjustment | | 3 | | 12 |
| Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above) | | (7,627) | | (8,425) |
| Retained distribution on accumulation shares | | 519 | | 569 |
| Closing net assets attributable to shareholders | | 109,847 | | 116,423 |

Balance Sheet

as at 15 July 2023 (unaudited)

| | 15.7.23 | | 15.1.23 | |
|---|---------|---------|---------|---------|
| | £'000 | £'000 | £'000 | £'000 |
| Assets | | | | |
| Investments | | 109,019 | | 120,999 |
| Current assets | | | | |
| Debtors | 2,398 | | 2,294 | |
| Cash and bank balances | 755 | | 1,183 | |
| Total current assets | | 3,153 | | 3,477 |
| Total assets | | 112,172 | | 124,476 |
| Liabilities | | | | |
| Investment liabilities | | (15) | | - |
| Creditors | | | | |
| Distribution payable on income shares | (2,050) | | (1,877) | |
| Other creditors | (260) | | (325) | |
| Total creditors | | (2,310) | | (2,202) |
| Total liabilities | | (2,325) | | (2,202) |
| Net assets attributable to shareholders | | 109,847 | | 122,274 |

Distribution Table (pence per share)

for the six months ended 15 July 2023 (unaudited)

| | <i>Net income</i> | <i>Equalisation</i> | <i>Distribution payable 15.9.23</i> | <i>Distribution paid 15.9.22</i> |
|--|-----------------------|---------------------|---|--|
| Group 1: Shares purchased prior to 16 January 2023 | | | | |
| Group 2: Shares purchased from 16 January 2023 to 15 July 2023 | | | | |
| Retail Income | | | | |
| Group 1 | 6.540000 | - | 6.540000 | 6.920000 |
| Group 2 | 3.740000 | 2.800000 | 6.540000 | 6.920000 |
| Retail Accumulation | | | | |
| Group 1 | 15.930000 | - | 15.930000 | 16.150000 |
| Group 2 | 8.330000 | 7.600000 | 15.930000 | 16.150000 |
| Income C | | | | |
| Group 1 | 7.160000 | - | 7.160000 | 7.530000 |
| Group 2 | 1.880000 | 5.280000 | 7.160000 | 7.530000 |
| Accumulation C | | | | |
| Group 1 | 17.170000 | - | 17.170000 | 17.270000 |
| Group 2 | 8.470000 | 8.700000 | 17.170000 | 17.270000 |

Monthly Income

Investment Objective

The Fund aims to provide a monthly income together with growth in the long term, which is a period of five years or more.

Investment Policy

To achieve its objective the Fund will invest a minimum of 80% in a combination of shares (equities) of UK companies and bonds issued by UK companies. UK companies are those that are based in the UK or earn at least 80% of their revenue from the UK.

The Fund may invest up to 20% of its value in other assets, such as shares and bonds of non-UK companies and cash. The Fund may invest up to 10% of its value in other funds, which may be managed by the HSBC Group.

Under normal market conditions, the asset allocation of the Fund is 70% in shares of companies and 30% in bonds. These percentages will fluctuate based upon market movement.

The Fund may invest in different types of derivatives for efficient portfolio management purposes, including hedging. On giving 60 days' notice to Shareholders the Fund may also use derivatives for broader investment purposes to help the Fund meet its objective. The Fund does not currently use derivatives to reduce the risk of movements in the rate of exchange between sterling and other currencies in which the Fund's assets may be held. The use of derivatives will be consistent with the risk profile of the Fund.

Investment Strategy*

The Fund is actively managed and is managed with reference to the FTSE All-Share Index and Markit iBoxx GBP Corporates Index.

The FTSE All-Share Index and Markit iBoxx GBP Corporates Index are considered as part of our investment risk monitoring process, to check that the overall level of risk taken by the fund manager is not inconsistent with the UK equities market and sterling corporate bond market.

The performance of the Fund is therefore shown against the performance of a combined benchmark consisting of a weighting of 70% FTSE All-Share Index and 30% Markit iBoxx GBP Corporates Index. The income of the Fund is compared to the income of the FTSE All-Share Index over three-year periods.

*The full strategy can be found in the prospectus.

Portfolio Activity

Sterling corporate bonds value decreased over the period, but relative performance to benchmark was positive by 0.28%, relative to the Markit iBoxx GBP Corporates Index. The positive impact came predominantly from Security Selection to Financials and Utilities. Rates and Yield curve positioning also added to relative performance as a result of our curve 'flattener'.

During the first half of the year, there were no major changes in fund positioning but we used new issuance to marginally increase our credit beta, notably in Utility and Financial sectors. We also continued to tactically switch and rotate recent non-GBP holdings into attractive new issues in both USD and EUR. Duration positioning was moved to an overweight overall and the fund also held a 'flattener' position. We retained the off-benchmark exposure to Securitised Credit and USD and EUR denominated holdings on relative valuations, hedged back into sterling. The UK gilt exposure was also maintained for duration management purposes. We largely maintained all other sector exposures.

Investors remain concerned around the prospects of economic slowdown and recession. The 'cost of living crisis' continues to put pressure on the end consumer, with energy and food prices accelerating at an unprecedented pace. Given the fears over growth slowdown and inflation, stagflation remains at the forefront of economic debate.

We retain a cautious view with a modest overweight credit positioning and a greater focus on issuer selection, as specific companies/sectors begin to face earnings and growth related detractors. We continue to have a bias towards short duration, high carry assets overall. We also look to take opportunities further out in the curve where valuations are attractive.

Equity Section

Contributors to relative performance included Moneysupermarket.com (Communication Services) with a total effect of 0.27%. Additionally, Tesco (Consumer Staples) was in the top two contributors with a total effect of 0.20%.

Detractors included Natwest Group (Financials) with a total effect of -0.31% and Prudential (Financials) with a total effect of -0.31%.

During this period, major purchases included Taylor Wimpey , GSK PLC and Rio Tinto, and major sales included AstraZeneca, Bunzl and Antofagasta.

Sector allocation effects are residual to stock selection. At the sector level, effects were positive, given an overweight exposure to Industrials and an underweight exposure to Real Estate.

Investment Performance

During the period under review, the value of the shares in the Fund decreased by 3.60% while the value of the 70% FTSE-All Share Index 30% / iBoxx GBP Corporates Index fell by 3.54%. For information on comparative yields please refer to The Investment Association's website (<https://www.theia.org/industry-data/fund-sectors/equity-income-yields>). (Source: Morningstar Direct, GBP, UK net of tax, for the Accumulation C share class. Returns based on the NAV, which is a single price.)

Please note that the above information refers to the past and that past performance is not a reliable indication of future returns.

Fund Particulars

as at 17 July 2023 (unaudited)

| | Retail Income | Income C | Accumulation C |
|---|------------------|-------------|-------------------|
| Price | 123.1p xd | 131.4p xd | 323.3p |
| Distribution payable (on 15 August 2023) per share net | 0.430000p | 0.460000p | 1.110000p |
| Current net estimated yield | 4.41% | 4.41% | 4.39% |
| Annual ACD charge | 1.30% | 0.60% | 0.60% |

Portfolio Statement

as at 15 July 2023 (unaudited)

| <i>Security</i> | <i>Holding</i> | <i>Bid value £'000</i> | <i>Total net assets %</i> |
|--|----------------|--------------------------------|---------------------------------------|
| United Kingdom - 74.58% (74.64%) | | | |
| Government Bonds - 4.80% (4.79%) | | | |
| Treasury 0.25% 31/7/2031 | £2,815,000 | 2,032 | 2.54 |
| Treasury 1.25% 22/10/2041 | £101,000 | 60 | 0.07 |
| Treasury 1.25% 31/7/2051 | £131,000 | 64 | 0.08 |
| Treasury 1.75% 7/9/2037 | £1,350,000 | 958 | 1.20 |
| Treasury 3.25% 31/1/2033 | £400,000 | 364 | 0.46 |
| Treasury 3.75% 22/7/2052 | £410,000 | 359 | 0.45 |
| Total Government Bonds | | 3,837 | 4.80 |
| Corporate Bonds - 6.41% (7.50%) | | | |
| Anglian Water 6% 20/6/2039 | £119,000 | 118 | 0.15 |
| Barclays Bank 6.369% variable rate 31/1/2031 | £257,000 | 249 | 0.31 |
| BP Capital Markets 5.773% 25/5/2038 | £100,000 | 99 | 0.12 |
| British Telecommunications 5.75% 13/2/2041 | £221,000 | 203 | 0.25 |
| Centrica 4.375% 13/3/2029 | £281,000 | 256 | 0.32 |
| Diageo Finance 2.75% 8/6/2038 | £150,000 | 109 | 0.14 |
| Haleon UK Capital 3.375% 29/3/2038 | £100,000 | 75 | 0.09 |
| Hammerson 6% 23/2/2026 | £500,000 | 456 | 0.57 |
| Imperial Tobacco Finance 4.875% 7/6/2032 | £112,000 | 94 | 0.12 |
| Legal & General Group 5.5% variable rate 27/6/2064 | £121,000 | 110 | 0.14 |
| Lloyds Banking Group 2% variable rate 12/4/2028 | £500,000 | 421 | 0.53 |
| M&G 5.7% variable rate 19/12/2063 | £300,000 | 261 | 0.33 |
| Manchester Airport Group Funding 4.75% 31/3/2034 | £317,000 | 287 | 0.36 |
| Motability Operations Group 1.5% 20/1/2041 | £182,000 | 103 | 0.13 |
| Motability Operations Group 4.875% 17/1/2043 | £412,000 | 382 | 0.48 |
| NatWest Group 3.619% variable rate 29/3/2029 | £326,000 | 284 | 0.36 |
| Northumbrian Water Finance 4.5% 14/2/2031 | £333,000 | 298 | 0.37 |
| Northern Powergrid Northeast 3.25% 1/4/2052 | £100,000 | 68 | 0.09 |
| Peabody Capital No.2 2.75% 2/3/2034 | £200,000 | 152 | 0.19 |
| Principality Building Society 8.625% 12/7/2028 | £211,000 | 213 | 0.27 |
| Royal Bank of Scotland 3.125% variable rate 28/3/2027 | £100,000 | 91 | 0.11 |
| Royal Bank of Scotland 3.622% variable rate 14/8/2030 | £300,000 | 278 | 0.35 |
| Santander UK Group Holdings 2.421% variable rate 17/1/2029 | £249,000 | 206 | 0.26 |
| WPP Finance 2.875% 14/9/2046 | £100,000 | 57 | 0.07 |
| Yorkshire Water Finance 2.75% 18/4/2041 | £259,000 | 163 | 0.20 |
| Yorkshire Building Society 3.511% variable rate 11/10/2030 | £100,000 | 83 | 0.10 |
| Total Corporate Bonds | | 5,116 | 6.41 |
| Oil & Gas - 10.11% (10.54%) | | | |
| BP | 679,498 | 3,101 | 3.88 |
| Shell | 215,120 | 4,976 | 6.23 |
| Total Oil & Gas | | 8,077 | 10.11 |

Portfolio Statement

as at 15 July 2023 (unaudited)

| <i>Security</i> | <i>Holding</i> | <i>Bid value £'000</i> | <i>Total net assets %</i> |
|---|----------------|--------------------------------|---------------------------------------|
| Basic Materials - 4.77% (4.85%) | | | |
| Antofagasta | 53,236 | 818 | 1.03 |
| Rio Tinto | 46,344 | 2,415 | 3.02 |
| Victrex | 38,441 | 576 | 0.72 |
| Total Basic Materials | | 3,809 | 4.77 |
| Industrials - 7.86% (7.58%) | | | |
| BAE Systems | 245,634 | 2,253 | 2.82 |
| Coats Group | 851,061 | 563 | 0.71 |
| Hays | 427,461 | 434 | 0.54 |
| Ibstock | 400,021 | 575 | 0.72 |
| Intertek Group | 25,780 | 1,070 | 1.34 |
| Rentokil Initial | 191,000 | 1,172 | 1.47 |
| Volusion Group | 56,237 | 203 | 0.26 |
| Total Industrials | | 6,270 | 7.86 |
| Consumer Goods - 11.91% (8.62%) | | | |
| Barratt Developments | 240,836 | 993 | 1.24 |
| Britvic | 68,240 | 597 | 0.75 |
| Diageo | 41,048 | 1,379 | 1.72 |
| Imperial Brands | 83,621 | 1,469 | 1.84 |
| Tate & Lyle | 149,754 | 1,092 | 1.37 |
| Taylor Wimpey | 1,162,009 | 1,218 | 1.52 |
| Tesco | 552,229 | 1,381 | 1.73 |
| Unilever | 34,728 | 1,387 | 1.74 |
| Total Consumer Goods | | 9,516 | 11.91 |
| Healthcare - 7.12% (7.63%) | | | |
| AstraZeneca | 25,003 | 2,581 | 3.23 |
| GSK | 197,589 | 2,609 | 3.27 |
| Hikma Pharmaceuticals | 27,214 | 493 | 0.62 |
| Total Healthcare | | 5,683 | 7.12 |
| Consumer Services - 4.82% (5.95%) | | | |
| Compass Group | 94,569 | 1,979 | 2.48 |
| Moneysupermarket.com | 202,596 | 560 | 0.70 |
| Next | 18,918 | 1,310 | 1.64 |
| Total Consumer Services | | 3,849 | 4.82 |
| Telecommunications - 0.48% (0.69%) | | | |
| Vodafone Group | 538,005 | 388 | 0.48 |
| Total Telecommunications | | 388 | 0.48 |
| Utilities - 2.72% (2.89%) | | | |
| Drax Group | 155,302 | 906 | 1.13 |
| SSE | 70,670 | 1,267 | 1.59 |
| Total Utilities | | 2,173 | 2.72 |

Portfolio Statement

as at 15 July 2023 (unaudited)

| <i>Security</i> | <i>Holding</i> | <i>Bid value £'000</i> | <i>Total net assets %</i> |
|---|----------------|--------------------------------|---------------------------------------|
| Financials - 11.74% (12.54%) | | | |
| +HSBC Holdings (London listed) | 450,614 | 2,762 | 3.46 |
| Barclays | 1,033,685 | 1,603 | 2.01 |
| IG Group | 165,806 | 1,107 | 1.39 |
| NatWest Group | 507,622 | 1,234 | 1.54 |
| Phoenix Group Holdings | 255,673 | 1,378 | 1.72 |
| Prudential | 120,751 | 1,294 | 1.62 |
| Total Financials | | 9,378 | 11.74 |
| Technology - 1.84% (1.06%) | | | |
| FDM Group | 62,844 | 371 | 0.47 |
| Sage Group | 118,219 | 1,097 | 1.37 |
| Total Technology | | 1,468 | 1.84 |
| Total United Kingdom | | 59,564 | 74.58 |
| UNITED STATES - 3.59% (4.31%) | | | |
| Corporate Bonds - 3.59% (4.31%) | | | |
| AT&T 4.25% 1/6/2043 | £600,000 | 452 | 0.57 |
| AT&T 5.2% 18/11/2033 | £200,000 | 186 | 0.23 |
| Bank of America 3.584% variable rate 27/4/2031 | £286,000 | 245 | 0.31 |
| Goldman Sachs 3.625% variable rate 29/10/2029 | £364,000 | 319 | 0.40 |
| Metropolitan Life Global Funding 5% 10/1/2030 | £138,000 | 132 | 0.16 |
| Morgan Stanley 5.789% variable rate 18/11/2033 | £327,000 | 317 | 0.40 |
| MPT Operating Partnership LP 3.375% 24/4/2030 | £300,000 | 192 | 0.24 |
| Nestle Holdings 2.5% 4/4/2032 | £240,000 | 196 | 0.24 |
| Time Warner Cable 5.25% 15/7/2042 | £300,000 | 235 | 0.29 |
| Wells Fargo & Co 4.875% 29/11/2035 | £400,000 | 343 | 0.43 |
| Wells Fargo & Co 3.473% variable rate 26/4/2028 | £285,000 | 254 | 0.32 |
| Total Corporate Bonds | | 2,871 | 3.59 |
| Total United States | | 2,871 | 3.59 |
| AUSTRALIA - 1.56% (1.87%) | | | |
| Corporate Bonds - 0.22% (0.21%) | | | |
| Macquarie Group 4.08% 31/5/2029 | £200,000 | 176 | 0.22 |
| Total Corporate Bonds | | 176 | 0.22 |
| Basic Materials - 1.34% (1.66%) | | | |
| BHP Group | 45,052 | 1,068 | 1.34 |
| Total Basic Materials | | 1,068 | 1.34 |
| Total Australia | | 1,244 | 1.56 |
| CANADA - 1.17% (0.83%) | | | |
| Corporate Bonds - 1.17% (0.83%) | | | |
| Bank of Nova Scotia 2.875% 3/5/2027 | £250,000 | 222 | 0.28 |
| Royal Bank of Canada 5% 24/1/2028 | £750,000 | 714 | 0.89 |
| Total Corporate Bonds | | 936 | 1.17 |
| Total Canada | | 936 | 1.17 |

Portfolio Statement

as at 15 July 2023 (unaudited)

| <i>Security</i> | <i>Holding</i> | <i>Bid value £'000</i> | <i>Total net assets %</i> |
|--|----------------|--------------------------------|---------------------------------------|
| CAYMAN ISLANDS - 1.04% (0.99%) | | | |
| Corporate Bonds - 1.04% (0.99%) | | | |
| Yorkshire Power 7.25% 4/8/2028 | £800,000 | 827 | 1.04 |
| Total Corporate Bonds | | 827 | 1.04 |
| Total Cayman Islands | | 827 | 1.04 |
| CHANNEL ISLANDS - 2.10% (2.28%) | | | |
| Corporate Bonds - 0.77% (1.14%) | | | |
| Gatwick Funding 6.5% 2/3/2043 | £209,000 | 211 | 0.27 |
| Heathrow Funding 4.625% 31/10/2046 | £500,000 | 401 | 0.50 |
| Total Corporate Bonds | | 612 | 0.77 |
| Industrials - 1.33% (1.14%) | | | |
| Ferguson | 8,640 | 1,064 | 1.33 |
| Total Industrials | | 1,064 | 1.33 |
| Total Channel Islands | | 1,676 | 2.10 |
| FRANCE - 3.57% (3.19%) | | | |
| Corporate Bonds - 3.57% (3.19%) | | | |
| BNP Paribas 2.875% 24/2/2029 | £300,000 | 251 | 0.31 |
| BPCE 5.25% 16/4/2029 | £500,000 | 453 | 0.57 |
| Credit Agricole 4.875% 23/10/2029 | £400,000 | 377 | 0.47 |
| Electricite de France 5.875% variable rate perpetual | £200,000 | 165 | 0.21 |
| Electricite de France 6% variable rate perpetual | £600,000 | 545 | 0.68 |
| Electricite de France 5.5% 17/10/2041 | £400,000 | 344 | 0.43 |
| Electricite de France 5.625% 25/1/2053 | £300,000 | 256 | 0.32 |
| Electricite de France 6% 23/1/2114 | £200,000 | 171 | 0.21 |
| Engie 5.625% 3/4/2053 | £200,000 | 188 | 0.24 |
| Societe Generale 6.25% 22/6/2033 | £100,000 | 100 | 0.13 |
| Total Corporate Bonds | | 2,850 | 3.57 |
| Total France | | 2,850 | 3.57 |
| GERMANY - 0.93% (0.43%) | | | |
| Corporate Bonds - 0.93% (0.43%) | | | |
| Deutsche Bank 4% variable rate 24/6/2026 | £400,000 | 373 | 0.46 |
| Deutsche Bank 6.125% variable rate 12/12/2030 | £400,000 | 373 | 0.47 |
| Total Corporate Bonds | | 746 | 0.93 |
| Total Germany | | 746 | 0.93 |
| IRELAND - 1.63% (1.69%) | | | |
| Industrials - 1.63% (1.69%) | | | |
| DCC (London listed) | 13,659 | 597 | 0.75 |
| Smurfit Kappa Group | 24,596 | 705 | 0.88 |
| Total Industrials | | 1,302 | 1.63 |
| Total Ireland | | 1,302 | 1.63 |

Portfolio Statement

as at 15 July 2023 (unaudited)

| <i>Security</i> | <i>Holding</i> | <i>Bid value £'000</i> | <i>Total net assets %</i> |
|--|----------------|--------------------------------|---------------------------------------|
| ITALY - 0.00% (0.28%) | | | |
| Corporate Bonds - 0.00% (0.28%) | | | |
| LUXEMBOURG - 0.30% (0.28%) | | | |
| Corporate Bonds - 0.30% (0.28%) | | | |
| Blackstone Property Partners Europe 4.875% 29/4/2032 | £182,000 | 137 | 0.17 |
| Prologis International Funding 2.75% 22/2/2032 | £127,000 | 99 | 0.13 |
| Total Corporate Bonds | | 236 | 0.30 |
| Total Luxembourg | | 236 | 0.30 |
| MEXICO - 0.33% (0.30%) | | | |
| Corporate Bonds - 0.33% (0.30%) | | | |
| Petroleos Mexicanos 3.75% 16/11/2025 | £300,000 | 263 | 0.33 |
| Total Corporate Bonds | | 263 | 0.33 |
| Total Mexico | | 263 | 0.33 |
| NETHERLANDS - 1.65% (1.00%) | | | |
| Corporate Bonds - 1.65% (1.00%) | | | |
| Deutsche Telekom 8.875% 27/11/2028 | £250,000 | 283 | 0.35 |
| Enel Finance International 2.875% 11/4/2029 | £263,000 | 220 | 0.28 |
| ING Groep 6.25% variable rate 20/5/2033 | £300,000 | 282 | 0.35 |
| Volkswagen Financial Services 2.125% 18/1/2028 | £200,000 | 167 | 0.21 |
| Volkswagen Financial Services 3.25% 13/4/2027 | £200,000 | 178 | 0.22 |
| Volkswagen Financial Services 5.875% 23/5/2029 | £200,000 | 194 | 0.24 |
| Total Corporate Bonds | | 1,324 | 1.65 |
| Total Netherlands | | 1,324 | 1.65 |
| SPAIN - 0.22% (0.20%) | | | |
| Corporate Bonds - 0.22% (0.20%) | | | |
| CaixaBank 3.5% variable rate 6/4/2028 | £200,000 | 177 | 0.22 |
| Total Corporate Bonds | | 177 | 0.22 |
| Total Spain | | 177 | 0.22 |
| SWITZERLAND - 0.64% (0.19%) | | | |
| Corporate Bonds - 0.64% (0.19%) | | | |
| Credit Suisse Group 1.125% 15/12/2025 | £200,000 | 175 | 0.22 |
| Credit Suisse Group 2.25% variable rate 9/6/2028 | £400,000 | 335 | 0.42 |
| Total Corporate Bonds | | 510 | 0.64 |
| Total Switzerland | | 510 | 0.64 |

Portfolio Statement

as at 15 July 2023 (unaudited)

| <i>Security</i> | <i> Holding</i> | <i> Bid value £'000</i> | <i> Total net assets %</i> |
|--|-----------------|-----------------------------|------------------------------------|
| FUTURES - (0.01%) (0.04%) | | | |
| ICF FTSE 100 Index Future September 2023 | 7 | (10) | (0.01) |
| Total Futures | | (10) | (0.01) |
| Portfolio of investments | | 74,516 | 93.30 |
| Net other assets | | 5,350 | 6.70 |
| Net assets | | 79,866 | 100.00 |

+Funds managed by the ACD/HSBC Group

Figures in brackets denote the comparative percentage holdings as at 15 January 2023.

Unless otherwise stated, all investments are listed securities.

The counterparty for the future is HSBC.

Total purchases for the period, including transaction charges, were £13,037,413.

Total sales for the period, including transaction charges, were £16,386,183.

The bond ratings for the portfolio at 15 July 2023 were:

| | <i> Bid value £'000</i> | <i> Total net assets %</i> |
|------------------------|-----------------------------|--------------------------------|
| Bond credit ratings | | |
| Investment grade | 19,085 | 23.89 |
| Below Investment grade | 1,396 | 1.75 |
| Total Bonds | 20,481 | 25.64 |

Comparative Tables

| Retail Income | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|--|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 130.70p | 136.90p | 130.00p | 147.50p |
| Return before operating charges* | (4.38p) | 0.60p | 13.34p | (11.03p) |
| Operating charges** | (0.86p) | (1.73p) | (1.78p) | (2.48p) |
| Return after operating charges* | (5.24p) | (1.13p) | 11.56p | (13.51p) |
| Distributions on income shares | (2.26p) | (5.07p) | (4.66p) | (3.99p) |
| Closing net asset value per share | 123.20p | 130.70p | 136.90p | 130.00p |
| *after direct transaction costs of:*** | 0.06p | 0.09p | 0.08p | 0.11p |
| Performance | | | | |
| Return after charges | (4.01%) | (0.83%) | 8.89% | (9.16%) |
| Other information | | | | |
| Closing net asset value | £37,616 | £39,448 | £49,776 | £58,597 |
| Closing number of shares | 30,537 | 30,174 | 36,365 | 45,091 |
| Operating charges - OCF | 1.34% | 1.34% | 1.34% | 1.34%† |
| Direct transaction costs | 0.04% | 0.07% | 0.06% | 0.08% |
| Prices | | | | |
| Highest share price | 133.00p | 137.60p | 137.90p | 148.10p |
| Lowest share price | 120.90p | 116.00p | 125.10p | 100.20p |

| Retail Accumulation# | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|---|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | N/A | N/A | 294.20p | 323.10p |
| Return before operating charges* | N/A | N/A | 22.98p | (23.45p) |
| Operating charges** | N/A | N/A | (3.78p) | (5.45p) |
| Return after operating charges* | N/A | N/A | 19.20p | (28.90p) |
| Distributions on accumulation shares | N/A | N/A | (9.44p) | (8.86p) |
| Retained distributions on accumulation shares | N/A | N/A | 9.44p | 8.86p |
| Cancellation price | N/A | N/A | (313.40p) | - |
| Closing net asset value per share | N/A | N/A | - | 294.20p |
| *after direct transaction costs of:*** | N/A | N/A | 0.17p | 0.25p |
| Performance | | | | |
| Return after charges | N/A | N/A | 6.53% | (8.94%) |
| Other information | | | | |
| Closing net asset value | N/A | N/A | N/A | £24,852 |
| Closing number of shares | N/A | N/A | N/A | 8,449 |
| Operating charges - OCF | N/A | N/A | N/A | 1.34%† |
| Direct transaction costs | N/A | N/A | N/A | 0.08% |
| Prices | | | | |
| Highest share price | N/A | N/A | 316.20p | 324.60p |
| Lowest share price | N/A | N/A | 283.10p | 220.70p |

#The Retail Accumulation share class closed on 17 December 2021.

†Estimated value following a change to the charging structure on 1 October 2020.

**The operating charges include all costs borne by the Fund, except for direct transaction costs.

***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.

Comparative Tables

| Income C | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|--|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 139.00p | 144.70p | 136.50p | 155.00p |
| Return before operating charges* | (4.65p) | 0.54p | 14.00p | (13.51p) |
| Operating charges** | (0.44p) | (0.87p) | (0.89p) | (0.84p) |
| Return after operating charges* | (5.09p) | (0.33p) | 13.11p | (14.35p) |
| Distributions on income shares | (2.41p) | (5.37p) | (4.91p) | (4.15p) |
| Closing net asset value per share | 131.50p | 139.00p | 144.70p | 136.50p |
| *after direct transaction costs of:*** | 0.06p | 0.09p | 0.08p | 0.10p |
| Performance | | | | |
| Return after charges | (3.66%) | (0.23%) | 9.60% | (9.26%) |
| Other information | | | | |
| Closing net asset value | £66,769,157 | £75,088,774 | £86,431,913 | £92,541,871 |
| Closing number of shares | 50,777,741 | 54,012,407 | 59,737,694 | 67,789,664 |
| Operating charges - OCF | 0.64% | 0.64% | 0.64% | 0.64%† |
| Direct transaction costs | 0.04% | 0.07% | 0.06% | 0.08% |
| Prices | | | | |
| Highest share price | 141.60p | 145.50p | 145.80p | 155.70p |
| Lowest share price | 129.00p | 123.20p | 131.40p | 105.40p |

| Accumulation C | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|---|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 336.00p | 336.10p | 306.30p | 336.50p |
| Return before operating charges* | (11.42p) | 1.96p | 31.84p | (28.34p) |
| Operating charges** | (1.08p) | (2.06p) | (2.04p) | (1.86p) |
| Return after operating charges* | (12.50p) | (0.10p) | 29.80p | (30.20p) |
| Distributions on accumulation shares | (5.85p) | (12.65p) | (11.17p) | (9.13p) |
| Retained distributions on accumulation shares | 5.85p | 12.65p | 11.17p | 9.13p |
| Closing net asset value per share | 323.50p | 336.00p | 336.10p | 306.30p |
| *after direct transaction costs of:*** | 0.15p | 0.22p | 0.18p | 0.23p |
| Performance | | | | |
| Return after charges | (3.72%) | (0.03%) | 9.73% | (8.97%) |
| Other information | | | | |
| Closing net asset value | £13,058,901 | £14,074,482 | £15,231,669 | £17,182,025 |
| Closing number of shares | 4,037,034 | 4,188,995 | 4,531,988 | 5,610,518 |
| Operating charges - OCF | 0.64% | 0.64% | 0.64% | 0.64%† |
| Direct transaction costs | 0.04% | 0.07% | 0.06% | 0.08% |
| Prices | | | | |
| Highest share price | 342.60p | 337.90p | 337.30p | 338.20p |
| Lowest share price | 316.30p | 293.00p | 294.80p | 230.00p |

†Estimated value following a change to the charging structure on 1 October 2020.

**The operating charges include all costs borne by the Fund, except for direct transaction costs.

***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.

Statement of Total Return

for the six months ended 15 July 2023 (unaudited)

| | 15.7.23 | | 15.7.22 | |
|--|--------------|----------------|---------|---------|
| | £'000 | £'000 | £'000 | £'000 |
| Income | | | | |
| Net capital losses | | (4,672) | | (7,636) |
| Revenue | 1,875 | | 2,021 | |
| Expenses | (276) | | (304) | |
| Net revenue before taxation | 1,599 | | 1,717 | |
| Taxation | (72) | | (25) | |
| Net revenue after taxation | | 1,527 | | 1,692 |
| Total deficit before distributions | | (3,145) | | (5,944) |
| Distributions | | (1,513) | | (1,620) |
| Change in net assets attributable to shareholders from investment activities | | (4,658) | | (7,564) |

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2023 (unaudited)

| | 15.7.23 | | 15.7.22 | |
|--|----------------|----------------|---------|---------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 89,203 | | 101,713 |
| Amounts receivable on creation of shares | 179 | | 287 | |
| Amounts payable on cancellation of shares | (5,097) | | (5,490) | |
| | | (4,918) | | (5,203) |
| Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above) | | (4,658) | | (7,564) |
| Retained distribution on accumulation shares | | 239 | | 242 |
| Closing net assets attributable to shareholders | | 79,866 | | 89,188 |

Balance Sheet

as at 15 July 2023 (unaudited)

| | 15.7.23 | | 15.1.23 | |
|---|--------------|---------------|---------|--------|
| | £'000 | £'000 | £'000 | £'000 |
| Assets | | | | |
| Investments | | 74,526 | | 82,533 |
| Current assets | | | | |
| Debtors | 586 | | 743 | |
| Cash and bank balances | 5,191 | | 6,781 | |
| Total current assets | | 5,777 | | 7,524 |
| Total assets | | 80,303 | | 90,057 |
| Liabilities | | | | |
| Investment liabilities | | (10) | | - |
| Creditors | | | | |
| Distribution payable on income shares | (234) | | (303) | |
| Other creditors | (193) | | (551) | |
| Total creditors | | (427) | | (854) |
| Total liabilities | | (437) | | (854) |
| Net assets attributable to shareholders | | 79,866 | | 89,203 |

Distribution Tables (pence per share)

for the six months ended 15 July 2023 (unaudited)

| | <i>Net income</i> | <i>Equalisation</i> | <i>Distribution payable 15.8.23</i> | <i>Distribution paid 15.8.22</i> |
|---|-----------------------|---------------------|---|--|
| Group 1: Shares purchased prior to 16 June 2023 | | | | |
| Group 2: Shares purchased from 16 June 2023 to 15 July 2023 | | | | |
| Retail Income | | | | |
| Group 1 | 0.430000 | - | 0.430000 | 0.430000 |
| Group 2 | 0.000000 | 0.430000 | 0.430000 | 0.430000 |
| Income C | | | | |
| Group 1 | 0.460000 | - | 0.460000 | 0.460000 |
| Group 2 | 0.000000 | 0.460000 | 0.460000 | 0.460000 |
| Accumulation C | | | | |
| Group 1 | 1.110000 | - | 1.110000 | 1.060000 |
| Group 2 | 0.000000 | 1.110000 | 1.110000 | 1.060000 |

| | <i>Net income</i> | <i>Equalisation</i> | <i>Distribution paid 14.7.23</i> | <i>Distribution paid 15.7.22</i> |
|--|-----------------------|---------------------|--|--|
| Group 1: Shares purchased prior to 16 May 2023 | | | | |
| Group 2: Shares purchased from 16 May 2023 to 15 June 2023 | | | | |
| Retail Income | | | | |
| Group 1 | 0.430000 | - | 0.430000 | 0.430000 |
| Group 2 | 0.000000 | 0.430000 | 0.430000 | 0.430000 |
| Income C | | | | |
| Group 1 | 0.460000 | - | 0.460000 | 0.450000 |
| Group 2 | 0.000000 | 0.460000 | 0.460000 | 0.450000 |
| Accumulation C | | | | |
| Group 1 | 1.120000 | - | 1.120000 | 1.060000 |
| Group 2 | 0.000000 | 1.120000 | 1.120000 | 1.060000 |

Distribution Tables (pence per share)

for the six months ended 15 July 2023 (unaudited)

| | <i>Net income</i> | <i>Equalisation</i> | <i>Distribution paid 15.6.23</i> | <i>Distribution paid 15.6.22</i> |
|---|-----------------------|---------------------|--|--|
| Group 1: Shares purchased prior to 16 April 2023 | | | | |
| Group 2: Shares purchased from 16 April 2023 to 15 May 2023 | | | | |
| Retail Income | | | | |
| Group 1 | 0.430000 | - | 0.430000 | 0.410000 |
| Group 2 | 0.000000 | 0.430000 | 0.430000 | 0.410000 |
| Income C | | | | |
| Group 1 | 0.460000 | - | 0.460000 | 0.430000 |
| Group 2 | 0.000000 | 0.460000 | 0.460000 | 0.430000 |
| Accumulation C | | | | |
| Group 1 | 1.120000 | - | 1.120000 | 1.010000 |
| Group 2 | 0.000000 | 1.120000 | 1.120000 | 1.010000 |

| | <i>Net income</i> | <i>Equalisation</i> | <i>Distribution paid 15.5.23</i> | <i>Distribution paid 13.5.22</i> |
|---|-----------------------|---------------------|--|--|
| Group 1: Shares purchased prior to 16 March 2023 | | | | |
| Group 2: Shares purchased from 16 March 2023 to 15 April 2023 | | | | |
| Retail Income | | | | |
| Group 1 | 0.410000 | - | 0.410000 | 0.410000 |
| Group 2 | 0.000000 | 0.410000 | 0.410000 | 0.410000 |
| Income C | | | | |
| Group 1 | 0.440000 | - | 0.440000 | 0.430000 |
| Group 2 | 0.000000 | 0.440000 | 0.440000 | 0.430000 |
| Accumulation C | | | | |
| Group 1 | 1.060000 | - | 1.060000 | 0.990000 |
| Group 2 | 0.000000 | 1.060000 | 1.060000 | 0.990000 |

Distribution Tables (pence per share)

for the six months ended 15 July 2023 (unaudited)

| | <i>Net income</i> | <i>Equalisation</i> | <i>Distribution paid 14.4.23</i> | <i>Distribution paid 15.4.22</i> |
|--|-----------------------|---------------------|--|--|
| Group 1: Shares purchased prior to 16 February 2023 | | | | |
| Group 2: Shares purchased from 16 February 2023 to 15 March 2023 | | | | |
| Retail Income | | | | |
| Group 1 | 0.370000 | - | 0.370000 | 0.340000 |
| Group 2 | 0.110000 | 0.260000 | 0.370000 | 0.340000 |
| Income C | | | | |
| Group 1 | 0.390000 | - | 0.390000 | 0.360000 |
| Group 2 | 0.000000 | 0.390000 | 0.390000 | 0.360000 |
| Accumulation C | | | | |
| Group 1 | 0.950000 | - | 0.950000 | 0.850000 |
| Group 2 | 0.310000 | 0.640000 | 0.950000 | 0.850000 |

| | <i>Net income</i> | <i>Equalisation</i> | <i>Distribution paid 15.3.23</i> | <i>Distribution paid 15.3.22</i> |
|--|-----------------------|---------------------|--|--|
| Group 1: Shares purchased prior to 16 January 2023 | | | | |
| Group 2: Shares purchased from 16 January 2023 to 15 February 2023 | | | | |
| Retail Income | | | | |
| Group 1 | 0.190000 | - | 0.190000 | 0.210000 |
| Group 2 | 0.190000 | 0.000000 | 0.190000 | 0.210000 |
| Income C | | | | |
| Group 1 | 0.200000 | - | 0.200000 | 0.220000 |
| Group 2 | 0.130000 | 0.070000 | 0.200000 | 0.220000 |
| Accumulation C | | | | |
| Group 1 | 0.490000 | - | 0.490000 | 0.520000 |
| Group 2 | 0.240000 | 0.250000 | 0.490000 | 0.520000 |

Corporate Bond

Investment Objective

The Fund aims to provide higher returns, before charges and tax are deducted from the Fund, than the Markit iBoxx GBP Corporates Index plus 1% per year over three-year periods.

Investment Policy

To achieve its objective the Fund will invest at least 80% of its value in various types of bonds that have a credit rating of investment grade and are issued in sterling or are hedged back to sterling. The bonds may be issued by companies (corporates) or other large organisations which may be located in any country.

The Fund may also invest up to 20% of its value in other types of bonds and assets, such as bonds with a credit rating lower than investment grade and cash. The Fund may invest up to 10% of its value in other funds, which may be managed by the HSBC Group.

The Fund may invest in different types of derivatives for efficient portfolio management purposes, including hedging, and for broader investment purposes to help the Fund meet its objective. In particular derivatives will be used to reduce or increase the Fund's exposure to different types of assets and to reduce the risk associated with movements in the rate of exchange between sterling and other currencies in which the Fund's assets may be held. The use of derivatives will be consistent with the risk profile of the Fund.

Investment Strategy*

The Fund is actively managed and is managed with reference to the Markit iBoxx GBP Corporates Index.

The fund manager aims to generate returns in excess of the Markit iBoxx GBP Corporates Index plus 1% per year over three-year periods before charges and tax are deducted from the Fund, based on our current view of returns the Fund may potentially achieve, which may change. The Markit iBoxx GBP Corporates Index is also considered as part of our investment risk monitoring process, to check that the overall level of risk taken by the fund manager is not inconsistent with the sterling corporate bonds market.

To enable investors to assess the performance of the Fund, it is shown against performance of the Markit iBoxx GBP Corporates Index plus 1% per year.

*The full strategy can be found in the prospectus.

Portfolio Activity

The Fund net asset value (NAV) decreased over the period, but it outperformed the benchmark by a significant 107bps. Sterling corporate bonds value fell during the period as Gilt yields soared and corporate bond spreads widened in the first half of 2023, with inflation continuing to remain elevated (particularly in the UK) and central banks stepping up rate hikes further. Nonetheless, driving relative outperformance was Security Selection in Financials, Utilities and Securitised Credit. Rates and Yield curve positioning was also a strong positive as our 'flattener' trade outperformed.

During the first half of the year, there were no major changes in fund positioning but we used new issuance to marginally increase our credit beta, notably in Utility and Financial sectors. We also continued to tactically switch and rotate recent non-GBP holdings into attractive new issues in both USD and EUR. Duration positioning was moved to an overweight overall and the Fund also held a 'flattener' position. We retained the off-benchmark exposure to Securitised Credit and USD and EUR denominated holdings on relative valuations, hedged back into sterling. The UK gilt exposure was also maintained for duration management purposes. We largely maintained all other sector exposures.

Activity

During this period, major purchases included European Investment Bank 0.75% 14/07/2023, European Investment Bank 1.625% 15/03/2023 and KFW 0.125% 24/02/2023.

Major sales included European Investment Bank 1.625% 15/03/2023, KFW 0.125% 24/02/2023 and Morgan Stanley 5.789% variable rate 18/11/2023.

Investment Performance

During the period under review, the value of the shares in the Fund decreased by 2.55% while the value of the Markit iBoxx GBP Corporates Index +1% fell by 3.45%.

(Source: Morningstar Direct, GBP, UK net of tax, for the Accumulation C share class. Returns based on the NAV, which is a single price.)

Please note that the above information refers to the past and that past performance is not a reliable indication of future returns.

| Fund Particulars as at 17 July 2023 (unaudited) | | | |
|--|--------------------------|--------------------------------|---------------------------------|
| | Retail Income | Retail Accumulation | Institutional Income |
| Price | 99.2p xd | 260.5p | 182.5p xd |
| Distribution payable (on 15 September 2023) per share net | 0.940000p | 2.440000p | 2.220000p |
| Current net estimated yield | 3.50% | 3.50% | 4.60% |
| Annual ACD charge | 1.05% | 1.05% | 0.00% |

| | Institutional Accumulation | Income C | Accumulation C |
|--|---------------------------------------|---------------------|---------------------------|
| Price | 322.4p | 99.64p xd | 279.4p |
| Distribution payable (on 15 September 2023) per share net | 3.870000p | 1.120000p | 3.100000p |
| Current net estimated yield | 4.60% | 4.30% | 4.30% |
| Annual ACD charge | 0.00% | 0.35% | 0.35% |

Portfolio Statement

as at 15 July 2023 (unaudited)

| <i>Security</i> | <i>Holding</i> | <i>Bid value £'000</i> | <i>Total net assets %</i> |
|---|----------------|--------------------------------|---------------------------------------|
| UNITED KINGDOM - 49.40% (51.63%) | | | |
| Government Bonds - 5.69% (6.15%) | | | |
| Treasury 0.5% 31/1/2029 | £1,090,000 | 872 | 0.47 |
| Treasury 1.25% 22/10/2041 | £1,770,000 | 1,049 | 0.57 |
| Treasury 1.25% 31/7/2051 | £5,582,000 | 2,710 | 1.46 |
| Treasury 4.5% 7/12/2042 | £5,980,000 | 5,909 | 3.19 |
| Total Government Bonds | | 10,540 | 5.69 |
| Corporate Bonds - 43.71% (45.48%) | | | |
| Anglian Water 2.75% 26/10/2029 | £735,000 | 614 | 0.33 |
| Anglian Water 6% 20/6/2039 | £709,000 | 704 | 0.38 |
| Annington Funding 3.184% 12/7/2029 | £2,220,000 | 1,782 | 0.96 |
| Aviva 4% variable rate 3/6/2055 | £1,600,000 | 1,208 | 0.65 |
| Aviva 4.375% variable rate 12/9/2049 | £1,200,000 | 1,026 | 0.55 |
| Barclays Bank 3.75% variable rate 22/11/2030 | £3,490,000 | 3,156 | 1.70 |
| Barclays Bank 6.369% variable rate 31/1/2031 | £2,360,000 | 2,288 | 1.23 |
| Barclays Bank 8.407% variable rate 14/11/2032 | £2,448,000 | 2,474 | 1.33 |
| Bellis Acquisition 4.5% 16/2/2026 | £448,000 | 389 | 0.21 |
| Bellis Finco 4% 16/2/2027 | £700,000 | 525 | 0.28 |
| Berkeley Group 2.50% 11/8/2031 | £953,000 | 621 | 0.34 |
| BP Capital Markets 4.25% variable rate perpetual | £801,000 | 702 | 0.38 |
| BP Capital Markets 5.773% 25/5/2038 | £942,000 | 929 | 0.50 |
| Broadgate 4.999% 5/10/2033 | £550,000 | 508 | 0.27 |
| BUPA Finance 4% variable rate perpetual | £600,000 | 351 | 0.19 |
| BUPA Finance 5% 8/12/2026 | £312,000 | 292 | 0.16 |
| Cadent Finance 2.75% 22/9/2046 | £1,099,000 | 633 | 0.34 |
| Centrica 5.25% variable rate 10/4/2075 | £1,500,000 | 1,416 | 0.76 |
| Centrica 7% 19/9/2033 | £2,330,000 | 2,493 | 1.35 |
| Direct Line 4.75% variable rate perpetual | £1,900,000 | 1,249 | 0.67 |
| GlaxoSmithKline 1.625% 12/5/2035 | £600,000 | 404 | 0.22 |
| Glaxosmithkline 5.25% 19/12/2033 | £1,010,000 | 1,005 | 0.54 |
| Hammerson 3.5% 27/10/2025 | £1,800,000 | 1,583 | 0.85 |
| Heathrow Finance 6.25% 3/3/2025 | £1,100,000 | 1,061 | 0.57 |
| +HSBC Holdings 5.875% variable rate perpetual | £1,000,000 | 885 | 0.48 |
| +HSBC Holdings 7% 7/4/2038 | £1,500,000 | 1,472 | 0.79 |
| +HSBC Holdings 8.201% variable rate 16/11/2034 | £2,000,000 | 2,055 | 1.11 |
| Legal & General Group 5.375% variable rate 27/10/2045 | £1,000,000 | 956 | 0.52 |
| Lloyds Banking Group 2.707% variable rate 3/12/2035 | £1,774,000 | 1,302 | 0.70 |
| Lloyds Banking Group 6.625% variable rate 2/6/2033 | £1,091,000 | 1,049 | 0.57 |
| Lloyds Banking Group 8.5% variable rate perpetual | £375,000 | 353 | 0.19 |
| M&G 3.875% variable rate 20/7/2049 | £2,900,000 | 2,808 | 1.52 |
| M&G 5.7% variable rate 19/12/2063 | £1,000,000 | 871 | 0.47 |
| National Gas Transmission 5.75% 5/4/2035 | £512,000 | 487 | 0.26 |
| National Grid Electricity Transmission 1.375% 16/9/2026 | £1,000,000 | 869 | 0.47 |
| National Grid Electricity Transmission 2.75% 6/2/2035 | £1,500,000 | 1,094 | 0.59 |
| National Grid Electricity Transmission 4% 8/6/2027 | £1,590,000 | 1,464 | 0.79 |

Portfolio Statement

as at 15 July 2023 (unaudited)

| <i>Security</i> | <i>Holding</i> | <i>Bid value £'000</i> | <i>Total net assets %</i> |
|---|----------------|--------------------------------|---------------------------------------|
| Nationwide Building Society 5.875% variable rate perpetual | £600,000 | 562 | 0.30 |
| NatWest Group 3.619% variable rate 29/3/2029 | £2,609,000 | 2,274 | 1.23 |
| Natwest Group 5.125% variable rate perpetual | £1,125,000 | 934 | 0.50 |
| NatWest Group 7.416% variable rate 6/6/2033 | £1,282,000 | 1,258 | 0.68 |
| NGG Finance 5.625% variable rate 18/6/2073 | £500,000 | 475 | 0.26 |
| NIE Finance 5.875% 1/12/2032 | £1,000,000 | 988 | 0.53 |
| NIE Finance 6.375% 2/6/2026 | £1,500,000 | 1,498 | 0.81 |
| Northern Powergrid Northeast 3.25% 1/4/2052 | £1,163,000 | 786 | 0.42 |
| Northern Powergrid Yorkshire 2.25% 9/10/2059 | £643,000 | 325 | 0.18 |
| Pension Insurance 3.625% 21/10/2032 | £1,169,000 | 856 | 0.46 |
| Pension Insurance 6.5% 3/7/2024 | £500,000 | 495 | 0.27 |
| Places for People Treasury 2.875% 17/8/2026 | £1,378,000 | 1,241 | 0.67 |
| Principality Building Society 8.625% 12/7/2028 | £1,180,000 | 1,192 | 0.64 |
| Rentokil Initial 5% 27/6/2032 | £1,000,000 | 928 | 0.50 |
| RL Finance Bonds 4.875% variable rate 7/10/2049 | £750,000 | 550 | 0.30 |
| Rothsay Life 5% variable rate perpetual | £750,000 | 474 | 0.26 |
| Rothsay Life 5.5% variable rate 17/9/2029 | £1,590,000 | 1,546 | 0.83 |
| Royal Bank of Scotland 3.125% variable rate 28/3/2027 | £3,761,000 | 3,409 | 1.84 |
| Royal Bank of Scotland 3.622% variable rate 14/8/2030 | £900,000 | 834 | 0.45 |
| Saga 3.375% 12/5/2024 | £289,000 | 268 | 0.15 |
| Santander UK Group Holdings 2.92% variable rate 8/5/2026 | £2,700,000 | 2,494 | 1.35 |
| Santander UK Group Holdings 6.75% variable rate perpetual | £1,500,000 | 1,421 | 0.77 |
| Santander UK Group Holdings 7.098% variable rate 16/11/2027 | £1,000,000 | 994 | 0.54 |
| Scottish & Southern 8.375% 20/11/2028 | £2,300,000 | 2,524 | 1.36 |
| Southern Gas Networks 1.25% 2/12/2031 | £1,693,000 | 1,168 | 0.63 |
| Thames Water Utilities Finance 4.625% 4/6/2046 | £240,000 | 186 | 0.10 |
| Thames Water Utilities Finance 7.738% 9/4/2058 | £950,000 | 1,056 | 0.57 |
| Virgin Money 4% variable rate 25/9/2026 | £1,500,000 | 1,369 | 0.74 |
| Virgin Money 5.125% variable rate 11/12/2030 | £560,000 | 509 | 0.27 |
| Vodafone Group 3% 12/8/2056 | £952,000 | 529 | 0.29 |
| Vodafone Group 3.375% 8/8/2049 | £1,200,000 | 759 | 0.41 |
| Weir Group 6.875% 14/6/2028 | £675,000 | 671 | 0.36 |
| Western Power Distribution 3.5% 16/10/2026 | £1,000,000 | 915 | 0.49 |
| Yorkshire Water Finance 1.75% 26/11/2026 | £1,200,000 | 1,026 | 0.55 |
| Yorkshire Water Finance 1.75% 27/10/2032 | £1,000,000 | 695 | 0.38 |
| Yorkshire Water Finance 2.75% 18/4/2041 | £1,185,000 | 748 | 0.40 |
| Total Corporate Bonds | | 81,035 | 43.71 |
| Total United Kingdom | | 91,575 | 49.40 |

UNITED STATES - 5.00% (9.79%)

Corporate Bonds - 5.00% (9.79%)

| | | | |
|--|------------|-------|------|
| AT&T 4.25% 1/6/2043 | £2,000,000 | 1,508 | 0.81 |
| AT&T 7% 30/4/2040 | £1,000,000 | 1,039 | 0.56 |
| Bank of America 3.584% variable rate 27/4/2031 | £1,700,000 | 1,457 | 0.79 |
| Ford Motor Credit 2.748% 14/6/2024 | £1,000,000 | 956 | 0.51 |
| Goldman Sachs 3.625% variable rate 29/10/2029 | £1,500,000 | 1,316 | 0.71 |

Portfolio Statement

as at 15 July 2023 (unaudited)

| <i>Security</i> | <i>Holding</i> | <i>Bid value £'000</i> | <i>Total net assets %</i> |
|--|----------------|--------------------------------|---------------------------------------|
| MPT Operating Partnership 3.692% 5/6/2028 | £1,800,000 | 1,240 | 0.67 |
| Time Warner Cable 5.25% 15/7/2042 | £500,000 | 392 | 0.21 |
| Time Warner Cable 5.75% 2/6/2031 | £1,500,000 | 1,372 | 0.74 |
| Total Corporate Bonds | | 9,280 | 5.00 |
| Total United States | | 9,280 | 5.00 |
| AUSTRALIA - 1.47% (1.87%) | | | |
| Corporate Bonds - 1.47% (1.87%) | | | |
| QBE Insurance Group 2.5% variable rate 13/9/2038 | £2,550,000 | 1,967 | 1.06 |
| Westfield America Manage 2.625% 30/3/2029 | £1,000,000 | 759 | 0.41 |
| Total Corporate Bonds | | 2,726 | 1.47 |
| Total Australia | | 2,726 | 1.47 |
| BERMUDA - 0.38% (0.21%) | | | |
| Corporate Bonds - 0.38% (0.21%) | | | |
| Hiscox 6% 22/9/2027 | £727,000 | 711 | 0.38 |
| Total Corporate Bonds | | 711 | 0.38 |
| Total Bermuda | | 711 | 0.38 |
| CANADA - 0.57% (0.00) | | | |
| Corporate Bonds - 0.57% (0.00) | | | |
| Royal Bank of Canada 5% 24/1/2028 | £1,100,000 | 1,048 | 0.57 |
| Total Corporate Bonds | | 1,048 | 0.57 |
| Total Canada | | 1,048 | 0.57 |
| CAYMAN ISLANDS - 0.47% (0.44%) | | | |
| Corporate Bonds - 0.47% (0.44%) | | | |
| Phoenix Group 5.625% 28/4/2031 | £1,000,000 | 876 | 0.47 |
| Total Corporate Bonds | | 876 | 0.47 |
| Total Cayman Islands | | 876 | 0.47 |
| CHANNEL ISLANDS - 5.21% (4.29%) | | | |
| Corporate Bonds - 5.21% (4.29%) | | | |
| AA Bond 6.269% 2/7/2043 | £1,000,000 | 959 | 0.52 |
| AA Bond 7.375% 31/7/2050 | £200,000 | 183 | 0.10 |
| Gatwick Funding 6.5% 2/3/2043 | £2,061,000 | 2,083 | 1.12 |
| Heathrow Funding 4.625% 31/10/2046 | £1,800,000 | 1,444 | 0.78 |
| Heathrow Funding 6.45% 10/12/2031 | £678,000 | 687 | 0.37 |
| Heathrow Funding 6.75% 3/12/2028 | £1,700,000 | 1,707 | 0.92 |
| Heathrow Funding 7.125% 14/2/2024 | £2,600,000 | 2,602 | 1.40 |
| Total Corporate Bonds | | 9,665 | 5.21 |
| Total Channel Islands | | 9,665 | 5.21 |
| DENMARK - 0.76% (0.70%) | | | |
| Corporate Bonds - 0.76% (0.70%) | | | |
| Orsted AS 5.125% 13/09/2034 | £1,500,000 | 1,401 | 0.76 |
| Total Corporate Bonds | | 1,401 | 0.76 |
| Total Denmark | | 1,401 | 0.76 |

Portfolio Statement

as at 15 July 2023 (unaudited)

| <i>Security</i> | <i>Holding</i> | <i>Bid value £'000</i> | <i>Total net assets %</i> |
|--|----------------|--------------------------------|---------------------------------------|
| FRANCE - 7.47% (6.28%) | | | |
| Corporate Bonds - 7.47% (6.28%) | | | |
| BPCE 2.125% variable rate 13/10/2046 | €1,000,000 | 616 | 0.33 |
| BPCE 6.125% 24/5/2029 | £700,000 | 682 | 0.37 |
| Credit Agricole 4.875% 23/10/2029 | £2,000,000 | 1,888 | 1.02 |
| Électricité de France 5.25% 13/10/2055 | \$1,600,000 | 998 | 0.54 |
| Électricité de France 5.875% variable rate perpetual | £1,300,000 | 1,072 | 0.58 |
| Électricité de France 6% 23/1/2114 | £1,000,000 | 854 | 0.46 |
| Électricité de France 6% variable rate perpetual | £1,400,000 | 1,273 | 0.69 |
| Électricité de France 6.125% 2/6/2034 | £1,000,000 | 952 | 0.51 |
| Électricité de France 6.25% 23/5/2033 | \$371,000 | 292 | 0.16 |
| Électricité de France 6.9% 23/5/2053 | \$1,370,000 | 1,099 | 0.59 |
| Engie 5.625% 3/4/2053 | £1,100,000 | 1,034 | 0.56 |
| La Banque Postale 5.625% variable rate 21/9/2028 | £1,500,000 | 1,418 | 0.76 |
| Orange 5.375% 22/11/2050 | £1,000,000 | 964 | 0.52 |
| Societe Generale 6.25% 22/6/2033 | £700,000 | 699 | 0.38 |
| Total Corporate Bonds | | 13,841 | 7.47 |
| Total France | | 13,841 | 7.47 |
| GERMANY - 1.43% (1.52%) | | | |
| Corporate Bonds - 1.43% (1.52%) | | | |
| Deutsche Bank 6.125% variable rate 12/12/2030 | £1,000,000 | 933 | 0.50 |
| Robert Bosch 4% 2/6/2035 | €800,000 | 692 | 0.37 |
| Volkswagen Bank 4.625% 3/5/2031 | €1,200,000 | 1,027 | 0.56 |
| Total Corporate Bonds | | 2,652 | 1.43 |
| Total Germany | | 2,652 | 1.43 |
| IRELAND - 4.35% (0.80%) | | | |
| Corporate Bonds - 1.00% (0.78%) | | | |
| Zurich Finance Ireland 5.125% variable rate 23/11/2052 | £2,136,000 | 1,867 | 1.00 |
| Total Corporate Bonds | | 1,867 | 1.00 |
| Financials - 3.35% (0.02%) | | | |
| +HSBC Global Sterling Liquidity Fund | 6,205,569 | 6,206 | 3.35 |
| Total Financials | | 6,206 | 3.35 |
| Total Ireland | | 8,073 | 4.35 |
| ITALY - 0.00% (0.42%) | | | |
| Corporate Bonds - 0.00% (0.42%) | | | |
| JAPAN - 0.54% (0.00%) | | | |
| Corporate Bonds - 0.54% (0.00%) | | | |
| Mizuho Financial Group 5.628% 13/6/2028 | £1,037,000 | 1,004 | 0.54 |
| Total Corporate Bonds | | 1,004 | 0.54 |
| Total Japan | | 1,004 | 0.54 |

Portfolio Statement

as at 15 July 2023 (unaudited)

| <i>Security</i> | <i>Holding</i> | <i>Bid value £'000</i> | <i>Total net assets %</i> |
|--|----------------|--------------------------------|---------------------------------------|
| JERSEY - 0.54% (0.45%) | | | |
| Corporate Bonds - 0.54% (0.45%) | | | |
| +HSBC Bank Fund 5.844% variable rate perpetual | £1,000,000 | 999 | 0.54 |
| Total Corporate Bonds | | 999 | 0.54 |
| Total Jersey | | 999 | 0.54 |
| LUXEMBOURG - 3.51% (3.74%) | | | |
| Corporate Bonds - 1.47% (1.26%) | | | |
| Aroundtown 4.75% variable rate perpetual | £1,700,000 | 598 | 0.32 |
| Blackstone Property Partners 2.625% 20/10/2028 | £903,000 | 666 | 0.36 |
| CK Hutchison Holdings 2% 17/10/2027 | £1,000,000 | 834 | 0.45 |
| Logicor Financing 2.75% 15/1/2030 | £856,000 | 630 | 0.34 |
| Virgolino De Oliveira Fi 6.75% 29/1/2018 | \$243,000 | - | 0.00 |
| Total Corporate Bonds | | 2,728 | 1.47 |
| Financials - 2.04% (2.48%) | | | |
| +HSBC Global Securitised Credit Bond Fund | 409,595 | 3,783 | 2.04 |
| Total Financials | | 3,783 | 2.04 |
| Total Luxembourg | | 6,511 | 3.51 |
| NETHERLANDS - 6.84% (5.99%) | | | |
| Corporate Bonds - 6.84% (5.99%) | | | |
| AT Securities 5.25% variable rate perpetual | \$2,000,000 | 670 | 0.36 |
| E.ON International Finance 4.75% 31/1/2034 | £2,500,000 | 2,240 | 1.21 |
| E.ON International Finance 5.875% 30/10/2037 | £1,250,000 | 1,206 | 0.65 |
| E.ON International Finance 6.125% 6/7/2039 | £1,000,000 | 987 | 0.53 |
| Enel Finance 5.75% 14/9/2040 | £1,000,000 | 940 | 0.51 |
| ING Groep 4.75% variable rate 23/5/2034 | €500,000 | 432 | 0.23 |
| ING Groep 6.25% variable rate 20/5/2033 | £1,200,000 | 1,127 | 0.61 |
| Innogy Finance 6.25% 3/6/2030 | £1,090,000 | 1,105 | 0.60 |
| JAB Holdings 5% 12/6/2033 | €500,000 | 436 | 0.23 |
| Royal KPN 5% 18/11/2026 | £1,400,000 | 1,349 | 0.73 |
| Universal Music Group 4% 13/6/2031 | €586,000 | 500 | 0.27 |
| Volkswagen Financial Services 3.25% 13/4/2027 | £1,900,000 | 1,692 | 0.91 |
| Total Corporate Bonds | | 12,684 | 6.84 |
| Total Netherlands | | 12,684 | 6.84 |
| NORWAY - 1.00% (1.10%) | | | |
| Corporate Bonds - 1.00% (1.10%) | | | |
| DNB Bank ASA 4% variable rate 17/8/2027 | £2,000,000 | 1,850 | 1.00 |
| Total Corporate Bonds | | 1,850 | 1.00 |
| Total Norway | | 1,850 | 1.00 |

Portfolio Statement

as at 15 July 2023 (unaudited)

| <i>Security</i> | <i>Holding</i> | <i>Bid value £'000</i> | <i>Total net assets %</i> |
|---|-----------------|--------------------------------|---------------------------------------|
| SINGAPORE - 0.26% (0.00) | | | |
| Corporate Bonds - 0.26% (0.00) | | | |
| Pfizer Investment Enterprises 5.3% 19/5/2053 | \$625,000 | 490 | 0.26 |
| Total Corporate Bonds | | 490 | 0.26 |
| Total SINGAPORE | | 490 | 0.26 |
| SPAIN - 2.71% (3.14%) | | | |
| Corporate Bonds - 2.71% (3.14%) | | | |
| CaixaBank 1.5% variable rate 3/12/2026 | £2,400,000 | 2,099 | 1.13 |
| Telefonica Emisiones 5.375% 2/2/2026 | £3,000,000 | 2,925 | 1.58 |
| Total Corporate Bonds | | 5,024 | 2.71 |
| Total SPAIN | | 5,024 | 2.71 |
| SWEDEN - 0.79% (1.80%) | | | |
| Corporate Bonds - 0.79% (1.80%) | | | |
| Svenska Handelsbanken AB 4.625% variable rate 23/8/2032 | £1,268,000 | 1,142 | 0.62 |
| Vattenfall 2.5% variable rate 29/6/2083 | £400,000 | 317 | 0.17 |
| Total Corporate Bonds | | 1,459 | 0.79 |
| Total Sweden | | 1,459 | 0.79 |
| SWITZERLAND - 4.16% (2.95%) | | | |
| Corporate Bonds - 4.16% (2.95%) | | | |
| Credit Suisse Group 2.25% variable rate 9/6/2028 | £2,000,000 | 1,677 | 0.91 |
| Credit Suisse Group 2.875% variable rate 2/4/2032 | €2,000,000 | 1,490 | 0.80 |
| Credit Suisse Group 7.75% variable rate 1/3/2029 | €1,403,000 | 1,335 | 0.72 |
| UBS Group 2.125% variable rate 12/9/2025 | £3,400,000 | 3,202 | 1.73 |
| Total Corporate Bonds | | 7,704 | 4.16 |
| Total Switzerland | | 7,704 | 4.16 |
| FORWARD FOREIGN EXCHANGE CONTRACTS - 0.11% ((0.06%)) | | | |
| #GBP Forward Currency Contract 9/8/2023 | GBP 1,298,080 | 11 | 0.00 |
| #EUR Forward Currency Contract 9/8/2023 | (EUR 1,500,000) | | |
| #GBP Forward Currency Contract 9/8/2023 | GBP 2,030,673 | 15 | 0.01 |
| #EUR Forward Currency Contract 9/8/2023 | (EUR 2,350,000) | | |
| #GBP Forward Currency Contract 10/8/2023 | GBP 3,759,642 | 200 | 0.11 |
| #USD Forward Currency Contract 10/8/2023 | (USD 4,670,000) | | |
| #GBP Forward Currency Contract 9/8/2023 | GBP 431,125 | 2 | 0.00 |
| #EUR Forward Currency Contract 9/8/2023 | (EUR 500,000) | | |
| #GBP Forward Currency Contract 9/8/2023 | GBP 498,841 | 1 | 0.00 |
| #EUR Forward Currency Contract 9/8/2023 | (EUR 580,000) | | |
| #GBP Forward Currency Contract 10/8/2023 | GBP 477,145 | 20 | 0.01 |
| #USD Forward Currency Contract 10/8/2023 | (USD 600,000) | | |
| #USD Forward Currency Contract 10/8/2023 | USD 440,000 | (12) | (0.01) |
| #GBP Forward Currency Contract 10/8/2023 | (GBP 347,047) | | |
| #GBP Forward Currency Contract 9/8/2023 | GBP 54,685 | - | 0.00 |
| #EUR Forward Currency Contract 9/8/2023 | (EUR 64,000) | | |

Portfolio Statement

as at 15 July 2023 (unaudited)

| <i>Security</i> | <i>Holding</i> | <i>Bid value £'000</i> | <i>Total net assets %</i> |
|---|----------------|--------------------------------|---------------------------------------|
| #USD Forward Currency Contract 10/8/2023 | USD 1,180,000 | (27) | (0.01) |
| #GBP Forward Currency Contract 10/8/2023 | (GBP 926,083) | | |
| #EUR Forward Currency Contract 9/8/2023 | EUR 550,000 | (1) | 0.00 |
| #GBP Forward Currency Contract 9/8/2023 | (GBP 473,435) | | |
| Total Forward Foreign Exchange Contracts | | 209 | 0.11 |
| FUTURES - (0.10%) ((0.04%)) | | | |
| CBT US Long Bond September 2023 | (11) | 6 | 0.00 |
| EUX Euro Bobl Future September 2023 | (38) | 39 | 0.02 |
| EUX Euro Bund Future September 2023 | (7) | 8 | 0.01 |
| ICF ICE Long Gilt Future September 2023 | 187 | (247) | (0.13) |
| Total Futures | | (194) | (0.10) |
| Credit Default Swaps - (2.42%) (0.00%) | | | |
| JP Morgan 5% 20/6/2028 | (EUR5,000,000) | (4,484) | (2.42) |
| Total Credit Default Swaps | | (4,484) | (2.42) |
| Portfolio of investments | | 175,104 | 94.45 |
| Net other assets | | 10,284 | 5.55 |
| Net assets | | 185,388 | 100.00 |
| +Funds managed by the ACD/HSBC Group | | | |
| #unlisted | | | |
| Figures in brackets denote the comparative percentage holdings as at 15 January 2023. | | | |
| Unless otherwise stated, all investments are listed securities. | | | |
| The counterparty for the futures is HSBC. | | | |
| The counterparties for the forward foreign exchange contracts are Citigroup London, Credit Agricole London, HSBC, JP Morgan, Royal Bank of Scotland, and UBS. | | | |
| The counterparty for the credit default swap is JP Morgan. | | | |
| Total purchases for the period, including transaction charges, were £104,254,278. | | | |
| Total sales for the period, net of transaction charges, were £254,361,548. | | | |
| The bond ratings for the portfolio at 15 July 2023 were: | | | |
| | | <i>Bid value £'000</i> | <i>Total net assets %</i> |
| Bond credit ratings | | | |
| Investment grade | | 152,181 | 82.09 |
| Non-investment grade | | 11,787 | 6.35 |
| Non rated | | 5,616 | 3.03 |
| Total bonds | | 169,584 | 91.47 |

Comparative Tables

| Retail Income | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|--|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 103.70p | 125.70p | 132.80p | 128.50p |
| Return before operating charges* | (2.48p) | (17.51p) | (2.46p) | 8.71p |
| Operating charges** | (0.56p) | (1.19p) | (1.40p) | (1.46p) |
| Return after operating charges* | (3.04p) | (18.70p) | (3.86p) | 7.25p |
| Distributions on income shares | (1.88p) | (3.30p) | (3.24p) | (2.95p) |
| Closing net asset value per share | 98.78p | 103.70p | 125.70p | 132.80p |
| *after direct transaction costs of:*** | 0.00p | 0.00p | 0.00p | 0.00p |
| Performance | | | | |
| Return after charges | (2.93%) | (14.88%) | (2.91%) | 5.64% |
| Other information | | | | |
| Closing net asset value | £9,494,485 | £9,916,481 | £6,656,838 | £7,312,745 |
| Closing number of shares | 9,611,565 | 9,566,738 | 5,297,797 | 5,507,065 |
| Operating charges - OCF | 1.11% | 1.09% | 1.07% | 1.09%† |
| Direct transaction costs | 0.00% | 0.00% | 0.00% | 0.00% |
| Prices | | | | |
| Highest share price | 106.70p | 125.70p | 133.60p | 135.50p |
| Lowest share price | 98.00p | 92.30p | 126.20p | 111.40p |

| Retail Accumulation | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|---|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 267.20p | 313.90p | 323.40p | 305.70p |
| Return before operating charges* | (6.36p) | (43.66p) | (6.06p) | 21.19p |
| Operating charges** | (1.44p) | (3.04p) | (3.44p) | (3.49p) |
| Return after operating charges* | (7.80p) | (46.70p) | (9.50p) | 17.70p |
| Distributions on accumulation shares | (4.88p) | (8.32p) | (7.96p) | (7.11p) |
| Retained distributions on accumulation shares | 4.88p | 8.32p | 7.96p | 7.11p |
| Closing net asset value per share | 259.40p | 267.20p | 313.90p | 323.40p |
| *after direct transaction costs of:*** | 0.00p | 0.01p | 0.00p | 0.00p |
| Performance | | | | |
| Return after charges | (2.92%) | (14.88%) | (2.94%) | 5.79% |
| Other information | | | | |
| Closing net asset value | £5,491,124 | £6,477,607 | £27,931,027 | £124,260,156 |
| Closing number of shares | 2,117,103 | 2,424,559 | 8,899,347 | 38,419,689 |
| Operating charges - OCF | 1.11% | 1.09% | 1.08% | 1.09%† |
| Direct transaction costs | 0.00% | 0.00% | 0.00% | 0.00% |
| Prices | | | | |
| Highest share price | 275.00p | 313.90p | 326.90p | 328.10p |
| Lowest share price | 254.90p | 233.90p | 311.90p | 265.20p |

†Estimated value following a change to the charging structure on 1 October 2020.

**The operating charges include all costs borne by the Fund, except for direct transaction costs.

***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.

Comparative Tables

| Institutional Income | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|--|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 190.60p | 231.10p | 244.30p | 236.20p |
| Return before operating charges* | (4.41p) | (32.24p) | (4.66p) | 16.24p |
| Operating charges** | (0.03p) | (0.05p) | (0.01p) | (0.06p) |
| Return after operating charges* | (4.44p) | (32.29p) | (4.67p) | 16.18p |
| Distributions on income shares | (4.46p) | (8.21p) | (8.53p) | (8.08p) |
| Closing net asset value per share | 181.70p | 190.60p | 231.10p | 244.30p |
| *after direct transaction costs of:*** | 0.00p | 0.01p | 0.00p | 0.00p |
| Performance | | | | |
| Return after charges | (2.33%) | (13.97%) | (1.91%) | 6.85% |
| Other information | | | | |
| Closing net asset value | £24,002,444 | £171,316,755 | £27,599,460 | £314,854,787 |
| Closing number of shares | 13,210,700 | 89,879,448 | 11,940,907 | 128,901,450 |
| Operating charges - OCF | 0.04% | 0.03% | 0.00% | 0.02% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% | 0.00% |
| Prices | | | | |
| Highest share price | 196.30p | 231.20p | 245.90p | 249.90p |
| Lowest share price | 180.70p | 170.20p | 232.60p | 205.30p |

| Institutional Accumulation | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|---|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 328.90p | 382.30p | 389.80p | 364.50p |
| Return before operating charges* | (7.84p) | (53.31p) | (7.44p) | 25.39p |
| Operating charges** | (0.06p) | (0.09p) | (0.06p) | (0.09p) |
| Return after operating charges* | (7.90p) | (53.40p) | (7.50p) | 25.30p |
| Distributions on accumulation shares | (7.75p) | (13.80p) | (13.79p) | (12.63p) |
| Retained distributions on accumulation shares | 7.75p | 13.80p | 13.79p | 12.63p |
| Closing net asset value per share | 321.00p | 328.90p | 382.30p | 389.80p |
| *after direct transaction costs of:*** | 0.00p | 0.01p | 0.01p | 0.00p |
| Performance | | | | |
| Return after charges | (2.40%) | (13.97%) | (1.92%) | 6.94% |
| Other information | | | | |
| Closing net asset value | £32,155,190 | £30,382,948 | £25,154,870 | £25,411,104 |
| Closing number of shares | 10,016,179 | 9,236,710 | 6,579,155 | 6,518,514 |
| Operating charges - OCF | 0.04% | 0.03% | 0.02% | 0.02% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% | 0.00% |
| Prices | | | | |
| Highest share price | 338.70p | 382.40p | 396.30p | 395.40p |
| Lowest share price | 315.40p | 287.20p | 376.50p | 316.80p |

**The operating charges include all costs borne by the Fund, except for direct transaction costs.

***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.

Comparative Tables

| Income C | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|--|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 104.10p | 126.20p | 133.40p | 129.00p |
| Return before operating charges* | (2.44p) | (17.59p) | (2.52p) | 8.84p |
| Operating charges** | (0.20p) | (0.43p) | (0.50p) | (0.53p) |
| Return after operating charges* | (2.64p) | (18.02p) | (3.02p) | 8.31p |
| Distributions on income shares | (2.25p) | (4.08p) | (4.18p) | (3.91p) |
| Closing net asset value per share | 99.21p | 104.10p | 126.20p | 133.40p |
| *after direct transaction costs of:*** | 0.00p | 0.00p | 0.00p | 0.00p |
| Performance | | | | |
| Return after charges | (2.54%) | (14.28%) | (2.26%) | 6.44% |
| Other information | | | | |
| Closing net asset value | £74,733,504 | £81,425,976 | £110,053,050 | £126,718,548 |
| Closing number of shares | 75,327,426 | 78,209,557 | 87,190,625 | 94,990,557 |
| Operating charges - OCF | 0.41% | 0.39% | 0.38% | 0.39%† |
| Direct transaction costs | 0.00% | 0.00% | 0.00% | 0.00% |
| Prices | | | | |
| Highest share price | 107.20p | 126.30p | 134.30p | 136.40p |
| Lowest share price | 98.59p | 92.88p | 127.00p | 112.00p |

| Accumulation C | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|---|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 285.60p | 333.20p | 341.00p | 320.00p |
| Return before operating charges* | (6.84p) | (46.45p) | (6.52p) | 22.33p |
| Operating charges** | (0.56p) | (1.15p) | (1.28p) | (1.33p) |
| Return after operating charges* | (7.40p) | (47.60p) | (7.80p) | 21.00p |
| Distributions on accumulation shares | (6.21p) | (10.93p) | (10.81p) | (9.82p) |
| Retained distributions on accumulation shares | 6.21p | 10.93p | 10.81p | 9.82p |
| Closing net asset value per share | 278.20p | 285.60p | 333.20p | 341.00p |
| *after direct transaction costs of:*** | 0.00p | 0.01p | 0.00p | 0.00p |
| Performance | | | | |
| Return after charges | (2.59%) | (14.29%) | (2.29%) | 6.56% |
| Other information | | | | |
| Closing net asset value | £39,510,834 | £46,959,419 | £58,528,681 | £44,352,350 |
| Closing number of shares | 14,199,873 | 16,441,338 | 17,565,659 | 13,007,705 |
| Operating charges - OCF | 0.41% | 0.39% | 0.38% | 0.39%† |
| Direct transaction costs | 0.00% | 0.00% | 0.00% | 0.00% |
| Prices | | | | |
| Highest share price | 294.00p | 333.30p | 345.90p | 345.90p |
| Lowest share price | 273.00p | 249.60p | 329.20p | 277.90p |

†Estimated value following a change to the charging structure on 1 October 2020.

**The operating charges include all costs borne by the Fund, except for direct transaction costs.

***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.

Comparative Tables

| Institutional Gross Accumulation# | 15.7.23 | 15.1.23 | 15.1.22 | 15.1.21 |
|---|----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | N/A | 383.50p | 391.00p | 365.60p |
| Return before operating charges* | N/A | (2.40p) | (7.45p) | 25.49p |
| Operating charges** | N/A | 0.00p | (0.05p) | (0.09p) |
| Return after operating charges* | N/A | (2.40p) | (7.50p) | 25.40p |
| Distributions on accumulation shares | N/A | - | (13.84p) | (12.67p) |
| Retained distributions on accumulation shares | N/A | - | 13.84p | 12.67p |
| Cancellation Price | | (381.10p) | - | - |
| Closing net asset value per share | N/A | 0.00p | 383.50p | 391.00p |
| *after direct transaction costs of:*** | N/A | 0.00p | 0.01p | 0.00p |
| Performance | | | | |
| Return after charges | N/A | (0.63%) | (1.92%) | 6.95% |
| Other information | | | | |
| Closing net asset value | N/A | N/A | £7,978,048 | £41,668,866 |
| Closing number of shares | N/A | N/A | 2,080,270 | 10,656,565 |
| Operating charges - OCF | N/A | N/A | 0.01% | 0.02% |
| Direct transaction costs | N/A | N/A | 0.00% | 0.00% |
| Prices | | | | |
| Highest share price | N/A | 383.60p | 397.50p | 396.60p |
| Lowest share price | N/A | 381.10p | 377.70p | 317.70p |
| #The Institutional Gross Accumulation share class closed on 18 January 2022. | | | | |
| **The operating charges include all costs borne by the Fund, except for direct transaction costs. | | | | |
| ***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. | | | | |

Statement of Total Return

for the six months ended 15 July 2023 (unaudited)

| | 15.7.23 | | 15.7.22 | |
|--|---------|---------|---------|----------|
| | £'000 | £'000 | £'000 | £'000 |
| Income | | | | |
| Net capital losses | | (7,550) | | (33,933) |
| Revenue | 5,310 | | 3,919 | |
| Expenses | (335) | | (412) | |
| Interest payable and similar charges | (85) | | - | |
| Net revenue before taxation | 4,890 | | 3,507 | |
| Taxation | - | | - | |
| Net revenue after taxation | | 4,890 | | 3,507 |
| Total deficit before distributions | | (2,660) | | (30,426) |
| Distributions | | (4,640) | | (4,078) |
| Change in net assets attributable to shareholders from investment activities | | (7,300) | | (34,504) |

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2023 (unaudited)

| | 15.7.23 | | 15.7.22 | |
|--|-----------|-----------|----------|----------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 346,479 | | 263,902 |
| Amounts receivable on creation of shares | 15,651 | | 37,775 | |
| Amounts payable on cancellation of shares | (171,746) | | (48,564) | |
| | | (156,095) | | (10,789) |
| Dilution adjustment | | 544 | | 199 |
| Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above) | | (7,300) | | (34,504) |
| Retained distribution on accumulation shares | | 1,760 | | 1,561 |
| Closing net assets attributable to shareholders | | 185,388 | | 220,369 |

Balance Sheet

as at 15 July 2023 (unaudited)

| | 15.7.23 | | 15.1.23 | |
|---|---------|---------|---------|----------|
| | £'000 | £'000 | £'000 | £'000 |
| Assets | | | | |
| Investments | | 179,875 | | 337,369 |
| Current assets | | | | |
| Debtors | 3,932 | | 14,078 | |
| Cash and bank balances | 7,877 | | 5,311 | |
| Total current assets | | 11,809 | | 19,389 |
| Total assets | | 191,684 | | 356,758 |
| Liabilities | | | | |
| Investment liabilities | | (4,771) | | (1,205) |
| Creditors | | | | |
| Distribution payable on income shares | (1,227) | | (2,665) | |
| Other creditors | (298) | | (6,409) | |
| Total creditors | | (1,525) | | (9,074) |
| Total liabilities | | (6,296) | | (10,279) |
| Net assets attributable to shareholders | | 185,388 | | 346,479 |

Distribution Tables (pence per share)

for the six months ended 15 July 2023 (unaudited)

| | <i>Net income</i> | <i>Equalisation</i> | <i>Distribution payable 15.9.23</i> | <i>Distribution paid 15.9.22</i> |
|--|-----------------------|---------------------|---|--|
| Group 1: Shares purchased prior to 16 April 2023 | | | | |
| Group 2: Shares purchased from 16 April 2023 to 15 July 2023 | | | | |
| Retail Income | | | | |
| Group 1 | 0.940000 | - | 0.940000 | 0.820000 |
| Group 2 | 0.940000 | 0.000000 | 0.940000 | 0.820000 |
| Retail Accumulation | | | | |
| Group 1 | 2.440000 | - | 2.440000 | 2.060000 |
| Group 2 | 2.220000 | 0.220000 | 2.440000 | 2.060000 |
| Institutional Income | | | | |
| Group 1 | 2.220000 | - | 2.220000 | 2.060000 |
| Group 2 | 1.500000 | 0.720000 | 2.220000 | 2.060000 |
| Institutional Accumulation | | | | |
| Group 1 | 3.870000 | - | 3.870000 | 3.440000 |
| Group 2 | 3.540000 | 0.330000 | 3.870000 | 3.440000 |
| Income C | | | | |
| Group 1 | 1.120000 | - | 1.120000 | 1.020000 |
| Group 2 | 0.600000 | 0.520000 | 1.120000 | 1.020000 |
| Accumulation C | | | | |
| Group 1 | 3.100000 | - | 3.100000 | 2.720000 |
| Group 2 | 1.770000 | 1.330000 | 3.100000 | 2.720000 |

Distribution Tables (pence per share)

for the six months ended 15 July 2023 (unaudited)

| | <i>Net income</i> | <i>Equalisation</i> | <i>Distribution payable 15.6.23</i> | <i>Distribution paid 15.6.22</i> |
|---|-----------------------|---------------------|---|--|
| Group 1: Shares purchased prior to 16 January 2023 | | | | |
| Group 2: Shares purchased from 16 January 2023 to 15 April 2023 | | | | |
| Retail Income | | | | |
| Group 1 | 0.940000 | - | 0.940000 | 0.790000 |
| Group 2 | 0.790000 | 0.150000 | 0.940000 | 0.790000 |
| Retail Accumulation | | | | |
| Group 1 | 2.440000 | - | 2.440000 | 1.970000 |
| Group 2 | 2.230000 | 0.210000 | 2.440000 | 1.970000 |
| Institutional Income | | | | |
| Group 1 | 2.240000 | - | 2.240000 | 2.040000 |
| Group 2 | 1.970000 | 0.270000 | 2.240000 | 2.040000 |
| Institutional Accumulation | | | | |
| Group 1 | 3.880000 | - | 3.880000 | 3.370000 |
| Group 2 | 2.110000 | 1.770000 | 3.880000 | 3.370000 |
| Income C | | | | |
| Group 1 | 1.130000 | - | 1.130000 | 1.000000 |
| Group 2 | 0.530000 | 0.600000 | 1.130000 | 1.000000 |
| Accumulation C | | | | |
| Group 1 | 3.110000 | - | 3.110000 | 2.650000 |
| Group 2 | 1.510000 | 1.600000 | 3.110000 | 2.650000 |

Global Equity Income (Closed 17 March 2023)

Investment Objective

The Fund aims to provide income together with growth in the long term, which is a period of five years or more. The Fund intends to provide a level of income consistent with the Investment Association Global Equity Income sector definition.

Investment Policy

To achieve its objective, the Fund will invest at least 80% of its value in shares (equities) of companies, including preference shares, located in any country. The Fund may invest up to 20% of its value in other assets, such as assets equivalent to shares of companies, real estate investment trusts and cash. The Fund may invest up to 10% of its value in other funds, which may be managed by the HSBC Group.

The Fund will typically invest in the shares of 50 to 80 companies.

The Fund may invest in different types of derivatives for efficient portfolio management purposes, including hedging. The Fund does not currently use derivatives to reduce the risk of movements in the rate of exchange between sterling and other currencies in which the Fund's assets may be held. The use of derivatives will be consistent with the risk profile of the Fund.

Investment Strategy*

The Fund is actively managed and is managed with reference to the MSCI All Countries World Index.

The level of risk the Fund may take is considered relative to the MSCI All Countries World Index as part of the portfolio construction process, this means the Fund returns are more likely to be closer to the returns of the MSCI All Countries World Index than if there were no limits on the level of risk the Fund may take.

The MSCI All Countries World Index is also considered as part of our investment risk monitoring process, to check that overall level of risk taken by the fund manager is not inconsistent with the global equities market.

To be consistent with the definition of the Investment Association Global Equity Income sector the Fund intends to provide income above 100% of the income level of the MSCI All Countries World Index over three-year periods and above 90% over one-year periods. The performance of the Fund is therefore shown against the performance of the MSCI All Countries World Index.

*The full strategy can be found in the prospectus.

Portfolio Activity

Contributors to relative performance included Wolters Kluwer (Industrials) with a total effect of 0.25%. Additionally, BP (Energy) was in the top two contributors with a total effect of 0.23%.

Detractors included SK Hynix (Information Technology) with a total effect of -0.38% and Home Depot (Consumer Discretionary) with a total effect of -0.27%.

The fund closed on 17 March 2023.

Sector and country allocation effects are residual to stock selection. At the sector level, effects were positive, given an underweight exposure to Financials.

Portfolio Statement

as at 15 July 2023 (unaudited)

| <i>Security</i> | <i>Holding</i> | <i>Bid value £'000</i> | <i>Total net assets %</i> |
|------------------------------------|----------------|--------------------------------|---------------------------------------|
| Oil & Gas - 0.00% (6.46%) | | | |
| Basic Materials - 0.00% (6.62%) | | | |
| #Severstal PJSC GDR | 62,394 | - | - |
| Total Basic Materials | | - | - |
| Industrials - 0.00% (15.13%) | | | |
| Consumer Goods - 0.00% (7.61%) | | | |
| Healthcare - 0.00% (9.24%) | | | |
| Consumer Services - 0.00% (13.63%) | | | |
| Telecommunications - 0.00% (2.79%) | | | |
| Utilities - 0.00% (2.65%) | | | |
| Financials - 0.00% (14.21%) | | | |
| Technology - 0.00% (17.59%) | | | |
| Futures - 0.00% ((0.02)%) | | | |
| Portfolio of investments | | - | - |
| Net other assets | | - | - |
| Net assets | | - | - |

#unlisted

Figures in brackets denote the comparative percentage holdings as at 15 January 2023.

Unless otherwise stated, all investments are listed equities.

Total purchases for the period, including transaction charges, were £nil.

Total sales for the period, net of transaction charges, were £4,005,853.

Comparative Tables

| Institutional Income | 15.7.23# | 15.1.23 | 15.1.22 | 15.1.21 |
|--|-----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 141.00p | 148.90p | 132.00p | 119.10p |
| Return before operating charges* | (4.00p) | (4.29p) | 20.10p | 15.33p |
| Operating charges** | (0.30p) | (0.11p) | (0.06p) | (0.06p) |
| Return after operating charges* | (4.30p) | (4.40p) | 20.04p | 15.27p |
| Distributions on income shares | - | (3.50p) | (3.14p) | (2.37p) |
| Cancellation price | (136.70p) | - | - | - |
| Closing net asset value per share | - | 141.00p | 148.90p | 132.00p |
| *after direct transaction costs of:*** | 0.05p | 0.21p | 0.03p | 0.13p |
| Performance | | | | |
| Return after charges | (3.05%) | (2.96%) | 15.18% | 12.82% |
| Other information | | | | |
| Closing net asset value | N/A | £4,070,671 | £81,269,673 | £89,274,223 |
| Closing number of shares | N/A | 2,888,008 | 54,562,625 | 67,612,393 |
| Operating charges - OCF | N/A | 0.07% | 0.04% | 0.05% |
| Direct transaction costs | N/A | 0.14% | 0.02% | 0.11% |
| Prices | | | | |
| Highest share price | 146.00p | 149.60p | 153.70p | 135.20p |
| Lowest share price | 136.50p | 129.90p | 127.40p | 90.73p |

| Institutional Accumulation | 15.7.23# | 15.1.23 | 15.1.22 | 15.1.21 |
|---|-----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 163.40p | 168.30p | 145.90p | 129.00p |
| Return before operating charges* | (4.55p) | (4.34p) | 22.47p | 16.97p |
| Operating charges** | (0.35p) | (0.56p) | (0.07p) | (0.07p) |
| Return after operating charges* | (4.90p) | (4.90p) | 22.40p | 16.90p |
| Distributions on accumulation shares | - | (4.00p) | (3.50p) | (2.59p) |
| Retained distributions on accumulation shares | - | 4.00p | 3.50p | 2.59p |
| Cancellation price | (158.50p) | - | - | - |
| Closing net asset value per share | - | 163.40p | 168.30p | 145.90p |
| *after direct transaction costs of:*** | 0.06p | 0.23p | 0.04p | 0.14p |
| Performance | | | | |
| Return after charges | (3.00%) | (2.91%) | 15.35% | 13.10% |
| Other information | | | | |
| Closing net asset value | N/A | £81,685 | £84,129 | £72,948 |
| Closing number of shares | N/A | 50,000 | 50,000 | 50,000 |
| Operating charges - OCF | N/A | 0.36% | 0.04% | 0.05% |
| Direct transaction costs | N/A | 0.14% | 0.02% | 0.11% |
| Prices | | | | |
| Highest share price | 169.10p | 169.00p | 172.90p | 149.00p |
| Lowest share price | 158.30p | 148.20p | 140.80p | 98.24p |

#The Fund has been terminated on 17 March 2023.

**The operating charges include all costs borne by the Fund, except for direct transaction costs.

***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.

Comparative Tables

| Income C | 15.7.23# | 15.1.23 | 15.1.22 | 15.1.21 |
|--|-----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 133.50p | 142.20p | 127.10p | 115.60p |
| Return before operating charges* | (3.74p) | (3.84p) | 19.21p | 14.78p |
| Operating charges** | (0.46p) | (1.54p) | (1.12p) | (0.99p) |
| Return after operating charges* | (4.20p) | (5.38p) | 18.09p | 13.79p |
| Distributions on income shares | - | (3.32p) | (2.99p) | (2.29p) |
| Cancellation price | (129.30p) | - | - | - |
| Closing net asset value per share | - | 133.50p | 142.20p | 127.10p |
| *after direct transaction costs of:*** | 0.05p | 0.19p | 0.03p | 0.13p |
| Performance | | | | |
| Return after charges | (3.15%) | (3.78%) | 14.23% | 11.93% |
| Other information | | | | |
| Closing net asset value | N/A | £73,407 | £78,193 | £63,541 |
| Closing number of shares | N/A | 55,000 | 55,000 | 50,000 |
| Operating charges - OCF | N/A | 1.15% | 0.84% | 0.87% † |
| Direct transaction costs | N/A | 0.14% | 0.02% | 0.11% |
| Prices | | | | |
| Highest share price | 138.20p | 142.70p | 146.70p | 130.10p |
| Lowest share price | 129.10p | 123.20p | 122.60p | 87.95p |

| Accumulation C | 15.7.23# | 15.1.23 | 15.1.22 | 15.1.21 |
|---|-----------------|----------------|----------------|----------------|
| Change in net assets per share | | | | |
| Opening net asset value per share | 155.10p | 161.00p | 140.80p | 125.50p |
| Return before operating charges* | (4.36p) | (4.13p) | 21.50p | 16.39p |
| Operating charges** | (0.54p) | (1.77p) | (1.30p) | (1.09p) |
| Return after operating charges* | (4.90p) | (5.90p) | 20.20p | 15.30p |
| Distributions on accumulation shares | - | (3.79p) | (3.34p) | (2.51p) |
| Retained distributions on accumulation shares | - | 3.79p | 3.34p | 2.51p |
| Cancellation price | (150.20p) | - | - | - |
| Closing net asset value per share | - | 155.10p | 161.00p | 140.80p |
| *after direct transaction costs of:*** | 0.06p | 0.22p | 0.03p | 0.14p |
| Performance | | | | |
| Return after charges | (3.16%) | (3.66%) | 14.35% | 12.19% |
| Other information | | | | |
| Closing net asset value | N/A | £77,539 | £80,511 | £70,381 |
| Closing number of shares | N/A | 50,000 | 50,000 | 50,000 |
| Operating charges - OCF | N/A | 1.15% | 0.84% | 0.87% † |
| Direct transaction costs | N/A | 0.14% | 0.02% | 0.11% |
| Prices | | | | |
| Highest share price | 160.40p | 161.60p | 165.50p | 143.80p |
| Lowest share price | 150.00p | 141.30p | 135.80p | 95.44p |

#The Fund has been terminated on 17 March 2023.

†Estimated value following a change to the charging structure on 1 October 2020.

**The operating charges include all costs borne by the Fund, except for direct transaction costs.

***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.

Statement of Total Return

for the six months ended 15 July 2023 (unaudited)

| | 15.7.23# | | 15.7.22 | |
|--|----------|-------|---------|---------|
| | £'000 | £'000 | £'000 | £'000 |
| Income | | | | |
| Net capital losses | | (127) | | (3,954) |
| Revenue | 5 | | 776 | |
| Expenses | (8) | | (5) | |
| Net (expense)/revenue before taxation | (3) | | 771 | |
| Taxation | 4 | | (75) | |
| Net revenue after taxation | | 1 | | 696 |
| Total deficit before distributions | | (126) | | (3,258) |
| Distributions | | (1) | | (697) |
| Change in net assets attributable to shareholders from investment activities | | (127) | | (3,955) |

#The Fund has been terminated on 17 March 2023.

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2023 (unaudited)

| | 15.7.23# | | 15.7.22 | |
|--|----------|---------|----------|----------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 4,303 | | 81,513 |
| Amounts receivable on creation of shares | - | | 133 | |
| Amounts payable on cancellation of shares | (4,176) | | (73,377) | |
| | | (4,176) | | (73,244) |
| Dilution adjustment | | - | | 82 |
| Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above) | | (127) | | (3,955) |
| Retained distribution on accumulation shares | | - | | 3 |
| Closing net assets attributable to shareholders | | - | | 4,399 |

#The Fund has been terminated on 17 March 2023.

Balance Sheet

as at 15 July 2023 (unaudited)

| | 15.7.23# | | 15.1.23 | |
|---|----------|-------|---------|-------|
| | £'000 | £'000 | £'000 | £'000 |
| Assets | | | | |
| Investments | | - | | 4,128 |
| Current assets | | | | |
| Debtors | - | | 130 | |
| Cash and bank balances | 11 | | 81 | |
| Total current assets | | 11 | | 211 |
| Total assets | | 11 | | 4,339 |
| Liabilities | | | | |
| Investment liabilities | | - | | (1) |
| Creditors | | | | |
| Distribution payable on income shares | - | | (19) | |
| Other creditors | (11) | | (16) | |
| Total creditors | | (11) | | (35) |
| Total liabilities | | (11) | | (36) |
| Net assets attributable to shareholders | | - | | 4,303 |

#The Fund has been terminated on 17 March 2023.

Distribution Tables (pence per share)

for the six months ended 15 July 2023 (unaudited)

| | <i>Net income</i> | <i>Equalisation</i> | <i>Distribution payable 15.9.23#</i> | <i>Distribution paid 15.9.22</i> |
|---|-----------------------|---------------------|--|--|
| Group 1: Shares purchased prior to 16 April 2023 | | | | |
| Group 2: Shares purchased from 16 April 2023 to 15 July 2023 | | | | |
| Institutional Income | | | | |
| Group 1 | 0.000000 | - | 0.000000 | 1.450000 |
| Group 2 | 0.000000 | 0.000000 | 0.000000 | 1.450000 |
| Institutional Accumulation | | | | |
| Group 1 | 0.000000 | - | 0.000000 | 1.650000 |
| Group 2 | 0.000000 | 0.000000 | 0.000000 | 1.650000 |
| Income C | | | | |
| Group 1 | 0.000000 | - | 0.000000 | 1.380000 |
| Group 2 | 0.000000 | 0.000000 | 0.000000 | 1.380000 |
| Accumulation C | | | | |
| Group 1 | 0.000000 | - | 0.000000 | 1.570000 |
| Group 2 | 0.000000 | 0.000000 | 0.000000 | 1.570000 |
| Group 1: Shares purchased prior to 16 January 2023 | | | | |
| Group 2: Shares purchased from 16 January 2023 to 15 April 2023 | | | | |
| | <i>Net income</i> | <i>Equalisation</i> | <i>Distribution paid 15.6.23#</i> | <i>Distribution paid 15.6.22</i> |
| Institutional Income | | | | |
| Group 1 | 0.000000 | - | 0.000000 | 0.930000 |
| Group 2 | 0.000000 | 0.000000 | 0.000000 | 0.930000 |
| Institutional Accumulation | | | | |
| Group 1 | 0.000000 | - | 0.000000 | 1.050000 |
| Group 2 | 0.000000 | 0.000000 | 0.000000 | 1.050000 |
| Income C | | | | |
| Group 1 | 0.000000 | - | 0.000000 | 0.880000 |
| Group 2 | 0.000000 | 0.000000 | 0.000000 | 0.880000 |
| Accumulation C | | | | |
| Group 1 | 0.000000 | - | 0.000000 | 1.000000 |
| Group 2 | 0.000000 | 0.000000 | 0.000000 | 1.000000 |

#The Fund has been terminated on 17 March 2023.

Europe Ex-UK Equity Fund

Investment Objective

The Fund aims to provide growth over the long term, which is a period of five years or more.

Investment Policy

To achieve its objective, the Fund will invest at least 80% of its value in the shares (equities) of European companies, including preference shares. European companies are deemed to be those that are domiciled or incorporated in Europe excluding the UK, or earn at least 80% of their revenue from Europe.

The Fund may invest up to 20% of its value in other assets, such as shares of non-European companies and cash. This means that up to 20% of the value of the Fund may be invested in the shares of companies that are not European companies (as de-fined above), which therefore may include UK companies. The Fund may invest up to 10% of its value in other funds, which may be managed or operated by the HSBC Group. Typically the Fund will invest in the shares of 40 to 60 companies.

The Fund may invest in different types of derivatives for efficient portfolio management, including hedging. The Fund does not currently use derivatives to reduce the risk of movements in the rate of exchange between sterling and other currencies in which the Fund's assets may be held. The use of derivatives will be consistent with the risk profile of the Fund.

Investment Strategy*

The Fund is managed with reference to the MSCI Europe Ex-UK Index (Net).

The fund manager is not limited to investing in shares of companies that are part of MSCI Europe Ex-UK Index (Net).

The MSCI Europe Ex-UK Index (Net) is considered as part of our investment risk monitoring process, to check that the overall level of risk taken by the fund manager is not inconsistent with the European equities market (excluding the UK equity market).

To enable investors to assess the performance of the Fund it is shown against the performance of the MSCI Europe Ex-UK Index (Net).

* The full strategy can be found in the prospectus.

Portfolio Activity

Over the period, HSBC Europe ex-UK outperformed the MSCI Europe ex-UK.

The sector allocation was positive and explains most of the outperformance. Indeed, the fund, which has a growth bias, was overexposed tech (mainly semiconductors and software), and the sector outperformed the market significantly over the period. The fund also benefited from its overweight luxury, which also outperformed.

These positive effects in terms of sector allocation were partially offset by negative contributions coming from the fund's underweight automobiles and banks, as well as the fund's overweight commercial services.

Stock selection also had a positive impact on the fund's relative performance.

STMicroelectronics outperformed. The supplier to Tesla and Apple benefited from a strong semiconductor demand from automotive and industrial customers after shortages of chips hit the auto sector hard last year. The company expects 2023 net revenue between \$16.8 billion and \$17.8 billion, representing a growth range of 4% to 10%. The group also plans about \$4 billion in capital spending this year, up from \$3.5 billion in 2022, mainly to increase its manufacturing capacity.

In the luxury sector, Hermes and LVMH outperformed. Sentiment on the sector has significantly improved, with most seeing it as the best play on China re-opening and bond yields stabilising.

Major purchases during the period included Hermes. Major sales during the period included Adidas and Prosus.

After a rough start, European equities markets ultimately ended the month at a high on the year to date. The more accommodative language from US and European central banks, and stimulus measures in China sent out positive signals to the markets, despite macroeconomic figures that remain mixed. In the short term, full-year earnings forecasts look reasonable for 2023 at -1% for European large caps (Stoxx 600), but more demanding for 2024 at +7% amidst an economic slowdown. Even so, valuations remain affordable.

Investment Performance

During the year under review, the value of the shares in the Fund increased by 3.53% while the value of the MSCI Europe ex UK NR rose by 1.17%.

(Source: Morningstar Direct, GBP, UK net of tax, for the Accumulation C share class. Returns based on the NAV, which is a single price.)

Please note that the above information refers to the past and that past performance is not a reliable indication of future returns.

Fund Particulars

as at 17 July 2023 (unaudited)

| | Retail Accumulation | Institutional A Accumulation | Income C | Accumulation C |
|-----------------------------|------------------------|---------------------------------|-------------|-------------------|
| Price | 918.1p | 886.8p | 753.2p xd | 992.4p |
| Current net estimated yield | 0.26% | 1.01% | 0.97% | 0.96% |
| Annual ACD charge | 1.50% | 0.75% | 0.80% | 0.80% |

Portfolio Statement

as at 15 July 2023 (unaudited)

| <i>Security</i> | <i>Holding</i> | <i>Bid value £'000</i> | <i>Total net assets %</i> |
|----------------------------------|----------------|--------------------------------|---------------------------------------|
| DENMARK - 4.55% (4.25%) | | | |
| Christian Hansen Holdings | 17,701 | 1,008 | 1.02 |
| Novo Nordisk 'B' | 28,537 | 3,487 | 3.53 |
| Total Denmark | | 4,495 | 4.55 |
| FINLAND - 2.44% (3.19%) | | | |
| Neste | 79,362 | 2,408 | 2.44 |
| Total Finland | | 2,408 | 2.44 |
| FRANCE - 32.20% (29.88%) | | | |
| Air Liquide | 25,985 | 3,581 | 3.63 |
| Alstom | 48,544 | 1,126 | 1.14 |
| Amundi | 17,243 | 825 | 0.84 |
| Capgemini | 18,361 | 2,774 | 2.81 |
| Dassault Systèmes | 71,345 | 2,497 | 2.53 |
| Hermes International | 2,139 | 3,659 | 3.69 |
| Kering | 3,417 | 1,464 | 1.48 |
| L'Oreal | 9,267 | 3,348 | 3.39 |
| Legrand Promesses | 18,174 | 1,431 | 1.45 |
| LVMH | 9,297 | 7,109 | 7.20 |
| Schneider Electric | 20,395 | 2,836 | 2.87 |
| Teleperformance | 8,580 | 1,150 | 1.17 |
| Total France | | 31,800 | 32.20 |
| GERMANY - 14.22% (12.66%) | | | |
| Allianz (registered) | 16,530 | 2,973 | 3.01 |
| Carl Zeiss Meditec | 11,150 | 979 | 0.99 |
| Deutsche Boerse | 11,788 | 1,663 | 1.69 |
| Infineon Technologies | 79,888 | 2,636 | 2.67 |
| SAP | 39,134 | 4,318 | 4.37 |
| Siemens | 11,423 | 1,472 | 1.49 |
| Total Germany | | 14,041 | 14.22 |
| IRELAND - 2.53% (2.35%) | | | |
| Kerry Group 'A' | 13,701 | 1,046 | 1.06 |
| Kingspan Group | 24,449 | 1,455 | 1.47 |
| Total Ireland | | 2,501 | 2.53 |
| ITALY - 1.98% (2.16%) | | | |
| Amplifon | 31,390 | 852 | 0.86 |
| FinecoBank Banca Fineco | 94,889 | 1,106 | 1.12 |
| Total Italy | | 1,958 | 1.98 |

Portfolio Statement

as at 15 July 2023 (unaudited)

| <i>Security</i> | <i>Holding</i> | <i>Bid value £'000</i> | <i>Total net assets %</i> |
|--------------------------------------|----------------|--------------------------------|---------------------------------------|
| NETHERLANDS - 18.37% (20.59%) | | | |
| Adyen | 1,635 | 2,196 | 2.22 |
| Akzo Nobel | 27,285 | 1,713 | 1.73 |
| ASML Holdings | 12,451 | 7,306 | 7.40 |
| Heineken | 22,696 | 1,891 | 1.92 |
| STMicroelectronics | 78,401 | 3,180 | 3.22 |
| Wolters Kluwer certificates | 19,104 | 1,853 | 1.88 |
| Total Netherlands | | 18,139 | 18.37 |
| PORTUGAL - 0.88% (1.08%) | | | |
| Galp Energia | 94,822 | 871 | 0.88 |
| Total Portugal | | 871 | 0.88 |
| SPAIN - 2.85% (2.39%) | | | |
| Amadeus IT | 18,369 | 1,038 | 1.05 |
| Industria de Diseño Textil | 59,323 | 1,781 | 1.80 |
| Total Spain | | 2,819 | 2.85 |
| SWEDEN - 1.20% (1.35%) | | | |
| Securitas 'B' | 181,642 | 1,187 | 1.20 |
| Total Sweden | | 1,187 | 1.20 |
| SWITZERLAND - 13.38% (13.59%) | | | |
| Lonza Group | 3,840 | 1,852 | 1.88 |
| Nestle (registered) | 53,369 | 4,975 | 5.04 |
| Novartis (registered) | 29,006 | 2,184 | 2.21 |
| Roche Holdings | 10,087 | 2,424 | 2.45 |
| Sonova | 8,388 | 1,775 | 1.80 |
| Total Switzerland | | 13,210 | 13.38 |
| FUTURES - 0.05% (0.16%) | | | |
| EUX Euro Stoxx 50 September 2023 | 114 | 51 | 0.05 |
| Total Futures | | 51 | 0.05 |
| Portfolio of investments | | 93,480 | 94.65 |
| Net other assets | | 5,279 | 5.35 |
| Net assets | | 98,759 | 100.00 |

Figures in bracket denote the comparative percentage holding as at 15 January 2023.

Unless otherwise stated, all investments are listed securities.

The counterparty for the futures is HSBC Bank.

Comparative Tables

| Retail Accumulation# | 15.7.23 | 15.1.23 | 15.1.22 |
|---|----------------|----------------|----------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 900.00p | 927.50p | 974.00p |
| Return before operating charges* | 34.16p | (14.33p) | (41.33p) |
| Operating charges** | (7.06p) | (13.17p) | (5.17p) |
| Return after operating charges* | 27.10p | (27.50p) | (46.50p) |
| Distributions on accumulation shares | (0.00p) | (2.36p) | (0.00p) |
| Retained distributions on accumulation shares | 0.00p | 2.36p | 0.00p |
| Closing net asset value per share | 927.10p | 900.00p | 927.50p |
| *after direct transaction costs of:*** | 0.08p | 0.21p | 0.11p |
| Performance | | | |
| Return after charges | 3.01% | (2.96%) | (4.77%) |
| Other information | | | |
| Closing net asset value | £3,273,498 | £3,256,552 | £18,978,701 |
| Closing number of shares | 353,091 | 361,852 | 2,046,307 |
| Operating charges - OCF | 1.55% | 1.54% | 1.56% |
| Direct transaction costs | 0.01% | 0.02% | 0.01% |
| Prices | | | |
| Highest share price | 956.80p | 934.60p | 1,003.00p |
| Lowest share price | 875.70p | 760.10p | 897.00p |

| Institutional A Accumulation# | 15.7.23 | 15.1.23 | 15.1.22 |
|---|----------------|----------------|----------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 866.00p | 885.10p | 927.10p |
| Return before operating charges* | 32.89p | (12.64p) | (39.42p) |
| Operating charges** | (3.49p) | (6.46p) | (2.58p) |
| Return after operating charges* | 29.40p | (19.10p) | (42.00p) |
| Distributions on accumulation shares | (0.00p) | (8.94p) | (0.00p) |
| Retained distributions on accumulation shares | 0.00p | 8.94p | 0.00p |
| Closing net asset value per share | 895.40p | 866.00p | 885.10p |
| *after direct transaction costs of:*** | 0.08p | 0.20p | 0.10p |
| Performance | | | |
| Return after charges | 3.39% | (2.16%) | (4.53%) |
| Other information | | | |
| Closing net asset value | £3,799,051 | £899,148 | £853,661 |
| Closing number of shares | 424,268 | 103,827 | 96,445 |
| Operating charges - OCF | 0.80% | 0.81% | 0.81% |
| Direct transaction costs | 0.01% | 0.02% | 0.01% |
| Prices | | | |
| Highest share price | 922.50p | 891.90p | 956.00p |
| Lowest share price | 843.60p | 730.00p | 854.00p |

#The Fund launched on 10 September 2021.

**The operating charges include all costs borne by the Fund, except for direct transaction costs.

***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.

Comparative Tables

| Income C# | 15.7.23 | 15.1.23 | 15.1.22 |
|--|----------------|----------------|----------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 735.80p | 759.90p | 796.10p |
| Return before operating charges* | 27.97p | (10.88p) | (33.85p) |
| Operating charges** | (3.17p) | (5.89p) | (2.35p) |
| Return after operating charges* | 24.80p | (16.77p) | (36.20p) |
| Distributions on income shares | 0.00p | (7.33p) | 0.00p |
| Closing net asset value per share | 760.60p | 735.80p | 759.90p |
| *after direct transaction costs of:*** | 0.07p | 0.17p | 0.09p |
| Performance | | | |
| Return after charges | 3.37% | (2.21%) | (4.55%) |
| Other information | | | |
| Closing net asset value | £50,026,945 | £49,723,115 | £55,884,095 |
| Closing number of shares | 6,577,482 | 6,757,685 | 7,353,924 |
| Operating charges - OCF | 0.85% | 0.86% | 0.86% |
| Direct transaction costs | 0.01% | 0.02% | 0.01% |
| Prices | | | |
| Highest share price | 783.70p | 765.80p | 821.00p |
| Lowest share price | 716.70p | 626.50p | 733.00p |

| Accumulation C# | 15.7.23 | 15.1.23 | 15.1.22 |
|---|----------------|----------------|----------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 969.40p | 991.30p | 1,039.00p |
| Return before operating charges* | 36.78p | (14.22p) | (44.64p) |
| Operating charges** | (4.18p) | (7.68p) | (3.06p) |
| Return after operating charges* | 32.60p | (21.90p) | (47.70p) |
| Distributions on accumulation shares | (0.00p) | (9.56p) | (0.00p) |
| Retained distributions on accumulation shares | 0.00p | 9.56p | 0.00p |
| Closing net asset value per share | 1,002.00p | 969.40p | 991.30p |
| *after direct transaction costs of:*** | 0.09p | 0.22p | 0.11p |
| Performance | | | |
| Return after charges | 3.36% | (2.21%) | (4.59%) |
| Other information | | | |
| Closing net asset value | £41,659,500 | £44,747,480 | £49,181,701 |
| Closing number of shares | 4,157,189 | 4,615,780 | 4,961,095 |
| Operating charges - OCF | 0.85% | 0.86% | 0.86% |
| Direct transaction costs | 0.01% | 0.02% | 0.01% |
| Prices | | | |
| Highest share price | 1,033.00p | 999.00p | 1,071.00p |
| Lowest share price | 944.30p | 817.30p | 957.00p |

#The Fund launched on 10 September 2021.

**The operating charges include all costs borne by the Fund, except for direct transaction costs.

***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.

Statement of Total Return

for the six months ended 15 July 2023 (unaudited)

| | 15.7.23 | | 15.7.22 | |
|--|--------------|--------------|---------|----------|
| | £'000 | £'000 | £'000 | £'000 |
| Income | | | | |
| Net capital gains/(losses) | | 2,488 | | (16,776) |
| Revenue | 1,410 | | 1,908 | |
| Expenses | (426) | | (521) | |
| Interest payable and similar charges | - | | (7) | |
| Net revenue before taxation | 984 | | 1,380 | |
| Taxation | (188) | | (253) | |
| Net revenue after taxation | | 796 | | 1,127 |
| Total return/(deficit) before distributions | | 3,284 | | (15,649) |
| Distributions | | (9) | | (128) |
| Change in net assets attributable to shareholders from investment activities | | 3,275 | | (15,777) |

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2023 (unaudited)

| | 15.7.23 | | 15.7.22 | |
|--|----------------|----------------|----------|----------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 98,626 | | 124,898 |
| Amounts receivable on creation of shares | 1,095 | | 492 | |
| Amounts payable on cancellation of shares | (4,237) | | (17,812) | |
| | | (3,142) | | (17,320) |
| Dilution adjustment | | - | | 16 |
| Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above) | | 3,275 | | (15,777) |
| Closing net assets attributable to shareholders | | 98,759 | | 91,817 |

Balance Sheet

as at 15 July 2023 (unaudited)

| | 15.7.23 | | 15.1.23 | |
|---|--------------|---------------|---------|--------|
| | £'000 | £'000 | £'000 | £'000 |
| Assets | | | | |
| Investments | | 93,480 | | 92,364 |
| Current assets | | | | |
| Debtors | 1,894 | | 1,889 | |
| Cash and bank balances | 3,634 | | 5,039 | |
| Total current assets | | 5,528 | | 6,928 |
| Total assets | | 99,008 | | 99,292 |
| Liabilities | | | | |
| Creditors | | | | |
| Distribution payable on income shares | - | | (495) | |
| Other creditors | (249) | | (171) | |
| Total creditors | | (249) | | (666) |
| Total liabilities | | (249) | | (666) |
| Net assets attributable to shareholders | | 98,759 | | 98,626 |

Appendix - Additional Information (unaudited)

UK Growth & Income

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global Data

Amount of securities and commodities on loan

| | <i>% of total lendable assets*</i> |
|------------|--|
| Securities | 2.30% |

Amount of assets engaged in each type of SFT

| Amount of assets | <i>% of AUM</i> |
|------------------|-----------------|
| £5,722,898 | 2.27% |

*Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration Data

Top ten collateral issuers (across all SFT)

| Issuer | <i>Holding</i> | <i>Collateral Fair value £'000</i> |
|---|----------------|--|
| Government of Germany 4% 4/1/2037 | 517,657 | 523 |
| US Treasury 1.125% 15/8/2040 | 1,059,000 | 521 |
| Government of Japan 2.2% 20/3/2041 | 78,750,000 | 520 |
| Government of Japan 0% 31/7/2023 | 94,450,000 | 520 |
| US Treasury 3.125% 15/11/2028 | 704,800 | 519 |
| Government of Japan 0.5% 20/3/2033 | 93,600,000 | 518 |
| Government of Singapore 2.625% 1/5/2028 | 501,000 | 268 |
| Government of Japan 0.4% 20/12/2049 | 58,900,000 | 258 |
| Government of Japan 2% 20/3/2027 | 43,450,000 | 258 |
| Government of Japan 0.1% 20/12/2031 | 48,150,000 | 258 |

All counterparties

| Counterparty | <i>Gross volume of outstanding transactions Fair value £'000</i> |
|-----------------------------|--|
| Goldman Sachs International | 3,253 |
| HSBC Bank | 927 |
| Merrill Lynch International | 1,543 |
| | 5,723 |

Aggregate Data**Type and quality of collateral**

| Type | Quality* | <i>Fair Value</i> £'000 |
|-------------|------------------|-----------------------------------|
| Equities | n/a | 538 |
| Bonds | Investment grade | 5,479 |
| | | 6,017 |

*Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

Maturity tenor of collateral

| Maturity | <i>Fair Value</i> £'000 |
|------------------|-----------------------------------|
| Rolling Maturity | 6,017 |
| | 6,017 |

Currency of collateral

| Currency | <i>Fair Value</i> £'000 |
|------------------|-----------------------------------|
| Sterling | 488 |
| Euro | 659 |
| Japanese yen | 3,203 |
| Singapore dollar | 268 |
| Swedish krona | 109 |
| US dollar | 1,290 |
| | 6,017 |

Maturity tenor of SFTs

| Maturity | <i>Fair Value</i> £'000 |
|------------------|-----------------------------------|
| Rolling Maturity | 5,723 |
| | 5,723 |

Country in which counterparties are established

| Counterparty | <i>Fair Value</i> £'000 |
|---------------------------------|-----------------------------------|
| All counterparties are UK based | 5,723 |

Return and cost

| | £'000 | <i>% of overall</i> returns |
|------------------------|--------------|---------------------------------------|
| Fund gross return | 5 | |
| Payment to ACD | (1) | 10.00% |
| Agents fee | (1) | 15.00% |
| Fund net return | 3 | 75.00% |

Income

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global Data

Amount of securities and commodities on loan

| | <i>% of total lendable assets*</i> |
|------------|--|
| Securities | 1.77% |

Amount of assets engaged in each type of SFT

| Amount of assets | <i>% of AUM</i> |
|------------------|-----------------|
| £1,932,840 | 1.76% |

*Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration Data

Top ten collateral issuers (across all SFT)

| Issuer | <i>Holding</i> | <i>Collateral Fair value £'000</i> |
|---------------------------------|----------------|--|
| UK Treasury IL 0.625% 22/3/2040 | 196,592 | 319 |
| US Treasury 4.125% 15/11/2032 | 403,700 | 317 |
| Auto Trader | 48,569 | 304 |
| Prudential | 27,929 | 302 |
| Ashtead Group | 5,569 | 301 |
| Kingfisher | 128,527 | 300 |
| UK Treasury IL 0.125% 10/8/2028 | 61,894 | 80 |
| US Treasury 3.875% 15/4/2029 | 50,400 | 80 |
| Spirax Sarco | 118 | 12 |
| S&P Global | 16 | 5 |

All counterparties

| Counterparty | <i>Gross volume of outstanding transactions Fair value £'000</i> |
|---------------------|--|
| HSBC Bank | 1,933 |
| | 1,933 |

Aggregate Data**Type and quality of collateral**

| Type | Quality* | <i>Fair Value</i> £'000 |
|-------------|------------------|-----------------------------------|
| Equities | n/a | 1,223 |
| Bonds | Investment grade | 795 |
| | | 2,018 |

*Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

Maturity tenor of collateral

| Maturity | <i>Fair Value</i> £'000 |
|------------------|-----------------------------------|
| Rolling Maturity | 2,018 |
| | 2,018 |

Currency of collateral

| Currency | <i>Fair Value</i> £'000 |
|-----------------|-----------------------------------|
| Sterling | 1,617 |
| US dollar | 401 |
| | 2,018 |

Maturity tenor of SFTs

| Maturity | <i>Fair Value</i> £'000 |
|------------------|-----------------------------------|
| Rolling Maturity | 1,933 |
| | 1,933 |

Country in which counterparties are established

| Counterparty | <i>Fair Value</i> £'000 |
|---------------------------------|-----------------------------------|
| All counterparties are UK based | 1,933 |
| | 1,933 |

Return and cost

| | £'000 | <i>% of overall returns</i> |
|------------------------|--------------|-----------------------------|
| Fund gross return | 1 | |
| Payment to ACD | - | 10.00% |
| Agents fee | - | 15.00% |
| Fund net return | 1 | 75.00% |

Corporate Bond

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global Data

Amount of securities and commodities on loan

| | <i>% of total lendable assets*</i> |
|------------|--|
| Securities | 0.59% |

Amount of assets engaged in each type of SFT

| Amount of assets | <i>% of AUM</i> |
|------------------|-----------------|
| £1,035,204 | 0.56% |

*Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration Data

Top ten collateral issuers (across all SFT)

| Issuer | <i>Holding</i> | <i>Collateral Fair value £'000</i> |
|-------------------------------------|----------------|--|
| Government of France 4.5% 25/4/2041 | 90,400 | 90 |
| UK Treasury 0.125% 22/11/2065 | 85,800 | 90 |
| UK Treasury 0.125% 22/3/2068 | 82,200 | 90 |
| UK Treasury 4% 22/1/2060 | 95,000 | 90 |
| US Treasury 1.125% 15/8/2040 | 182,000 | 90 |
| UK Treasury 4.25% 7/12/2049 | 93,760 | 89 |
| General Motors | 2,612 | 79 |
| Bank of America | 3,565 | 79 |
| Marathon Petroleum Corporation | 882 | 79 |
| CVS Health | 1,485 | 79 |

All counterparties

| Counterparty | <i>Gross volume of outstanding transactions Fair value £'000</i> |
|-----------------------------|--|
| Goldman Sachs International | 550 |
| Banco Santander | 485 |
| | 1,035 |

Aggregate Data**Type and quality of collateral**

| Type | Quality* | Fair Value £'000 |
|-------------|------------------|-----------------------------|
| Bonds | Investment grade | 590 |
| Equity | | 530 |
| | | 1,120 |

*Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

Maturity tenor of collateral

| Maturity | Fair Value £'000 |
|------------------|-----------------------------|
| Rolling Maturity | 1,120 |
| | 1,120 |

Currency of collateral

| Currency | Fair Value £'000 |
|-----------------|-----------------------------|
| Sterling | 359 |
| Euro | 117 |
| Japanese yen | 52 |
| US dollar | 592 |
| | 1,120 |

Maturity tenor of SFTs

| Maturity | Fair Value £'000 |
|------------------|-----------------------------|
| Rolling Maturity | 1,035 |
| | 1,035 |

Country in which counterparties are established

| | Fair Value £'000 |
|---------------------------------|-----------------------------|
| Counterparty | 1,035 |
| All counterparties are UK based | 1,035 |

Return and cost

| | £'000 | % of overall returns |
|------------------------|--------------|---------------------------------|
| Fund gross return | 5 | |
| Payment to ACD | (1) | 10.00% |
| Agents fee | (1) | 15.00% |
| Fund net return | 3 | 75.00% |

Europe Ex-UK Equity Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global Data

Amount of securities and commodities on loan

| | <i>% of total lendable assets*</i> |
|------------|--|
| Securities | 0.84% |

Amount of assets engaged in each type of SFT

| Amount of assets | <i>% of AUM</i> |
|------------------|-----------------|
| £829,549 | 0.89% |

*Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration Data

| All collateral issuers (across all SFT) | <i>Holding</i> | <i>Collateral Fair value £'000</i> |
|--|----------------|--|
| Prudential | 12,110 | 131 |
| Scot & Southern Energy | 7,326 | 131 |
| Flutter | 822 | 131 |
| Canadian Natural | 2,927 | 130 |
| National Bank of Canada | 2,261 | 130 |
| RBC | 1,765 | 130 |
| GVC | 6,850 | 88 |

All counterparties

| Counterparty | <i>Gross volume of outstanding transactions Fair value £'000</i> |
|---------------------|--|
| Bank of Nova Scotia | 830 |
| | 830 |

Aggregate Data**Type and quality of collateral**

| Type | Quality* | <i>Fair Value</i> £'000 |
|-------------|-----------------|-----------------------------------|
| Equities | n/a | 871 |
| | | 871 |

*Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

Maturity tenor of collateral

| Maturity | <i>Fair Value</i> £'000 |
|------------------|-----------------------------------|
| Rolling Maturity | 871 |
| | 871 |

Currency of collateral

| Currency | <i>Fair Value</i> £'000 |
|-----------------|-----------------------------------|
| Sterling | 349 |
| Canadian dollar | 391 |
| Euro | 131 |
| | 871 |

Maturity tenor of SFTs

| Maturity | <i>Fair Value</i> £'000 |
|------------------|-----------------------------------|
| Rolling Maturity | 830 |
| | 830 |

Country in which counterparties are established

| Counterparty | <i>Fair Value</i> £'000 |
|---------------------------------|-----------------------------------|
| All counterparties are UK based | 830 |

Return and cost

| | £'000 | <i>% of overall returns</i> |
|------------------------|--------------|-----------------------------|
| Fund gross return | 1 | |
| Payment to ACD | - | 10.00% |
| Agents fee | - | 15.00% |
| Fund net return | 1 | 75.00% |

General Information

How to Buy, Sell or Switch Your Investment

- Call our Dealers on 0800 358 3011*
 - or
 - Write to our Administration Office at: HSBC Global Asset Management (UK) Ltd, Sunderland, SR43 4BF.
-

Switching your Investment

- Some discounts are available for switching between our OEIC Funds.
- Switching from one OEIC Fund to another may create a capital gains tax liability.

No subscription can be received on the basis of financial reports. Subscriptions are only valid if made on the basis of the current KIID (in conjunction with the Supplementary Information Document (SID)) and Prospectus accompanied by the latest Annual Report and the most recent Interim Report, if published thereafter. Further details of our switching discounts may be obtained by:-

- Telephoning our Customer Services, on 0800 358 3011*
-

When we will Buy or Sell your Investment

Share prices are calculated at 12 noon each business day. The price at which shares are bought or sold depends on when we receive your instructions.

- Before 12 noon. That day's share prices will be used.
- After 12 noon. The following business day's prices will be used.

We will send you a contract note within 24 hours of the transaction. This confirms the transaction was made.

Cancellation Rights

- In certain circumstances we will send you a cancellation notice. If so this will be sent within 7 days of making your investment.
 - Return this notice to us within 30 days if you do not wish to proceed with your investment.
 - It is possible to receive back less than your original investment, if the value of your shares has fallen.
-

Publication of Prices

The prices of shares are updated daily on the following website: www.assetmanagement.hsbc.com/uk

Alternatively you can call our Investments Helpline on 0800 358 3011*.

Prospectus

The Prospectus provides further details on our OEICs including information on fund charges, minimum investment amounts and taxation. For a copy of the latest Prospectus (available free of charge):-

- Telephone our Customer Services on 0800 358 3011*
 - Write to our Administration Office
-

Income

Income is distributed or accumulated in the following way:-

- You will receive income payments net of tax.
- If you hold accumulation shares, income will be retained within the Fund. No additional shares will be bought. The price of shares will reflect the net income received.

We must disclose details of such distributions to HM Revenue and Customs (HMRC). The distribution also needs to be disclosed on your tax return.

Assessment of Value

The Authorised Fund Manager is required to perform a detailed assessment on whether funds are 'providing value to investors'.

The resulting findings are published in a consolidated report on our website.

The Task Force on Climate-related Financial Disclosures (TCFD)

The ACD publishes a TCFD report for each fund of the Company. The report provides information about the climate impact and risks of the assets held by each fund. The content of the report is based on the guidance of the TCFD.

The reports for the funds are available on our website, www.assetmanagement.hsbc.co.uk/en/individual-investor/funds, or by contacting us.

Ongoing charges figure

Where the Ongoing Charges Figure (OCF) for a sub-fund includes underlying fund charges, this includes the charges for underlying open-ended investment company funds and applicable closed-ended investment funds.

*To help us continually improve our service, and in the interests of security, we may monitor and/or record your communications with us.

Lines are open Monday to Friday from 9am to 5pm (excluding public holidays).

Important Notes

The Interim Report covers the period 16 January 2023 to 15 July 2023.

Investments in stocks and shares can go down as well as up and investors may not get back the amount they originally invested. This can affect the price of shares within open-ended investment companies and the income from them.

Past performance should not be seen as an indication of future returns.

Your holding in an open-ended investment company must be regarded as a medium to long-term investment; this means for at least five years.

Where overseas securities are held the prices and income may also be affected by changes in currency exchange rates. It is possible that the value of an investment may fall below its original level.

Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets. These risks include the possibility of failed or delayed settlement, registration and custody of securities and the level of investor protection offered.

Where a Fund holds gilts or other fixed interest securities, the value of the underlying assets is strongly affected by interest rate fluctuations and by changes in the credit ratings of the underlying issuer of the assets. There is a risk that both the relative yield and the capital value of these may be reduced if interest rates go up.

Please note any reference to "Fund" or "Funds" means a sub fund of the Company.

This report is issued in the UK by HSBC Global Asset Management (UK) Limited, authorised and regulated by the Financial Conduct Authority.

There are risks involved in investing in HSBC Investment Funds. Please refer to the Prospectus, Key Investor Information Document (KIID) and Supplementary Information Document (SID) and most recent annual and semi annual report, which can be obtained upon request free of charge from HSBC Global Asset Management (UK) Limited, 8, Canada Square, Canary Wharf, London, E14 5HQ, UK, or the local distributors. Investors and potential investors should read and note the risk warnings in the prospectus and relevant KIID and additionally, in the case of retail clients, the information contained in the supporting SID.

The information in this report is based on our understanding of current law and HM Revenue and Customs practice as at 15 July 2023 (unaudited). Both law and practice may of course change.

Any views expressed were held at the time of preparation and are subject to change without notice. While any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Global Asset Management (UK) Limited accepts no liability for any failure to meet such forecast, projection or target.

The Company is authorised and regulated by the Financial Conduct Authority and is structured as an umbrella company, in that the Company proposes to issue shares linked to different Funds which have been established. The Company is a UCITS scheme.

The Authorised Corporate Director and Investment Manager is HSBC Global Asset Management (UK) Limited.

Shareholders are not liable for the debts of the Company. A shareholder is not liable to make any further payment to the Company after the purchase price of the shares has been paid for.

To help improve our service and in the interests of security we may record and/or monitor your communication with us. HSBC Global Asset Management (UK) Limited provides information to Institutions, Professional Advisers and their clients on the investment products and services of the HSBC Group.

Approved for issue in the UK by HSBC Global Asset Management (UK) Limited, who are authorised and regulated by the Financial Conduct Authority.

HSBC Asset Management is the brand name for the asset management business of HSBC Group, which includes the investment activities provided through our local regulated entity, HSBC Global Asset Management (UK) Limited.

www.assetmanagement.hsbc.com/uk

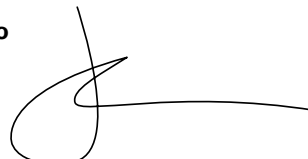
Accounting Policies

The interim financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by The Investment Association in May 2014.

S.K. White
Director



J.M. Munro
Director



**For and on behalf of HSBC Global Asset Management (UK) Limited Authorised Corporate Director
14 September 2023**

Important Changes to the Company and/or Fund Documentation

The following changes to the Company have resulted in the ACD (Authorised Corporate Director) making changes to the Company's Prospectus.

Amendments to the Company Prospectus

The Company Prospectus was updated on 3 July 2023 to reflect the following:

- Throughout the Prospectus, wherever the Global Equity Income Fund is mentioned a footnote has been added where relevant to indicate that the Fund is currently being wound up and is no longer available for investment.
- Definitions section - New definitions were added for "Green Card Holder" and "US Citizen". The definitions of "US Law" and "US Persons" were revised, in particular in the case of the latter to indicate that Green Card Holders and US Citizens will be considered as US Persons, regardless of whether they are a resident of the US or if they reside outside of the US. The definitions for "SFDR" and "Taxonomy Regulation" were removed as they are no longer referred to in the Prospectus.
- Dealing in Shares section – The reference to the location of fund documents on our website was updated.
- Risks section – The "SFDR categorisation and Environment, Social and Governance (ESG) data" risk was renamed to "Sustainable Funds and Environment, Social and Governance (ESG) data" and was reworded to removed references to SFDR categorisations and Taxonomy Regulation that are no longer required.
- Integration of Sustainability Risks into Investment Decisions section – References to SFDR classifications and other SFDR specific requirements were deleted as these are no longer applicable.
- Taxonomy section – This section was deleted in its entirety as it no longer applies.
- Management and Administration section – The table of directors and their significant activities not connected to the ACD was updated. The Bank Holding Company Act wording was updated to clarify that rules and regulations applicable to the HSBC Group may restrict the investments that can be purchased by a Fund, for example investment in HSBC Holdings plc shares.
- Fees and Expenses section - The OCFs and Dilution adjustment rates were updated where necessary. The information describing the periodic charges of the Depositary was updated to reflect reduced rates.
- Taxation section – The references to tax years were updated to 2023/2024 and wording has been added to clarify that the personal savings allowance is not available for additional rate taxpayers. The dividend allowance was updated to £1,000 which applies for the 2023/2024 tax year.
- Appendix 1, Individual Fund Information section – The list of available share classes for the Corporate Bond Fund was updated to clarify that the Institutional Gross Accumulation share class is no longer available for investment. The list of available share classes for the Monthly Income Fund was updated to clarify that the Retail Accumulation share class is no longer available for investment. The list of available share classes for the UK Growth & Income Fund was updated to clarify that the Institutional Accumulation share class is no longer available for investment.
- Appendix 2, Historical Fund Performance section – The performance information was updated to 31 March 2023.
- Appendix 5 section – This names of the sub-custodians were updated where required.

Other Information

Equalisation

Revenue received by the Fund during the distribution period is reflected in the price of shares until the revenue is distributed. The cost of Group 2 shares bought during a distribution period will therefore include an element of revenue.

Equalisation represents the average amount of accrued revenue included in the purchase price of all Group 2 shares sold in the year, which is refunded as part of a shareholder's first distribution. This amount is treated as a capital repayment for tax purposes. It is not liable to income or corporation tax and is deducted from the original cost of the shares for capital gains tax purposes.

Corporate Shareholders

A corporate shareholder will receive the distribution shown below on their tax voucher as follows:

| Fund | Date payable/paid | Share class | Investment income | |
|------------------------|-------------------|----------------------------|-------------------|-----------|
| | | | Franked | Unfranked |
| Corporate Bond | 15.9.23 | Retail Income | 0.00% | 100.00% |
| | 15.9.23 | Retail Accumulation | 0.00% | 100.00% |
| | 15.9.23 | Institutional Accumulation | 0.00% | 100.00% |
| | 15.9.23 | Institutional Income | 0.00% | 100.00% |
| | 15.9.23 | Income C | 0.00% | 100.00% |
| | 15.9.23 | Accumulation C | 0.00% | 100.00% |
| | 15.6.22 | Retail Income | 0.00% | 100.00% |
| | 15.6.22 | Retail Accumulation | 0.00% | 100.00% |
| | 15.6.22 | Institutional Accumulation | 0.00% | 100.00% |
| | 15.6.22 | Institutional Income | 0.00% | 100.00% |
| | 15.6.22 | Income C | 0.00% | 100.00% |
| | 15.6.22 | Accumulation C | 0.00% | 100.00% |
| Global Equity Income * | 15.9.23 | Institutional Accumulation | 2.25% | 97.75% |
| | 15.9.23 | Institutional Income | 83.45% | 16.55% |
| | 15.9.23 | Income C | 23.31% | 76.69% |
| | 15.9.23 | Accumulation C | 23.20% | 76.80% |
| | 15.6.22 | Institutional Accumulation | 100.00% | 0.00% |
| | 15.6.22 | Institutional Income | 100.00% | 0.00% |
| | 15.6.22 | Income C | 100.00% | 0.00% |
| | 15.6.22 | Accumulation C | 100.00% | 0.00% |

All other Funds in this OEIC have a 100% franked distribution shown on their tax voucher.

*Fund closed on 17 March 2023

Risk and Reward Profile

| Fund | Rating* |
|-----------------------|---------|
| Balanced | 5** |
| UK Growth & Income | 6 |
| Income | 6 |
| Monthly Income | 5 |
| Corporate Bond | 4 |
| Global Equity Income* | 5 |
| Europe ex-UK Equity | 6 |

*Fund closed on 17 March 2023
**Rating changed from 4 to 5 on 11 August 2023.

The diagram shows a horizontal scale from 1 to 7. Above the scale, 'Lower risk' is positioned above '1' and 'Higher risk' is positioned above '7'. A red double-headed arrow spans the entire scale. Below the scale, 'Typically lower rewards' is positioned under '1' and 'Typically higher rewards' is positioned under '7'.

*More About this Rating

The rating is based on price volatility over the last five years, and is an indicator of absolute risk. Historical data may not be a reliable indication for the future. The rating is not guaranteed to remain unchanged and the categorisation may shift over time. The lowest rating does not mean a risk-free investment.

For further information on the specific risks applicable to each Fund please visit www.assetmanagement.hsbc.com/uk.

Directory

The Company

HSBC Investment Funds, 8 Canada Square, London, E14 5HQ

ACD and Head Office

HSBC Global Asset Management (UK) Limited, 8 Canada Square, London, E14 5HQ

Investment Manager

HSBC Global Asset Management (UK) Limited, 8 Canada Square, London, E14 5HQ

Depositary

State Street Trustees Limited, Quatermile 3, 10 Nightingale Way, Edinburgh, EH3 9EG

Regulator

Financial Conduct Authority (FCA), 12 Endeavour Square, London, E20 1JN

Auditor

KPMG LLP, 15 Canada Square, London, E14 5GL

Registrar

HSBC Global Asset Management (UK) Limited (delegated to Northern Trust Global Services SE)

50 Bank Street, Canary Wharf, London, E14 5NT

Telephone: 0800 358 3011*

+44 800 358 3011 (Overseas)*

*Lines are open 9am to 5pm Monday to Friday (excluding public holidays).

Administrator (delegated to Northern Trust Global Services SE) - postal address

HSBC Global Asset Management (UK) Ltd, Sunderland, SR43 4BF

Website

www.assetmanagement.hsbc.com/uk

To help us continually improve our services, and in the interests of security, we may monitor and/or record your communications with us.

Issued by HSBC Global Asset Management (UK) Limited.
Authorised and regulated by the Financial Conduct Authority.

www.assetmanagement.hsbc.com/uk

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