HSBC Specialist Investment Funds

Interim Report and Accounts

15 March 2021

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HSBC
Asset Management

Company Information

Company

HSBC Specialist Investment Funds Registered in England with Company Number IC000074

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

P.G.P. Dew

M.G. McDonald

T.J. Palmer

J.R. Paterson

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Market Review

Welcome to the Interim Report for the HSBC Specialist Investment Funds Open-Ended Investment Company (OEIC). The report covers the period 16 September 2020 to 15 March 2021.

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). If you also have shares in another HSBC OEIC, you will receive a separate statement and report when it is due.**

UK Equities

Having been a notable laggard through most of 2020, the UK market recovered well over the period. UK equities rallied strongly in the final two months of the year, recovering some of the ground lost to global equity markets over 2020. This rally continued into 2021, despite the renewed rise in coronavirus cases and deaths, and the re-imposition of a nationwide lockdown in early January. Towards the end of 2020, the announcement of three new vaccines in quick succession – including the Oxford/AstraZeneca vaccine, which was manufactured in the UK – boosted investor sentiment. The UK became the first country to administer a Covid-19 vaccine in December. The successful and rapid rollout of vaccines through the early months of 2021 boosted sentiment, with rising hopes for an exit from lockdown restrictions and an economic recovery. Further good news came with the announcement just before Christmas of a UK/EU trade deal, which removed a large amount of the uncertainty that had hindered the UK market. However, tensions with the EU persisted over a number of issues, not least as the EU threatened to ban vaccines exports to the UK after a dispute with supplier AstraZeneca.

In economic terms, the UK enjoyed a decent rebound of 16.9% in the third quarter of 2020, followed by a flattening in the fourth quarter, with just 1.3% growth achieved. For 2020 as a whole, GDP fell 9.8%, the worst figure ever recorded. The economic impact of Covid-19 on the UK appeared to be worse than that of any other major industrialised nation. Regarding unemployment, expectations of a large rise grew, as the scope of the chancellor's furlough scheme was reduced in the autumn. By December, unemployment had risen to 5.1% but fell back to 5.0% in January. UK inflation remained subdued, growing by 0.4% in February.

The Bank of England (BoE) maintained its easy monetary stance. It also continued to gather feedback from commercial banks and other financial institutions about the impact of a potential move towards negative interest rates. However, by the end of the period, this move appeared less likely as long-term inflation expectations rose, along with UK government bond yields.

UK Fixed Income

UK bonds produced a negative return over the period as bond yields rose. The rise in yields was particularly marked from early in 2021, as long-term inflationary expectations rose around the world. The rise in inflationary expectations reflected the growing belief in a strong economic recovery in 2021, with lockdown restrictions expected to be eased further, and the huge amount of fiscal spending recently pledged by the US and other nations to mitigate the effects of the pandemic.

The UK 10-year gilt yield rose above 0.8% in March, its highest since late 2019 and more than double its level at the beginning of 2021.

Global central banks were keen to talk down the likelihood of any withdrawal of monetary stimulus. US Federal Reserve (Fed) Chairman Jerome Powell stated that it was unlikely that there would be an interest rate hike before 2024. In the UK, BoE Governor Andrew Bailey also played down the likelihood of an imminent adjustment to policy.

In November, the BoE increased its bond-purchasing programme by a further £150 billion per month to £895 billion. Andrew Bailey said that aggressive action was needed to reduce the risk of a sharp economic downturn. Media reports also suggested that the BoE was seriously considering introducing negative interest rates, which are now a feature of several government bond markets across the globe. However, by the end of the period, this prospect appeared to be less likely as bond yields rose.

On the economic front, the UK recovered from its mid-2020 recession with a quarterly rise of 16.9% in the third quarter. This was followed by just 1.3% growth in the fourth quarter of 2020. Expectations were for a mild decline in GDP in the first quarter of 2021, followed by sustained recovery thereafter. UK consumer price inflation remained relatively subdued, rising by 0.7% in January and by 0.4% in February on an annual basis.

Generally greater risk appetite led to a preference from some investors for equities over bonds. Corporate and high yield bonds outperformed government bonds in 2021, taking their cue more from equity markets.

US Equities

US equities rose over the period, with the S&P 500 and Dow Jones Industrial Average breaking into blue sky territory in late 2020, and again in early 2021. Growing optimism regarding the economic outlook, as three major vaccines were launched late in 2020 and subsequently rolled out, drove the market higher. US equities rallied strongly in November and December on the back of the announcement of Covid-19 vaccines and Joe Biden's victory over Donald Trump in the US presidential election. The announcement of $900 billion of fiscal stimulus at the end of the year was an additional positive factor. In early 2021, Congress approved a further $1.9 trillion in support to the economy, in the form of a relief bill. However, worries about a rise in new cases of Covid-19 across the US, fuelled concern that another lockdown could be required.

In economic news, GDP recovered to grow by 33.4% in the second quarter, a record quarterly growth rate, following the record drop of 31.4% in the second quarter. The economy then grew by 4.3% in the final quarter of the year, leaving it down 3.5% over the whole of 2020, the worst performance since 1946. The unemployment rate fell steadily from the recent peak of 14.8% in April to 6.2% in February, while consumer price inflation began to pick up, rising to 1.7% annual growth in February.

Fed Chairman Jerome Powell frequently reassured markets that the Fed would permit consumer inflation to rise above its target rate of 2% before it contemplated any increase in interest rates. More recently, he suggested that an interest rate hike was unlikely before 2024. However, inflation fears abounded late in the period owing to expectations of a substantial economic recovery later in 2021 and in 2022. The 10-year US Treasury yield rose towards 1.8% in early March, the highest for 14 months and approximately double its level at the beginning of 2021.

European Equities

European equities were positive over the period, rising along with other global markets from early November as Covid-19 vaccines were announced. European markets made up some lost ground to other global markets during the period, having been relatively weak for much of 2020. While vaccines were gradually administered throughout the continent, the rate of vaccination was notably slower in EU countries compared to the UK, which caused friction and some recriminations. The mood was not helped late in the period when a third wave of variant coronavirus swept across much of Continental Europe, causing a further tightening of lockdown restrictions in countries such as Germany and France.

The European economy recovered in the third quarter of the year after two consecutive quarterly falls in GDP. Eurozone GDP rose by 12.5% over the quarter, the steepest rise since 1995. However, the final quarter of 2020 saw GDP set back slightly, by 0.7% over the quarter. Inflation within the eurozone picked up notably in 2021, rising by 0.9% year on year in both January and February, having fallen for the previous five months to the end of 2020. Unemployment fell marginally from a rate of 8.6% in September to 8.1% in January, albeit still above the pre-pandemic rate of 7.3% in March 2020.

Monetary support to the eurozone economy remained in place largely through the European Central Bank's (ECB) Pandemic Emergency Purchase Programme. The ECB raised its monthly asset-purchasing budget by €500 billion in December, raising the total budget to €1.85 trillion and extending the programme by a further nine months to March 2022. Towards the end of the period, the ECB announced that it would boost the rate of its purchasing following some concerns in the market that the pace had dropped off.

There were increasing worries late in 2020 that the UK would leave the EU without a trade deal. However, a deal was announced just before Christmas, which spurred an end-of-year year rally in equities. Nevertheless, tensions between the UK and the EU remained over several issues including the Northern Ireland Protocol, the export of livestock and, increasingly, vaccines.

Asia Pacific Equities

Asia Pacific equities were strong over the period, outperforming western markets, in aggregate. Equities in the region recovered strongly into year end and through 2021 following the announcement of vaccines and their subsequent rollout, and in anticipation of a strong global and regional economic recovery in 2021. Covid-19-related cases and death rates continued to be far lower in the region compared to western countries.

Economic growth, which had weathered the pandemic-driven downturn well in early to mid-2020, continued to recover across the region. Mainland China was one of a few countries to report positive GDP growth in 2020, as it grew by 2.3% – albeit the lowest rate since 1975 – following 6.5% annual growth in the final quarter of the year. Mainland China was the first country to experience the coronavirus, and was also the first to recover from it. Taiwan enjoyed a year of growth in 2020, with GDP rising by 1.5%, driven largely by strong demand for technology products and parts. After five consecutive quarters of decline owing to both Covid-19 and the anti-democracy demonstrations that brought much disruption to the colony, Hong Kong's GDP rate rose 2.7% quarter on quarter in the third quarter of 2020, and by a further 0.2% in the fourth quarter. After experiencing its first recession for nearly 30 years, the Australian economy recovered in the second half of 2020, growing by over 3.0% on a quarterly basis in the two final quarters of the year.

Central bank policy remained generally accommodative across the Asia Pacific region. The People's Bank of China kept liquidity abundant in the money markets while keeping banks' reserve requirements unchanged over the period. The Reserve Bank of Australia doubled its bond-purchasing programme in early March in an effort to restrict rising bond yields. The Reserve Bank of India kept its benchmark repurchase rate unchanged at 4%, even as the country's inflation rate dropped from a recent peak of 7.61% annual growth to 4.06% in January, as food price inflation moderated.

Japanese Equities

Japanese equities performed strongly over the period, outperforming most other global markets. The Japanese market was underpinned by the positive news on Covid-19 vaccines and the growing expectations of economic recovery and a return to normality. The market rallied strongly in the final months of the year on the vaccine news, confirmation of Joe Biden's US presidential election victory, and the further fiscal stimulus introduced in the US. The benchmark Nikkei index rose to a 30-year high of over 30,000 in February. However, Japan had to contend with an unexpected and sudden rise in coronavirus cases in Tokyo and neighbouring districts, which led to a month-long lockdown. Despite a tightening of restrictions in the Tokyo region in early 2021, the market continued to climb.

While there were signs of recovery in economic statistics, some indicators remained bleak. GDP recovered in the third quarter, rising 5.3% over the quarter, bringing to a close three consecutive quarters of decline. It then grew by 2.8% in the final quarter of the year. The much-followed Bank of Japan (BoJ) Tankan survey – a quarterly indicator of economic sentiment across the economy – recovered during the period. Having fallen to an 11-year low of -34 in the second quarter, the headline large manufacturing diffusion index improved to -10 in the fourth quarter.

The BoJ maintained its loose monetary policy, targeting -0.1% short-term interest rates, while stating that the long-term inflation target of 2.0% was unlikely to be met in the near future. However, in March, the BoJ slightly widened its permitted range of interest rate movements and pulled back from its commitment to purchase ¥6 trillion of exchange-traded fund purchases on a monthly basis. Annual inflation began to drop into deflation in October, falling to -1.2% in December, before recovering a little to -0.4% in February.

Yoshihide Suga was elected prime minister in mid-September after his predecessor, Shinzo Abe, had announced his resignation due to ill-health in late August, in the very week that he became Japan's longest-serving prime minister. Suga settled investors' nerves when he confirmed that he would continue Abe's policy of fighting deflation and trying to stimulate growth, widely known as 'Abenomics'.

Outlook

The successful development of Covid-related vaccines means that the outlook for the global economy, certainly in the latter half of 2021, is much improved. Vaccination will take time and there are challenging logistical challenges, particularly in developing countries, but the rollout is proceeding well in a few countries, not least the UK. While investor sentiment has rightly been boosted by the rollout of vaccines and the expectations of a gradual return to normality, markets are already trading at relatively extended levels, on nearly all criteria. While we do expect markets to make headway as economic statistics and earnings growth improve, we recognise that a lot of good news is already reflected in prevailing valuations. A key signpost this year will be long-term inflation expectations, which are rising. Recent volatility in both equity and bond markets is a reminder that higher inflation could be a significant headwind to markets in the medium to long term. The extreme fiscal and monetary expansion seen last year, on top of pretty generous levels in the preceding several years, dating back to the global financial crisis, cannot go on forever. There will need to be some consolidation and gradual withdrawal of this support.

Please note that the above information refers to the past and that past performance is not a reliable indication of future returns. Information provided by HSBC Global Asset Management (UK) Limited, 15 March 2021.

European Growth Fund

Investment Objective

The Fund aims to provide growth over the long term, which is a period of five years or more. The Fund intends to provide higher returns than the FTSE Developed Europe Excluding UK Index plus 2% per year over three-year periods before charges and tax are deducted from the Fund.

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 those that are based 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.

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.

Investment Strategy*

The Fund is actively managed and is managed with reference to the FTSE Developed Europe Excluding UK Index.

The fund manager aims to generate returns in excess of the FTSE Developed Europe Excluding UK Index plus 2% 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 FTSE Developed Europe Excluding UK 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 European equities market. To enable investors to assess the performance of the Fund, it is shown against the performance of the FTSE Developed Europe Excluding UK Index plus 2% per year.

*For details of the full Investment Policy and Strategy please refer to the HSBC Specialist Investment Funds prospectus. We have also published a glossary of key terms used which you may wish to refer to. Both documents can be found at https://www.assetmanagement.hsbc.co.uk/en/individual-investor/fund-centre.

Portfolio Activity

From 16 September 2020 to 15 March 2021, the Fund outperformed its benchmark. The anticipation of a large economic recovery based on accelerated vaccination and unprecedented global monetary and fiscal support explain this relative progression.

The Fund's relative return was positively impacted by industry positioning. Our overexposures to banking, energy and automobile contributed to relative performance as did our underweightings in defensive sectors such as food and pharmaceuticals. Our under-exposure to semi-conductors and luxury goods only partially detracted from performance.

Stock selection also contributed positively to relative performance over the considered period. Our selection in material (ArcelorMittal), capital goods (Saint Gobain Nederland), media (Publicis Groupe), energy (OMV), Insurance (AXA), telecommunication (KPN Koninklijke), business services (Elis), automobile (Stellantis), utilities (Veolia Environnement) and banks (ING Groep) had a positive impact on performance. Moreover, our bets in Repsol, Banco Santander, Credit Agricole, BNP Paribas, Erste Bank, Volvo B or Poste Italiane all had a large positive impact on relative performance.

Our choices in transportation (Bpost), healthcare equipment (Fresenius) and pharmaceuticals detracted slightly.

During the last 12 months, we sold or trimmed our positions in outperforming defensive companies such as Enel, Koninklijke DSM, Roche, Inditex, Nestlé, Koninklijke Philips or Teleperformance. We also reduced positions in cyclicals faced with expensive valuations such as Siemens, Volvo B, Capgemini or Arkema. We reinvested into either higher quality companies with attractive valuation such as Bpost, Novartis (registered), Thales, Grifols B, Carrefour, Engie, Poste Italiane, Orange or, into very attractively valued cyclicals such as Solvay, Faurecia, Outotec, OMV, Siemens Energy or Airbus Group.

We remain overweight to financials, energy, communication and the eclectic industrials sector. We are underweighted to consumer stocks, technology, property and to a lesser extent, healthcare, utilities and basic industries.

Investment Performance

During the period under review, the value of the shares in the Fund increased by 13.50% whilst the value of the FTSE Developed Europe Excluding UK Index Plus 2% rose by 7.83%.

(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 16 March 2021 (unaudited)

	Retail Income	Retail Accumulation	Institutional A Accumulation	Income C	Accumulation C
Price	754.9p	899.9p	853.6p	745.0p	956.2p
Current net estimated yield	0.48%	0.45%	1.20%	1.08%	1.16%
Annual ACD charge	1.50%	1.50%	0.75%	0.80%	0.80%

Portfolio Statement

as at 15 March 2021 (unaudited)

Security	*Holding*	*Bid value £'000*	*Total net assets %*
AUSTRIA - 3.77% (2.46%)			
Erste Bank	106,546	2,585	1.84
OMV	72,251	2,715	1.93
Total Austria		**5,300**	**3.77**
BELGIUM - 3.66% (1.37%)			
Bpost	170,796	1,190	0.85
KBC Group	41,196	2,136	1.52
Solvay	20,412	1,818	1.29
Total Belgium		**5,144**	**3.66**
FINLAND - 1.43% (0.00%)			
Outotec	251,915	2,011	1.43
Total Finland		**2,011**	**1.43**
FRANCE - 36.68% (36.29%)			
Alstom	37,672	1,385	0.98
Arkema	16,100	1,371	0.97
Atos	28,202	1,568	1.11
AXA	188,928	3,695	2.63
BNP Paribas	74,817	3,333	2.37
Capgemini	30,712	3,800	2.70
Carrefour	139,097	1,739	1.24
Casino Guichard-Perrachon	40,678	962	0.68
Credit Agricole	261,022	2,727	1.94
Elis	174,338	2,227	1.58
Engie	254,015	2,654	1.89
Faurecia	47,807	1,860	1.32
Michelin	20,543	2,220	1.58
Orange	225,346	2,002	1.42
Publicis Groupe	48,745	2,121	1.51
Saint Gobain Nederland	89,177	3,707	2.63
Sanofi	31,249	2,189	1.56
Skandinaviska Enskilda Banken	14,770	1,784	1.27
Teleperformance	7,390	1,919	1.36
Thales	36,578	2,652	1.88
Total	86,306	3,063	2.18
Veolia Environnement	131,927	2,642	1.88
Total France		**51,620**	**36.68**

Portfolio Statement

as at 15 March 2021 (unaudited)

Security	*Holding*	*Bid value £'000*	*Total net assets %*
GERMANY - 14.13% (17.11%)			
Allianz (registered)	17,729	3,253	2.31
Bayer	50,165	2,286	1.63
Deutsche Post	66,429	2,564	1.82
Deutsche Telekom	166,176	2,375	1.69
Fresenius	79,743	2,466	1.75
HeidelbergCement	42,045	2,636	1.87
SAP	15,161	1,338	0.95
Siemens	14,666	1,695	1.20
Siemens Energy	45,924	1,279	0.91
Total Germany		19,892	14.13
IRELAND - 1.20% (2.22%)			
+iShares MSCI Europe ex-UK UCITS ETF	4,638	145	0.10
Smurfit Kappa	46,384	1,539	1.10
Total Ireland		1,684	1.20
ITALY - 4.28% (6.71%)			
Poste Italiane	251,273	2,205	1.57
Prysmian	64,716	1,433	1.02
Unicredit SpA	304,082	2,384	1.69
Total Italy		6,022	4.28
LUXEMBOURG - 1.98% (1.30%)			
ArcelorMittal	143,492	2,788	1.98
Total Luxembourg		2,788	1.98
NETHERLANDS - 14.30% (12.06%)			
Airbus Group	20,249	1,740	1.24
Heineken	29,382	2,308	1.64
ING Groep	402,556	3,478	2.47
Koninklijke Ahold Delhaize	71,464	1,416	1.00
Koninklijke Philips	43,804	1,773	1.26
KPN Koninklijke	822,866	2,065	1.47
Signify	74,100	2,500	1.78
Stellantis	379,230	4,838	3.44
Total Netherlands		20,118	14.30
PORTUGAL - 1.02% (0.87%)			
Galp Energia	156,960	1,434	1.02
Total Portugal		1,434	1.02

Portfolio Statement

as at 15 March 2021 (unaudited)

Security	*Holding*	*Bid value £'000*	*Total net assets %*
SPAIN - 5.93% (5.22%)			
Actividades de Construccion y Servicios	107,322	2,544	1.81
Banco Santander	979,077	2,466	1.75
Grifols B	125,315	1,465	1.04
Repsol	200,866	1,873	1.33
Total Spain		8,348	5.93
SWEDEN - 1.20% (1.48%)			
Volvo B	85,062	1,694	1.20
Total Sweden		1,694	1.20
SWITZERLAND - 8.22% (10.24%)			
Nestlé (registered)	34,761	2,710	1.92
Novartis (registered)	45,411	2,768	1.97
Roche Holdings	8,754	2,114	1.50
Swiss Reinsurance (registered)	24,300	1,722	1.22
UBS	205,302	2,260	1.61
Total Switzerland		11,574	8.22
UNITED KINGDOM - 0.88% (0.98%)			
RELX	71,436	1,241	0.88
Total United Kingdom		1,241	0.88
Portfolio of investments		138,870	98.68
Net other assets		1,862	1.32
Net assets		140,732	100.00

+collective investment scheme

Figures in brackets denote comparative percentage holdings as at 15 September 2020.

Unless otherwise stated, all investments are listed securities.

Total purchases for the period, including transaction charges, were £13,250,911.

Total sales for the period, net of transaction charges, were £35,121,811.

Comparative Tables

for the six months ended 15 March 2021 (unaudited)

Retail Income Change in net assets per share	***15.3.21***	***15.9.20***	***15.9.19***	***15.9.18***
Opening net asset value per share	716.80p	705.10p	696.70p	723.20p
Return before operating charges*	102.31p	27.07p	32.20p	(10.79p)
Operating charges**	(5.01p)	(11.74p)	(11.35p)	(12.35p)
Return after operating charges*	97.30p	15.33p	20.85p	(23.14p)
Distributions on income shares	0.00p	(3.63p)	(12.45p)	(3.36p)
Closing net asset value per share	814.10p	716.80p	705.10p	696.70p
*after direct transaction costs of:***	0.12p	0.45p	0.41p	0.30p
Performance				
Return after charges	13.57%	2.17%	2.99%	(3.20%)
Other information				
Closing net asset value	£1,711	£2,120	£1,000,421	£1,224,868
Closing number of shares	210	296	141,892	175,800
Operating charges - OCF	1.53%	1.66%	1.69%	1.68%
Direct transaction costs	0.02%	0.06%	0.06%	0.04%
Prices				
Highest share price	754.90p	721.70p	723.20p	762.50p
Lowest share price	579.10p	470.60p	618.30p	680.80p

Retail Accumulation Change in net assets per share	***15.3.21***	***15.9.20***	***15.9.19***	***15.9.18***
Opening net asset value per share	801.40p	841.10p	816.70p	843.40p
Return before operating charges*	100.27p	(26.52p)	37.74p	(12.49p)
Operating charges**	(6.27p)	(13.18p)	(13.34p)	(14.21p)
Return after operating charges*	94.00p	(39.70p)	24.40p	(26.70p)
Distributions on accumulation shares	(0.00p)	(4.01p)	(14.70p)	(12.21p)
Retained distributions on accumulation shares	0.00p	4.01p	14.70p	12.21p
Closing net asset value per share	895.40p	801.40p	841.10p	816.70p
*after direct transaction costs of:***	0.15p	0.51p	0.48p	0.34p
Performance				
Return after charges	11.73%	(4.72%)	2.99%	(3.17%)
Other information				
Closing net asset value	£30,822,018	£38,150,470	£87,153,294	£90,704,892
Closing number of shares	3,442,078	4,760,301	10,361,780	11,105,870
Operating charges - OCF	1.56%	1.66%	1.70%	1.68%
Direct transaction costs	0.02%	0.06%	0.06%	0.04%
Prices				
Highest share price	899.90p	860.90p	847.70p	889.50p
Lowest share price	690.80p	561.30p	724.80p	794.20p

**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

for the six months ended 15 March 2021 (unaudited)

Institutional A Accumulation Change in net assets per share	***15.3.21***	***15.9.20***	***15.9.19***	***15.9.18***
Opening net asset value per share	757.50p	788.00p	758.50p	776.30p
Return before operating charges*	94.76p	(24.72p)	35.50p	(11.50p)
Operating charges**	(2.86p)	(5.78p)	(6.00p)	(6.30p)
Return after operating charges*	91.90p	(30.50p)	29.50p	(17.80p)
Distributions on accumulation shares	(0.00p)	(10.23p)	(20.14p)	(18.79p)
Retained distributions on accumulation shares	0.00p	10.23p	20.14p	18.79p
Closing net asset value per share	849.40p	757.50p	788.00p	758.50p
*after direct transaction costs of:***	0.14p	0.47p	0.45p	0.32p
Performance				
Return after charges	12.13%	(3.87%)	3.89%	(2.29%)
Other information				
Closing net asset value	£821,646	£9,560,185	£10,879,301	£13,281,372
Closing number of shares	96,737	1,262,080	1,380,659	1,751,053
Operating charges - OCF	0.78%	0.79%	0.82%	0.81%
Direct transaction costs	0.02%	0.06%	0.06%	0.04%
Prices				
Highest share price	853.60p	809.50p	793.00p	821.30p
Lowest share price	653.50p	528.20p	674.80p	734.70p

Income C Change in net assets per share	***15.3.21***	***15.9.20***	***15.9.19***	***15.9.18***
Opening net asset value per share	661.10p	697.20p	688.80p	722.40p
Return before operating charges*	83.15p	(21.94p)	32.19p	(10.77p)
Operating charges**	(2.85p)	(6.08p)	(6.46p)	(6.94p)
Return after operating charges*	80.30p	(28.02p)	25.73p	(17.71p)
Distributions on income shares	0.00p	(8.08p)	(17.33p)	(15.89p)
Closing net asset value per share	741.40p	661.10p	697.20p	688.80p
*after direct transaction costs of:***	0.12p	0.41p	0.41p	0.30p
Performance				
Return after charges	12.15%	(4.02%)	3.74%	(2.45%)
Other information				
Closing net asset value	£59,501,142	£54,219,877	£59,502,098	£63,178,000
Closing number of shares	8,025,971	8,201,306	8,535,007	9,172,264
Operating charges - OCF	0.85%	0.94%	0.97%	0.95%
Direct transaction costs	0.02%	0.06%	0.06%	0.04%
Prices				
Highest share price	745.10p	715.70p	719.20p	763.80p
Lowest share price	570.10p	467.00p	612.50p	683.00p

**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

for the six months ended 15 March 2021 (unaudited)

Accumulation C **Change in net assets per share**	***15.3.21***	***15.9.20***	***15.9.19***	***15.9.18***
Opening net asset value per share	848.50p	883.90p	852.10p	873.60p
Return before operating charges*	106.65p	(27.90p)	39.79p	(13.10p)
Operating charges**	(3.65p)	(7.50p)	(7.99p)	(8.40p)
Return after operating charges*	103.00p	(35.40p)	31.80p	(21.50p)
Distributions on accumulation shares	(0.00p)	(11.09p)	(21.47p)	(19.17p)
Retained distributions on accumulation shares	0.00p	11.09p	21.47p	19.17p
Closing net asset value per share	951.50p	848.50p	883.90p	852.10p
*after direct transaction costs of:***	0.16p	0.51p	0.50p	0.36p
Performance				
Return after charges	12.14%	(4.00%)	3.73%	(2.46%)
Other information				
Closing net asset value	£49,585,446	£46,237,781	£13,729,565	£13,372,975
Closing number of shares	5,211,345	5,449,209	1,553,232	1,569,377
Operating charges - OCF	0.85%	0.94%	0.97%	0.95%
Direct transaction costs	0.02%	0.06%	0.06%	0.04%
Prices				
Highest share price	956.20p	907.50p	889.80p	923.60p
Lowest share price	732.00p	592.10p	757.80p	825.90p

**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 March 2021 (unaudited)

	15.3.21		15.3.20	
	£'000	**£'000**	£'000	£'000
Income				
Net capital gains/(losses)		**15,080**		(44,247)
Revenue	**635**		677	
Expenses	**(682)**		(994)	
Interest payable and similar charges	**(3)**		(16)	
Net expense before taxation	**(50)**		(333)	
Taxation	**(57)**		(47)	
Net expense after taxation		**(107)**		(380)
Total return/(deficit) before distributions		**14,973**		(44,627)
Distributions		**35**		-
Change in net assets attributable to shareholders from investment activities		**15,008**		(44,627)

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 March 2021 (unaudited)

	15.3.21		15.3.20	
	£'000	**£'000**	£'000	£'000
Opening net assets attributable to shareholders		**148,170**		172,265
Amounts receivable on creation of shares	**1,205**		3,258	
Amounts payable on cancellation of shares	**(23,667)**		(13,402)	
		(22,462)		(10,144)
Dilution adjustment		**16**		6
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		**15,008**		(44,627)
Closing net assets attributable to shareholders		**140,732**		117,500

Balance Sheet

as at 15 March 2021 (unaudited)

	15.3.21		15.9.20	
	£'000	**£'000**	£'000	£'000
Assets				
Investments		**138,870**		145,673
Current assets				
Debtors	**1,578**		1,622	
Cash and bank balances	**423**		2,011	
Total current assets		**2,001**		3,633
Total assets		**140,871**		149,306
Liabilities				
Creditors				
Distribution payable on income shares	**-**		(663)	
Other creditors	**(139)**		(473)	
Total liabilities		**(139)**		(1,136)
Net assets attributable to shareholders		**140,732**		148,170

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 (w.e.f 6/4/21).

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*

Minimum Additional Subscription

- The minimum additional subscription is £500 for Retail and C share classes and £1,000 for Institutional A Accumulation.

Selling your Investment

You can sell or make a withdrawal at any time.

- You must take at least £100 each time.
- We reserve the right to request that you leave the minimum investment of £1,000 or close the investment.
- Settlement is normally made within 3 business days from the receipt of your instructions.

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. 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:-

- If you hold income shares, income will be distributed to you on payment dates shown in the table on page 25.
- 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.

Income Tax

A tax voucher is sent to all shareholders when distributions are paid or accumulated which will aid completion of tax returns.

Interest Distributions:

Income that is distributed as interest is paid or accumulated gross of tax to all shareholders.

A Personal Savings Allowance currently applies for UK individual taxpayers. This means that no tax is payable on savings income, which includes interest distributions, of up to £1,000 for basic rate taxpayers and up to £500 for higher rate taxpayers.

This allowance is not available for additional rate taxpayers. UK taxpayers, including basic rate taxpayers, are liable to pay UK tax on savings income above the allowance, subject to the starting rate of tax for savings.

For UK corporate shareholders, interest distributions will be paid without the deduction of tax. Such shareholders will be subject to corporation tax on the gross amount of the distribution or accumulation.

For non-UK resident shareholders, interest distributions will be paid without the deduction of tax. Tax may or may not be payable depending on the shareholder's tax position and the provisions of any relevant double tax treaty with the UK.

Dividend Distributions:

A dividend allowance applies for UK resident individual shareholders which charges the first £2,000 of dividends received in the tax year at 0%. A UK resident individual shareholder will have to pay income tax at the applicable basic, higher or additional rate (depending on the shareholder's individual tax position) on dividend income in excess of the £2,000 allowance. Note that dividend income within the £2,000 allowance will still count towards basic, higher and additional rate bands and may therefore affect the rate of income tax that a shareholder pays on dividends they receive in excess of the £2,000 allowance.

Where a corporate shareholder receives a dividend distribution from a Fund, such a shareholder should apportion the amount of the distribution (by way of a formula) between that part representing the Fund's income subject to corporation tax and that part representing the Fund's other income. Only that part which represents the income subject to corporation tax in the Fund will be liable to corporation tax (in the hands of the corporate shareholder) and will be treated as an annual payment received after deduction of income tax at the basic rate. That deemed income tax will be available to offset against the corporation tax liability of the shareholder or may be repaid subject to certain restrictions.

For non-UK resident shareholders, tax may or may not be payable depending on the shareholder's tax position and the provisions of any relevant double tax treaty with the UK.

This information is based on our understanding of current UK law and HM Revenue & Customs practice which may be subject to retrospective change. The future basis and rates of taxation may change without warning. Shareholders are recommended to consult their professional advisers if they are in any doubt as to their individual tax position.

Capital Gains Tax

You will not need to pay capital gains tax unless your net gains from all sources exceed the annual exemption limit. The limit for the 2021/2022 tax year is £12,300.

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*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 September 2020 to 15 March 2021.

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.

Markets in some countries are described as 'emerging markets'. Some of these may involve a higher risk than where investment is within a more established market. These risks include the possibility of failed or delayed settlement, registration and custody of securities and the level of investor protection offered. Emerging markets are generally, but not exclusively, those that are not within the United States, Canada, Switzerland and members of the European Economic Area, Japan, Australia and New Zealand.

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 Specialist Investment Funds. Please refer to the Prospectus, Key Investor Information Document (KIID) and Supplementary Information Document (SID) for further details.

The information in this report is based on our understanding of current law and HM Revenue and Customs practice as at 15 March 2021. Both law and practice may of course change.

The views expressed are those of HSBC Global Asset Management (UK) Limited and do not constitute investment advice. No liability can be accepted for recipients acting independently on its content.

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.

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.

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. White

Director

T.J. Palmer

Director

For and on behalf of HSBC Global Asset Management (UK) Limited
ACD

4 May 2021

Important Changes to the Company and/or Fund Documentation

The following changes to the Company have resulted in the ACD making changes to the Company's Instrument of Incorporation and its Prospectus.

Amendments to the Company's Instrument of Incorporation

The Instrument of Incorporation was updated on 1 October 2020 to reflect the removal of the Asian Growth Fund and Chinese Equity Fund as they are no longer available for investment.

Amendments to the Company Prospectus

The Company Prospectus was updated on 1 October 2020 to reflect the removal of the Asian Growth Fund and the Chinese Equity Fund as they are no longer available for investment and updates to significant activities not connected to the ACD for the directors.

The Company Prospectus was updated on 7 January 2021 to reflect the removal of the UK Freestyle Fund as this is no longer available for investment and to reflect the changes due to Brexit or the departure of the United Kingdom from the EU and addition of European Benchmark Regulation disclosure and an update to eligible securities markets and eligible derivatives markets.

The Company Prospectus was updated on 10 March 2021 to reflect the change in fund administration fee and inserting a new section 'integration of sustainability risks into investment decisions' as required under SFDR.

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.

Risk and Reward Profile

Fund	Rating*
European Growth Fund	6

Lower risk **Higher risk**

Typically lower rewards Typically higher rewards

1	2	3	4	5	6	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 Specialist 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, Quartermile 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 (w.e.f 6/4/21)

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.

Quick Reference Guide to HSBC Specialist Investment Funds

Name of OEIC Fund	European Growth
Number of distributions per year	1
Distribution dates	15 Nov
Lump sum minimum investment level	£1,000
Regular saver minimum investment level	£50
ACD charge % †	1.50
Available as an ISA	Yes
In ISA can income be paid	No
Income shares available	Yes
Accumulation shares available	Yes

†The above information relates only to retail share classes or C share classes as applicable. Other share classes may differ.

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Authorised and regulated by the Financial Conduct Authority.

www.assetmanagement.hsbc.com/uk

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