

Asset Management

HSBC Universal Investment Funds

Annual Report and Accounts

31 August 2025



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Company Information

Company

HSBC Universal Investment Funds
Registered in England
with Company Number IC000467

Registered Office

8 Canada Square
London E14 5HQ

Directors

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

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

HSBC Asset Management (Fund Services UK) Limited - Directors

A.W. Bole (Appointed on 1 July 2025)

S.T. Brown

P.G.P. Dew (Resigned with effect from 30 September 2025)

C. Godfrey

M.J. Higginbotham

D.A. McMaster

P. Mittal

L.K. Williams

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Director's Report

We are pleased to present the Annual Report and Financial Statements for HSBC Universal Investment Funds Open-Ended Investment Company (OEIC), ("the Company"), covering the year from 1 September 2024 to 31 August 2025.

HSBC OEICs are investment companies with variable capital under regulation 12 (Authorisation) of the OEIC Regulations. All Funds within the OEIC are classed as securities funds.

The ACD, HSBC Asset Management (Fund Services UK) Limited, is incorporated in England and Wales under number 1917956 and authorised and regulated by the Financial Conduct Authority.

The Company is an umbrella company comprising various Funds, each of which is operated as a distinct Fund, with its own portfolio of investments.

Each Fund has the investment powers equivalent to those of a securities company.

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.

M. J. Higginbotham

Director



C. Godfrey

Director



**For and on behalf of HSBC Asset Management (Fund Services UK) Limited
ACD**

12 December 2025

Market Review

Welcome to the Annual Report for the HSBC Universal Investment Funds Open-Ended Investment Company (OEIC). The report covers the year 1 September 2024 to 31 August 2025.

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 and Market Overview

Global equities produced double-digit returns over the period. The asset class was supported by falling interest rates across many major economies, positive earnings growth and initial optimism about parts of Donald Trump's political agenda in his second term as president, notably his tax-cutting and deregulatory plans. Many markets – including the S&P 500, Stoxx Europe 600, Nikkei 225 and the FTSE 100 indices – set new all-time highs. Equities rallied through much of the first half of the period but sold off in the final weeks of 2024 as investors fretted about potential US tariffs. While January and early February saw renewed positive sentiment towards equities from investors, markets plummeted in early April as Trump unleashed wide-ranging trade tariffs against US trading partners. The sell-off was nevertheless short-lived and markets staged a recovery that lasted until the end of the period, after Trump suspended the worst of his tariffs for a 90-day grace period, allowing trade negotiations to take place. This resulted in some deals being announced, most notably those between the US and the EU and Japan. At the same time, geopolitical tensions continued to worry investors, especially in the Middle East after Israel and the US launched airstrikes against Iranian nuclear facilities in June, and as Russia's foray into Ukraine dragged on.

Based on MSCI data, emerging markets slightly outperformed developed markets. Mainland Chinese equities soared, initially on hopes of increased economic stimulus, but latterly on optimism about the country's new low-cost AI capability. Within developed markets in Asia, Singapore and Hong Kong, were notably strong. Elsewhere, the US and UK were both marginally ahead of the global average, while Japan and Continental Europe underperformed.

Interest rates began to tumble across most major economies as inflationary pressures eased. Both the European Central Bank (ECB) and the Bank of England (BoE) cut rates during the summer of 2024, with the ECB lowering its deposit rate a further seven times during the period. The US Federal Reserve (Fed) followed suit in mid-September, cutting its Fed funds rate for the first time since early 2020. It cut twice more during 2024, but warned investors in December that the pace of rate cuts would likely slow in 2025; it duly kept rates unchanged during the first eight months of the year. In contrast, the Bank of Japan continued to tighten its monetary policy and lifted its benchmark rate to a 17-year high of 0.5% in January.

The global economic outlook deteriorated, although there were some signs of resilience. The US administration's decision to implement tariffs led to several economic institutes and investment banks revising down their growth forecasts for this year and next. US GDP fell by 0.5% on an annualised basis in the first quarter of the year – the first fall in quarterly GDP for three years – although it recovered in the second quarter. Growth slowed in many other major economies in the latter part of 2024. However, there were some signs of recovery in the first half of 2025. The UK and eurozone economies rebounded in the first quarter of the year. Mainland China grew ahead of expectations in the first quarter, while India's economy recovered after a slowdown in the second half of last year. However, concerns remained that the global economy was vulnerable to a slowdown as a result of US trade tariffs.

UK Equities

The UK produced positive returns which were slightly better than other world markets in aggregate. The FTSE 100 and FTSE All-Share indices frequently hit new all-time highs during the period. The UK was supported for much of the period by falling interest rates and relatively positive earnings growth. Additionally, the relatively low valuations of UK stocks attracted some investors back into the market. Worries about the economy – along with the impact of tax hikes on companies and employees following a material hike in National Insurance contributions in Labour's first Budget in October 2024 – caused investors to sell UK shares during the autumn and early winter months.

UK equities suffered a downturn in early April, alongside nearly all other global markets, as Donald Trump announced a wide range of higher-than-expected tariffs against the US's major trading partners. Share prices soon recovered, however, as the full weight of the tariffs was delayed. The UK benefited from being one of the first nations to announce a trade deal with the US and secure a relatively low average levy of 10%.

Annual inflation began to reaccelerate late in 2024 and into 2025. Having fallen to 1.7% in September 2024 – which was the lowest figure since April 2021 – it picked up to 3.0% in January, before ending at 3.8% in July. Core inflation (excluding food and energy prices) also ended the period at 3.8%. Having lowered rates for the first time in over four years in August 2024, the BoE cut four more times during the period, taking the benchmark rate down to 4.0% from its peak of 5.25%. However, the recovery in inflation caused the BoE to be cautious about cutting rates too far and too quickly.

The UK economy barely grew in the final two quarters of 2024. However, GDP expanded by an above-forecast 0.7% on a quarterly basis in the first quarter. This was followed by 0.3% growth in the second quarter, which was also a positive surprise, although some of the growth appeared to be a result of companies frontloading shipments to the US ahead of the imposition of trade tariffs. Other economic data was not so positive. The manufacturing purchasing managers' index (PMI) fell into contractionary territory (a reading below 50.0) from October of 2024 and stayed there through the rest of the period, although it began to edge higher from March. The services PMI also dwindled and fell below 50.0 in April for the first time since late 2023. However, it recovered back into expansionary territory from May and reached a 16-month high in August. Meanwhile, unemployment picked up to a more than three-year high of 4.7% in the three months to June, the highest level for almost four years.

US Equities

US equities produced positive returns over the period which were mildly ahead of other global equity markets. They were mainly driven by falling interest rates, positive corporate earnings announcements and Donald Trump's promise of tax cuts and deregulation. The major local equity indices – the S&P 500, the Dow Jones and the Nasdaq Composite – frequently hit new all-time highs during from the final few months of 2024 and throughout 2025. Technology stocks soared on strong earnings and interest in AI. They were led by the 'Magnificent Seven' – a group including Microsoft, Nvidia and Alphabet. However, these stocks sold off heavily in early 2025 as the unveiling of mainland China's low-cost AI model DeepSeek called into question the high valuations of AI-related stocks such as Nvidia. However, they later recovered and Nvidia became the first \$4 trillion market cap stock.

Market performance weakened in March and April as Trump introduced trade tariffs. The levies initially targeted Mexico, Canada and mainland China, but were later expanded to include the whole world. These tariffs were published on so-called "Liberation Day" in early April, leading to a short, sharp selloff. However, stock prices recovered from mid-April and into May as Trump softened his stance on tariffs and embarked on trade negotiations, which ultimately led to trade deals with the EU and Japan.

Headline inflation began to pick up from 2.4% in September 2024, rising in every subsequent month to hit 3.0% by January. It subsequently fell to 2.3% in April, a more than four-year low, before ending the period at 2.7% in July. Core inflation fell from 3.3% to 3.1% over the same period as food and energy price inflation waned.

Having cut interest rates three times during the autumn of 2024, the Fed became more cautious and left rates unchanged during the first eight months of 2025. The central bank cautioned that it would need to carefully consider the likely negative effects of tariffs on both growth and inflation, and in so doing drew belligerent and personal comments from Trump. However, by the end of the reporting year, there was growing speculation that the Fed would cut rates in September as inflation moderated and the economy, especially the labour market, showed increasing signs of easing.

After a long period of relatively robust growth, the US economy began to show signs of a slowdown in the early part of 2025. Fourth-quarter GDP eased to an annualised rate of 2.4% from the previous quarter's 3.1%. It subsequently fell by 0.5% in the first quarter of 2025 – the first decline in GDP for three years – as US firms stockpiled goods ahead of Trump's tariffs coming into effect. However, it recovered to grow by 3.3% in the second quarter of the year. Nevertheless, job creation, retail sales, factory orders and consumer sentiment indices all increasingly indicated a slowdown in the US economy, with many fearful that Trump's trade tariffs could tip the economy into recession, although by the end of the period these fears had eased somewhat.

Outlook

Markets have proven to be remarkably resilient in the face of significant headwinds in the form of Trump's trade tariffs, economic uncertainty and widespread geopolitical tensions. Their future path depends to some degree on the partial resolution of these issues and there are some reasons to be hopeful. Trump's bite on tariffs appears to be somewhat less forceful than his bark and markets have been relieved to see trade negotiations leading to agreements between the US and Japan and the EU respectively. Fears about a US recession have diminished for the time being and other major economies, such as mainland China, the eurozone, the UK and Japan have recently grown ahead of target. The prospect of lower interest rates in the US should also help support investor sentiment, while corporate earnings may well continue to surprise on the upside. Additionally, valuations are not too stretched, and in some countries – the UK, for example – they appear to offer good value.

None of this is to downplay the obvious risks. Debt levels are clearly precarious and have driven long-dated bond yields towards record highs in some cases. Without much economic growth, budget deficits will likely grow further, ramping up the pressure on governments. On the geopolitical side, Trump's attempts to forge peace in the Middle East and Ukraine have borne little fruit. Geopolitical tensions remain a significant risk and can escalate very quickly.

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 31 August 2025.

Notes to the Company Financial Statements

for the year ended 31 August 2025

Accounting Policies

a. Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in compliance with FRS102 and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Association ("IA") in May 2014. Unless otherwise stated all other accounting policies are consistent with those of the prior year.

The ACD has undertaken a detailed assessment, and continues to monitor, the sub-funds' ability to meet their liabilities as they fall due, including liquidity, declines in global capital markets and investor redemption levels. Based on this assessment, the sub-funds continue to be open for trading and the ACD is satisfied the sub-funds have adequate financial resources to continue in operation for at least the next 12 months and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

b. Revenue

Dividends on equities are recognised when the security is quoted ex-dividend.

Dividends on investment funds are accounted for on an accruals basis at an estimated rate based on available information. Interest on deposits is accounted for on an accruals basis. Other revenue is accounted for on a receipts basis. The ordinary element of stocks received in lieu of cash dividends is recognised as revenue and, where applicable, is included in the distribution.

Special dividends are treated as repayments of capital or revenue depending on the facts of each particular case.

Rebates received from collective investment schemes are recognised on an accruals basis and are treated as revenue or capital as appropriate to the circumstances, depending on the treatment of the management charge in the underlying collective investment scheme.

Any reported revenue from an offshore fund in excess of any distributions is recognised as revenue after the end of the reporting period, no later than the date when the reporting fund makes this information available.

c. Expenses

All expenses, other than those relating to the purchase and sale of investments are charged to revenue when incurred.

Where a Fund has more than one share class, each share class may suffer different expenses. Consequently, the level of net revenue attributable to each share class will differ.

d. Taxation

Corporation tax is charged at 20% of the revenue liable to corporation tax less expenses.

Where overseas tax has been deducted from overseas revenue, that tax can, in some instances, be set off against corporation tax payable by the Fund by way of a double taxation refund.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax.

Deferred tax assets are recognised only to the extent that the Authorised Corporate Director (ACD) considers that it is more likely than not that there will be taxable profits from which the underlying timing differences can be deducted.

e. Investments

Investments are initially recognised at fair value on the date the contract is entered into. The listed investments of the Company have been valued at bid prices at the closing valuation point on 31 August 2025. The valuation of unlisted investments is based on the Authorised Corporate Director's assessment of their estimated realisable value. Suspended securities are valued initially at the suspended price but are subject to constant review. Revaluation gains or losses are recognised in the Statement of Total Return. Investments cease to be recognised on the date a contract for sale is entered into or when the Company's interest in the investment is extinguished or terminated.

Collective Investment Schemes are valued by reference to their net asset value. Dual priced funds have been valued at the bid price. Single priced funds have been valued using the single price.

f. Exchange Rates

All transactions in foreign currencies are converted into sterling at the rates of exchange ruling at the date of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates at the closing valuation point on 31 August 2025.

Forward foreign currency contracts held at the end of the accounting year are valued at the price required to close out the contract at the balance sheet date.

Any gains or losses as a result of foreign currency transactions are applied to the capital of the Funds.

g. Distributions

Where the revenue from investments exceeds the expenses, a distribution will be made. Should expenses exceed revenue, there will be no distribution and the shortfall will be transferred to capital.

Stock dividends are excluded for the purposes of calculating the distribution. A reconciliation of the net distribution to the net revenue of the Fund as reported in the Statement of Total Return is shown in note 7 of the sub-fund accounts.

The policy of the Funds is to make distributions to shareholders semi-annually on the 30 April for UK Multi-Factor Equity Fund and annually on 31 October for all Funds.

h. Derivatives

Derivatives are initially recognised at fair value on the date the contract is entered into and are subsequently re-measured at fair value at 31 August 2025. Where the fair value of the derivative is positive, it is carried as a derivative asset and where negative as a derivative liability.

The gain or loss on remeasurement to fair value is taken to capital gains or losses.

The ACD must ensure that the global exposure relating to derivatives and forward transactions held in each Fund does not exceed the net value of the scheme property for that Fund. The ACD has adopted the commitment approach to calculate the global exposure.

General Risk Management Process

The Risk Management Process is managed by the ACD and oversight of the investment management function is also carried out independently by the Depositary, State Street. There is an increased regulatory focus on the role of the ACD and how it protects the interests of investors by delivering good quality fairly priced products notably via Consumer Duty Regulation, the Assessment of Value and also the Taskforce on Climate-related Financial Disclosures (TCFD). The ACD protects investors by ensuring that it has oversight of key factors such as breaches, complaints and pricing whilst also challenging client initiatives and investment strategy.

The ACD manages conflicts and any investment management issues through the Board and its appointed sub committees – the Risk Committee (RC) and the Investment Oversight Committee (IOC). Both the Board and its directly appointed subcommittees have regular opportunities to challenge the appointed investment manager in order to demonstrate that no undue commercial pressure has been applied. Both the Board and its sub committees meet quarterly and have been tasked with the responsibilities to challenge both the appointed external manager as well as the HSBC Asset Management (Fund Services UK) Limited (HAMF) Executive. Financial and Non-Financial Risks are monitored quarterly by HAMF with Operational Resilience plans presented annually.

The ACD has appointed HSBC Global Asset Management (UK) Limited (AMEU) as the investment manager. AMEU is organised by function with distinct separation of responsibilities between the investment teams, dealers, risk, compliance, product, sales and investment administration personnel. Risks specific to each of the underlying funds are primarily managed by the AMEU. In addition, these teams are supported by a series of HAMF Executive Committees which are responsible for oversight and monitoring of the AMEU risk management process, the investment process, performance and operational processes.

Operational Risk Framework – Three Lines of Defence

HSBC Group and all its entities operates a three lines of defence model. The first line (Business, Operations & Functional Management) owns the risk and is responsible for identifying, recording, reporting and managing risks, and ensuring that the right controls and assessments are in place to mitigate these risks. The second line includes Risk and Compliance specialists who set policy and guidelines for managing risk, and who provide challenge and guidance on effective risk management. The third line is Internal Audit which independently assures that the business is managing its risks effectively.

Key HAMF Committees

The most senior risk management forum for the business is the HAMF Board Risk Committee, chaired by an Independent Non-Executive Director and meets quarterly. The HAMF Executive senior risk committee is the Risk Management Meeting (RMM), chaired by the HAMF Chief Risk Officer, and normally meets quarterly. The RMM is responsible for all aspects of HAMF risk policy and control supported by a number of specialist committees e.g. Pricing & Valuation Committee and the Client Asset Governance Committee. The RMM monitors and controls key business risks, including reviewing the Financial and Non-Financial internal control and assurance framework, Conflicts of Interest, Customer Complaints as well as the activities of Internal Audit. The Executive Local Management Committee (LMC) is chaired by the HAMF Chief Executive Officer and again meets at least quarterly. The LMC's key responsibilities include Leadership Oversight for the HAMF Executive, Sales & Distribution, Third Party Oversight, Securities Lending, Operational Resilience and Finance. The key sub-committees are the New Business Committee and the Consumer Duty Forum.

The following details the broad categories of risk covered by both the HAMF Board and its two sub-committees as well as the above mentioned HAMF Executive Committees:

Market Price Risk

Market price risk is the risk that the value of the investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement.

Market price risk arises mainly from uncertainty about future prices of financial instruments any underlying fund holds. It represents the potential loss the funds might suffer through holding market positions in the face of price movements. The fund's investment portfolio is exposed to market price fluctuations which are monitored by the HAMF Investment Oversight Committee (IOC) with support from the HAMF Risk team, as well as AMEU in pursuance of the Investment Objective and Policy as set out in the Instrument of Incorporation.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and the rules of the FCA's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

There are inherent risks in investing in securities markets. Security prices are subject to market fluctuations and can move irrationally and be unpredictably affected by many and various factors including political and economic events, pandemics and market rumours. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may go down as well as up and investors may receive back less than the original amount invested.

Foreign Currency Risk

Foreign currency risk is the risk that the value of the investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

A proportion of the underlying funds can be invested in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AMEU investment management team may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to sterling on the date of receipt. Where applicable, the assets by value denominated in foreign currencies is disclosed in the Fund Financial Statements.

Interest Rate Risk

Interest rate risk is the risk that the value of the investment holdings will fluctuate as a result of changes in interest rates.

The investment manager can invest in fixed and floating rate securities. The value of the underlying funds may be affected by changes to interest rates relevant to particular securities or as a result of AMEU not being able to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. Where applicable, the value of interest bearing assets is disclosed in the Fund Financial Statements.

Liquidity Risk

The fund's assets comprise mainly of readily realisable securities. The main liability of the underlying funds is the redemption of any shares that investors wish to sell. Assets of the fund may need to be sold if insufficient cash is available to finance such redemptions.

Credit Risk

Certain transactions in securities that the fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the fund has fulfilled its responsibilities. The funds only buys and sells investments through brokers which have been approved by the ACD as acceptable counterparties.

In current market conditions exposure to cash within the Fund could be at risk if the counter party fails. All cash is held at HSBC (HSBC is rated AA- by Standard and Poor's) and exposure is limited to a maximum 10% of the value of the Fund.

All assets held within the Depositary are ring-fenced. The banks and Depositary used by the Company and the ACD are subject to regular review.

UK Multi-Factor Equity Fund

Investment Objective

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

Investment Policy and Strategy*

To achieve its objective the Fund will invest at least 80% of its value in shares (equities) of 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 in non-UK companies, assets equivalent to shares of companies and cash.

The Fund may also 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. 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 Fund does not intend to use derivatives extensively and their use will be consistent with the risk profile of the Fund.

The investment manager identifies potential shares of companies from the FTSE 350 ex Investment Trust Index together with investable stocks that are not part of the Index and ranks them from the least attractive to most attractive based upon certain factors, such as value, quality and size. The manager's investment approach then aims to maximise exposure to the highest ranked shares whilst maintaining a portfolio diversified by companies and sectors to manage risk.

The Fund is managed with reference to the FTSE 350 ex Investment Trust Index. The sector and stock constraints, relative to the FTSE 350 ex Investment Trust Index, within the investment strategy mean the Fund returns are more likely to be closer to the returns of the FTSE 350 ex Investment Trust Index than if there were no limits on the level of risk the Fund may take.

The FTSE 350 ex Investment Trust 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 350 ex Investment Trust Index.

*For details of the full Investment Policy and Strategy please refer to the HSBC Universal 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/institutional-investor/funds>.

Portfolio Activity

Over the review period, the Fund outperformed its market cap weighted index. Our exposure to Styles contributed to performance.

From a factor perspective, our exposures to Industry Momentum and Value contributed to performance, while our exposures to Size, Quality and Low Risk weighed on performance.

At sector level, our overweight allocations to Capital Goods and Insurance coupled with our underweight exposure to Consumer Durables & Apparel contributed to performance. Conversely, our overweight allocation to Consumer Discretionary Distribution & Retail coupled with our underweight exposures to Household & Personal Products and Consumer Services weighed on performance.

On a stock level basis, our overweight allocations to Standard Chartered, Babcock International and Morgan Sindall Group contributed to performance. Conversely, our underweight exposure to HSBC Holdings coupled with our overweight allocations to S Three and Close Brothers Group weighed on performance.

The Fund is managed using a systematic, model driven process that aims to deliver consistent outperformance against a traditional market capitalisation weighted index over the long term by investing in a well-diversified equity portfolio that provides exposure to five factors: Value, Quality, Momentum, Low Risk and Size.

Purchases during the period included: Aviva, Auto Trader Group, AstraZeneca, Glencore, Haleon PLC, National Grid.

Sales included: International Consolidated Airlines Group, Barratt Redrow, BP, Standard Chartered, BAE Systems, Just Group, Sirius Real Estate, and Centamin PLC.

Investment Performance

During the period under review, the value of the shares in the Fund increased by 14.03%, whilst the value of the FTSE 350 ex Investment Trust Index rose by 12.73%.

(Source: Morningstar Direct, GBP, UK net of tax, income reinvested for the Institutional Accumulation 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 1 September 2025

	Institutional Income	Institutional Accumulation	Institutional A Income#	Institutional A Accumulation#
Price	154.1p xd	185.5p	155.2p xd	183.1p
Distribution payable (on 31 October 2025) per share net	3.497510p	4.111169p	2.279660p	0.673883p
Current net estimated yield	3.49%	3.38%	2.44%	1.99%
Annual ACD charge	0.00%	0.00%	0.25%	0.25%

#Share classes were launched on 10 April 2025.

Portfolio Statement

as at 31 August 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
UNITED KINGDOM - 91.91% (91.03%)			
Oil & Gas - 9.08% (11.24%)			
BP	119,340	516	2.53
Shell	49,070	1,337	6.55
Total Oil & Gas		1,853	9.08
Basic Materials - 2.99% (3.33%)			
Anglo American	1,877	43	0.21
Rio Tinto	12,245	568	2.78
Total Basic Materials		611	2.99
Industrials - 12.62% (13.50%)			
Ashtead Group	327	18	0.09
Babcock	14,576	148	0.72
BAE Systems	28,631	503	2.46
Balfour Beatty	35,152	208	1.02
Breedon Group	29,958	110	0.54
Keller	12,847	171	0.84
Mitie Group	23,490	33	0.16
Morgan Sindall	3,919	164	0.80
QinetiQ	13,327	63	0.31
Rolls-Royce	66,733	714	3.50
Serco Group	32,444	71	0.35
Smiths Group	2,844	67	0.33
Vesuvius	47,628	178	0.87
Zigup	41,101	129	0.63
Total Industrials		2,577	12.62
Consumer Goods - 12.61% (15.79%)			
Berkeley Group	2,475	89	0.44
British American Tobacco	18,719	783	3.84
Coca-Cola	431	28	0.14
Diageo	9,793	201	0.98
Imperial Brands	11,791	368	1.80
Premier Foods	41,259	78	0.38
Reckitt Benckiser	2,668	147	0.72
Taylor Wimpey	74,786	72	0.35
Unilever	17,362	808	3.96
Total Consumer Goods		2,574	12.61
Healthcare - 10.10% (12.60%)			
AstraZeneca	11,385	1,342	6.57
GSK	40,763	592	2.90
Hikma Pharmaceuticals	7,193	128	0.63
Total Healthcare		2,062	10.10

Portfolio Statement

as at 31 August 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Consumer Services - 10.99% (8.24%)			
Compass Group	9,837	247	1.21
Currys	138,255	155	0.76
Easyjet	7,728	38	0.19
Frasers Group	23,180	156	0.76
Haleon	51,216	186	0.91
Inchcape	27,121	181	0.89
Kingfisher	66,118	170	0.83
Mitchells & Butlers	30,455	78	0.38
Mony Group	11,529	23	0.11
Next	2,149	257	1.26
Pearson	2,022	22	0.11
RELX	11,353	391	1.91
Sainsbury (J)	70,236	210	1.03
Tesco	30,648	130	0.64
Total Consumer Services		2,244	10.99
Telecommunications - 2.08% (1.47%)			
Telecom Plus	6,029	109	0.53
Vodafone Group	357,783	316	1.55
Total Telecommunications		425	2.08
Utilities - 4.60% (3.37%)			
Centrica	89,857	145	0.71
National Grid	46,860	488	2.39
SSE	17,738	307	1.50
Total Utilities		940	4.60
Financials - 24.35% (20.36%)			
3i Group	8,967	360	1.76
Aviva	51,284	334	1.64
Barclays	106,271	383	1.88
Beazley	17,264	135	0.66
Big Yellow Group REIT	5,901	54	0.26
+HSBC Holdings	92,970	880	4.31
IG Group Holdings	8,037	91	0.45
Investec	19,221	104	0.51
Legal & General	12,105	30	0.15
Lloyds Banking Group	673,089	535	2.62
London Stock Exchange Group	3,726	342	1.67
Londonmetric Property	64,806	119	0.58
M&G Prudential	42,567	113	0.55
NatWest Group	39,594	202	0.99
Paragon Banking Group	18,764	163	0.80
Prudential	21,301	210	1.03
Quilter	112,659	185	0.91

Portfolio Statement

as at 31 August 2025

<i>Security</i>	<i> Holding</i>	<i> Bid value £'000</i>	<i> Total net assets %</i>
Rathbones Group	8,880	163	0.80
Standard Chartered	33,649	466	2.28
Unite Group	14,587	102	0.50
Total Financials		4,971	24.35
Technology - 2.49% (1.13%)			
Auto Trader Group	26,913	216	1.06
Computacenter	7,434	171	0.83
Softcat	1,014	16	0.08
Spirent Communications	54,387	106	0.52
Total Technology		509	2.49
Total United Kingdom		18,766	91.91
BERMUDA - 1.08% (1.65%)			
Financials - 1.08% (1.65%)			
Hiscox	10,037	131	0.64
Lancashire Holdings	14,558	89	0.44
Total Financials		220	1.08
Total Bermuda		220	1.08
CHANNEL ISLANDS - 3.13% (4.20%)			
Basic Materials - 1.66% (2.58%)			
Glencore	116,151	339	1.66
Total Basic Materials		339	1.66
Industrials - 0.67% (0.64%)			
Experian Group	3,544	136	0.67
Total Industrials		136	0.67
Financials - 0.80% (0.98%)			
TP ICAP	59,097	164	0.80
Total Financials		164	0.80
Total Channel Islands		639	3.13
IRELAND - 1.41% (0.91%)			
Industrials - 1.41% (0.91%)			
DCC	4,210	198	0.97
Grafton Group	10,207	89	0.44
Total Industrials		287	1.41
Total Ireland		287	1.41
JERSEY - 0.74% (0.00%)			
Financials - 0.74% (0.00%)			
Man Group	92,322	151	0.74
Total Industrials		151	0.74
Total Jersey		151	0.74

Portfolio Statement

as at 31 August 2025

<i>Security</i>	<i> Holding</i>	<i> Bid value £'000</i>	<i> Total net assets %</i>
NETHERLANDS - 0.57% (0.47%)			
Industrials - 0.57% (0.47%)			
RHI Magnesita	5,759	117	0.57
Total Industrials		117	0.57
Total Netherlands		117	0.57
SPAIN - 0.00% (1.14%)			
Consumer Services - 0.00% (1.14%)			
FUTURES - 0.02% (0.01%)			
+FTSE 100 Index Futures September 2025	3	5	0.02
Total Futures		5	0.02
Portfolio of investments		20,185	98.86
Net other assets		233	1.14
Net assets		20,418	100.00

+Investment managed by the ACD/HSBC Group

Figures in brackets denote comparative percentage holdings as at 31 August 2024.

Unless otherwise stated, all investments are listed equities.

The counterparty for the futures is HSBC Bank.

The fund does not hold investments in other funds available within the OEIC.

Comparative Tables

for the year ended 31 August 2025

Institutional Income	31.8.25	31.8.24	31.8.23
Change in net assets per share			
Opening net asset value per share	139.40p	119.50p	119.40p
Return before operating charges*	20.23p	24.90p	4.67p
Operating charges**	(0.15p)	(0.15p)	(0.23p)
Return after operating charges*	20.08p	24.75p	4.44p
Distributions on income shares	(5.38p)	(4.85p)	(4.34p)
Closing net asset value per share	154.10p	139.40p	119.50p
*after direct transaction costs of:***	0.36p	0.28p	0.28p
Performance			
Return after charges	14.40%	20.71%	3.72%
Other information			
Closing net asset value	£18,864,468	£18,442,959	£18,232,421
Closing number of shares	12,243,680	13,226,137	15,257,062
Operating charges - OCF	0.11%*****	0.12%+	0.09%
Direct transaction costs	0.25%	0.22%	0.23%
Prices			
Highest share price	160.20p	143.00p	129.90p
Lowest share price	129.10p	110.60p	110.60p

Institutional Accumulation	31.8.25	31.8.24	31.8.23
Change in net assets per share			
Opening net asset value per share	162.00p	134.00p	129.30p
Return before operating charges*	23.62p	28.18p	4.86p
Operating charges**	(0.22p)	(0.18p)	(0.16p)
Return after operating charges*	23.40p	28.00p	4.70p
Distributions on accumulation shares	(6.27p)	(5.46p)	(4.72p)
Retained distributions on accumulation shares	6.27p	5.46p	4.72p
Closing net asset value per share	185.40p	162.00p	134.00p
*after direct transaction costs of:***	0.43p	0.31p	0.30p
Performance			
Return after charges	14.44%	20.90%	3.63%
Other information			
Closing net asset value	£1,449,181	£48,603	£55,216
Closing number of shares	781,625	30,000	41,212
Operating charges - OCF	0.13%*****	0.13%+	0.10%****
Direct transaction costs	0.25%	0.22%	0.23%
Prices			
Highest share price	188.50p	163.00p	140.70p
Lowest share price	151.90p	119.80p	119.80p

**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.

****The OCF is estimated, due to the exclusion from the calculation of a one-off adjustment made to custody fees relating to previous accounting periods.

*****The operating charges % excludes the cost of investing in underlying closed ended investments. For this accounting period 31.8.25, this cost was 0.01%.

+With effect from 28 March 2024, Administrator and Electronic Service Fees have been charged to this share class.

Comparative Tables

for the year ended 31 August 2025

Institutional A Income#	31.8.25	31.8.24	31.8.23
Change in net assets per share			
Opening net asset value per share	135.00p	N/A	118.00p
Return before operating charges*	22.72p	N/A	7.92p
Operating charges**	(0.24p)	N/A	(0.24p)
Return after operating charges*	22.48p	N/A	7.68p
Distributions on income shares	(2.28p)	N/A	(1.38p)
Cancellation price	-	-	(124.30p)
Closing net asset value per share	155.20p	N/A	-
*after direct transaction costs of:***	0.38p	N/A	0.17p
Performance			
Return after charges	16.65%	N/A	6.51%
Other information			
Closing net asset value	£46,481	N/A	N/A
Closing number of shares	29,950	N/A	N/A
Operating charges - OCF	0.35%****	N/A	N/A
Direct transaction costs	0.25%	N/A	N/A
Prices			
Highest share price	160.10p	N/A	128.30p
Lowest share price	134.20p	N/A	109.30p

Institutional A Accumulation##	31.8.25
Change in net assets per share	
Opening net asset value per share	158.80p
Return before operating charges*	24.48p
Operating charges**	(0.28)
Return after operating charges*	24.20p
Distributions on accumulation shares	(0.67p)
Retained distributions on accumulation shares	0.67p
Closing net asset value per share	183.00p
*after direct transaction costs of:***	0.44p
Performance	
Return after charges	15.24%
Other information	
Closing net asset value	£57,749
Closing number of shares	31,551
Operating charges - OCF	0.36%****
Direct transaction costs	0.25%
Prices	
Highest share price	186.10p
Lowest share price	157.80p

#The Institutional A Income share class closed on 17 April 2023 and relaunched on 10 April 2025.

##The Institutional A Accumulation share class launched on 10 April 2025.

**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.

****The OCF is estimated as this share class launched on 10 April 2025. The operating charges % excludes the cost of investing in underlying closed ended investments. For this accounting period 31.8.25, this cost was 0.01%.

Statement of Total Return

for the year ended 31 August 2025

	Notes	31.8.25		31.8.24	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		1,982		2,810
Revenue	3	729		697	
Expenses	4	(18)		(16)	
Net revenue before taxation		711		681	
Taxation	5	(1)		-	
Net revenue after taxation			710		681
Total return before distributions			2,692		3,491
Distributions	6		(710)		(678)
Change in net assets attributable to shareholders from investment activities			1,982		2,813

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 August 2025

	31.8.25		31.8.24	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		18,492		18,288
Amounts receivable on creation of shares	2,185		1,108	
Amounts payable on cancellation of shares	(2,287)		(3,728)	
		(102)		(2,620)
Dilution adjustment		13		9
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		1,982		2,813
Retained distribution on accumulation shares		33		2
Closing net assets attributable to shareholders		20,418		18,492

Balance Sheet

as at 31 August 2025

	Notes	31.8.25		31.8.24	
		£'000	£'000	£'000	£'000
Assets					
Investments			20,185		18,383
Current assets					
Debtors	8	388		155	
Cash and bank balances		289		393	
Total current assets			677		548
Total assets			20,862		18,931
Liabilities					
Creditors					
Distribution payable on income shares		(429)		(426)	
Other creditors	9	(15)		(13)	
Total creditors			(444)		(439)
Total liabilities			(444)		(439)
Net assets attributable to shareholders			20,418		18,492

Distribution Tables (pence per share)

for the year ended 31 August 2025

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 31.10.25</i>	<i>Distribution paid 31.10.24</i>
Group 1: Shares purchased prior to 1 March 2025				
Group 2: Shares purchased from 1 March 2025 to 31 August 2025				
Institutional Income				
Group 1	3.497510	-	3.497510	3.218456
Group 2	3.497510	0.000000	3.497510	3.218456
Institutional Accumulation				
Group 1	4.111169	-	4.111169	3.633788
Group 2	4.111169	0.000000	4.111169	3.633788
Institutional A Income#				
Group 1	2.279660	-	2.279660	N/A
Group 2	1.067360	1.212300	2.279660	N/A
Institutional A Accumulation#				
Group 1	2.312665	-	2.312665	N/A
Group 2	2.312665	0.000000	2.312665	N/A
#Share classes were launched on 10 April 2025.				
Group 1: Shares purchased prior to 1 September 2024				
Group 2: Shares purchased from 1 September 2024 to 28 February 2025				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 30.04.25</i>	<i>Distribution paid 30.04.24</i>
Institutional Income				
Group 1	1.880000	-	1.880000	1.630000
Group 2	1.320000	0.560000	1.880000	1.630000
Institutional Accumulation				
Group 1	2.160000	-	2.160000	1.830000
Group 2	2.160000	0.000000	2.160000	1.830000

Notes to the Financial Statements

for the year ended 31 August 2025

	31.8.25	31.8.24
	£'000	£'000
1. Accounting Policies		
The accounting policies are set out on pages 8 and 9.		
2. Net Capital Gains		
The net capital gains during the year comprise:		
Currency losses	-	(1)
Transaction charges	(3)	(6)
Capital special dividends	8	17
Gains on derivative contracts	29	34
Gains on non-derivative securities	1,948	2,766
Net capital gains	1,982	2,810
3. Revenue		
UK dividends (net)	642	641
Property investment income	12	7
Overseas dividends	65	38
Deposit interest	1	2
Bank interest	8	6
Stock dividends	-	3
Safe custody income	1	-
Total revenue	729	697
4. Expenses		
Payable to the ACD, associates of the ACD and agents of either of them:		
Registration fee	2	1
Safe custody fee	-	3
	2	4
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	2	2
Other expenses:		
Audit fee	11	8
Report and accounts fee	2	1
Administration fee	1	1
	14	10
Total expenses	18	16

Audit fees excluding VAT for the year were £8,246 (2024: £7,296).

	31.8.25	31.8.24
	£'000	£'000
5. Taxation		
a) Analysis of charge in year:		
Overseas tax	1	-
Total tax for the year (note 5b)	1	-
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower (2024: lower) than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net revenue before taxation	711	681
Corporation tax at 20%	142	136
Effects of:		
Revenue not subject to taxation	(141)	(136)
Overseas tax	1	-
Current year expenses utilised	(1)	-
Total tax charge for the year (note 5a)	1	-
c) Provision for deferred taxation		
At 31 August 2025, there is a potential deferred tax asset of £885,800 (31.8.24 : £886,603) in relation to surplus management expenses of £4,428,613 (31.8.24: £4,432,586) and non trading deficits of £385 (31.8.23: £431). It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or prior year.		
6. Distributions		
The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:		
Interim dividend distribution	231	232
Final dividend distribution	462	427
	693	659
Add: Amounts deducted on cancellation of shares	26	27
Deduct: Amounts received on issue of shares	(9)	(8)
Net distribution for the year	710	678
7. Movement Between Net Revenue and Distributions		
Net revenue after taxation	710	681
Stock dividends treated as capital	-	(3)
Net distribution for the year	710	678
8. Debtors		
Sales awaiting settlement	214	4
Accrued revenue	149	127
Overseas tax recoverable	25	24
Total debtors	388	155
9. Other creditors		
Accrued expenses	15	13
Total other creditors	15	13

10. Reconciliation of Shares

	<i>Institutional Income</i>	<i>Institutional Accumulation</i>	<i>Institutional A Income#</i>	<i>Institutional A Accumulation#</i>
Opening shares issued at 1.9.24	13,226,137	30,000	-	-
Share movements 1.9.24 to 31.8.25				
Shares issued	481,602	864,737	29,950	31,551
Shares cancelled	(1,464,059)	(113,112)	-	-
Closing shares issued at 31.8.25	12,243,680	781,625	29,950	31,551

#Share classes were launched on 10 April 2025.

11. Ultimate Controlling Party and Related Party Transactions

The ACD is regarded as a controlling party of the Fund by virtue of having the ability to act in concert in respect of Fund operations. The ultimate controlling party of the ACD is HSBC Group plc.

This entity and its subsidiaries are also related parties of the Fund.

At the year end, the ACD and its associates held the following of the Fund's shares in issue:

	<i>Institutional Income</i>	<i>Institutional Accumulation</i>	<i>Institutional A Income#</i>	<i>Institutional A Accumulation#</i>
	%	%	%	%
As at 31.8.25	93.56	5.97	0.23	0.24
As at 31.8.24	100.00	-	-	-

#Share classes were launched on 10 April 2025.

Details of all other material related party transactions during the year and any payment amounts outstanding at the balance sheet date are disclosed in notes 8 and 9 to the financial statements and the Statement of Change in Net Assets Attributable to Shareholders and the Portfolio Statement.

The balance due to the ACD (including amounts due to associates and agents) at the year end was £2,008 (31.8.24: £3,144). Further details of such amounts can be found in notes 8 and 9. Fees payable to the ACD are disclosed in Note 4, and fees payable to HSBC Bank plc for stock lending activities are disclosed in Note 14.

At the year end, the Fund held £880,147 (31.8.24: £687,451) in Authorised Investment Funds managed by HSBC Holdings, the parent company of the ACD. During the period, transactions in Authorised Investment Funds managed by HSBC Holdings totalled £91,299 (31.8.24: £77,613).

Investments in related parties are disclosed in the Portfolio Statement.

12. Financial Instruments

The financial instrument risks and risk management policies are set out on pages 10 and 11.

Foreign Currency Risk

A substantial portion of the net assets of the Fund are denominated in currencies other than sterling with the effect that the balance sheet and total return can be effected by currency movements.

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>		<i>Net other assets</i>		<i>Net assets</i>	
	31.8.25	<i>31.8.24</i>	31.8.25	<i>31.8.24</i>	31.8.25	<i>31.8.24</i>
	£'000	<i>£'000</i>	£'000	<i>£'000</i>	£'000	<i>£'000</i>
Sterling*	20,185	18,383	135	9	20,320	18,392
Euro	-	-	17	13	17	13
United States dollar	-	-	81	87	81	87
Total	20,185	18,383	233	109	20,418	18,492

*No currency risk as Sterling is the base currency.

Interest Rate Risk

At the year end, 1.42% (31.8.24: 2.12%) of the Fund's assets by value were interest-paying.

Interest rates are based upon HSBC's proprietary rates, with the exception of GBP debit rate which is linked to Bank of England rate.

13. Shareholders' Funds

This Fund has Institutional share classes and Institutional A share classes.

The annual ACD charge on the Institutional Income and Institutional Accumulation share classes is 0.00% and 0.25% on the Institutional A Income and Institutional A Accumulation share classes.

The net asset value of the share class, the net asset value per share and the number of shares in each class are given in the Comparative Tables on pages 18 and 19. The distribution per share class is given in the Distribution Tables on page 21.

All share classes within the OEIC have the same rights on winding up.

14. Stock Lending Activities

Revenue earned from these activities is shown in note 3 and is net of bank and agents fees amounting to £6 (31.8.24: £77) payable to HSBC Bank plc.

15. Financial Derivatives

The Fund has used financial derivatives for hedging and meeting investment objectives including risk reduction and implementation of investment policies.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

Details of the individual contracts are shown on the Portfolio Statement on pages 14 to 17.

The underlying exposure for each category of derivatives were as follows:

The economic exposure of future derivative contracts is equal to the market value. The value of exposure and the related counterparty are disclosed in the Portfolio Statement.

Eligible collateral types are approved by the ACD and may consist of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, euro sterling bonds and equities.

At 31 August 2025, there was no collateral held in respect of the above derivatives (31.8.24: nil).

16. Contingent Liabilities and Commitments

At the year end, the Fund had no contingent liabilities or commitments (31.8.24: None).

17. Portfolio Transaction Costs

For the year ended 31 August 2025	Purchases	Commissions		Taxes	Other Expenses		
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Equity transactions	9,332	3	0.03	22	0.24	20	0.21
Total purchases before transaction costs	9,332	3		22		20	
Transaction costs	45						
Total purchases after commission, tax and fees	9,377						

	Sales	Commissions		Taxes	Other Expenses		
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Equity transactions	9,520	3	0.03	-	-	-	-
Corporate actions	9	-	-	-	-	-	-
Total sales before transaction costs	9,529	3		-		-	
Transaction costs	(3)						
Total sales after commission, tax and fees	9,526						

The Fund had paid £92 as commission on purchases and sales derivative transactions for the year ended 31.8.25.

Commissions, taxes and fees as % of average net assets:

Commissions	0.02%
Taxes	0.12%
Other expenses	0.11%

At the balance sheet date the portfolio dealing spread was 0.05%, being the difference between the respective bid and offer prices for the Fund's investments.

For the year ended 31 August 2024	Purchases	Commissions		Taxes	Other Expenses		
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Equity transactions	7,434	2	0.03	32	0.43	3	0.04
Corporate actions	30	-	-	-	-	-	-
Total purchases before transaction costs	7,464	2		32		3	
Transaction costs	37						
Total purchases after commission, tax and fees	7,501						

	Sales	Commissions		Taxes	Other Expenses		
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Equity transactions	9,853	3	0.03	-	-	-	-
Corporate actions	9	-	-	-	-	-	-
Total sales before transaction costs	9,862	3		-		-	
Transaction costs	(3)						
Total sales after commission, tax and fees	9,859						

The Fund had paid £63 as commission on purchases and sales derivative transactions for the year ended 31.8.24.

Commissions, taxes and fees as % of average net assets:

Commissions	0.03%
Taxes	0.17%
Other expenses	0.02%

At the balance sheet date the portfolio dealing spread was 0.05%, being the difference between the respective bid and offer prices for the Fund's investments.

18. Fair Value of Investments

FRS 102 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following classifications:

Level 1: unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 31 August 2025

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	20,180	-	-	20,180
Derivatives	5	-	-	5
	20,185	-	-	20,185
Investment Liabilities	£'000	£'000	£'000	£'000
Derivatives	-	-	-	-
	-	-	-	-

For the year ended 31 August 2024

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	18,381	-	-	18,381
Derivatives	2	-	-	2
	18,383	-	-	18,383

19. Sensitivity Analysis

Price risk sensitivity:

If the price of investments at 31 August 2025 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £2,018,533 (31.8.24: £1,838,287).

Currency risk sensitivity:

At the balance sheet date, the Fund did not have a significant exposure to non-Sterling currency, therefore no sensitivity analysis is disclosed (31.8.24: no significant exposure).

Interest rate risk sensitivity:

At the balance sheet date, the Fund did not have a significant exposure to interest rate risk, therefore no sensitivity analysis is disclosed (31.8.24: no significant exposure).

US Multi-Factor Equity Fund

Investment Objective

The Fund aims to provide growth 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 80% of its value in shares (equities) of US companies. US companies are those that are based in the US, or earn at least 80% of their revenue from the US.

The Fund may invest up to 20% of its value in other assets, such as shares in non-US companies, assets equivalent to shares of companies and cash.

The Fund may also 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.

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 Fund does not intend to use derivatives extensively and their use will be consistent with the risk profile of the Fund.

The investment manager identifies potential shares of companies from the S&P 500 Index together with investable stocks that are not part of the Index and ranks them from the least attractive to most attractive based upon certain factors, such as value, quality and size. The manager's investment approach then aims to maximise exposure to the highest ranked shares whilst maintaining a portfolio diversified by companies and sectors to manage risk.

The Fund is managed with reference to the S&P 500 Index. The sector and stock constraints, relative to the S&P 500 Index, within the investment strategy mean the Fund returns are more likely to be closer to the returns of the S&P 500 Index than if there were no limits on the level of risk the Fund may take.

The S&P 500 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 US equities market. The performance of the Fund is therefore shown against the performance of the S&P 500 Index.

*For details of the full Investment Policy and Strategy please refer to the HSBC Universal 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/institutional-investor/funds>.

Portfolio Activity

Over the review period, the Fund underperformed its market cap weighted index. Our overall exposure to styles weighed on relative performance.

From a factor perspective, our exposures to Quality and Industry Momentum contributed to performance, while our exposures to Size, Value and Low Risk weighed on performance.

At sector level, our overweight allocations to Telecommunication Services and Commercial & Professional Services coupled with our underweight exposure to Health Care Equipment & Services contributed to performance. Conversely, our underweight exposures to Financial Services and Semiconductors & Semiconductor Equipment coupled with our overweight allocation to Consumer Durables & Apparel weighed on performance.

On a stock level basis, our overweight allocations to Discover Financial Svs and Synchrony Financial coupled with our underweight exposure to Unitedhealth Group contributed to performance. Conversely, our overweight allocations to Regeneron Pharms and Lennar A coupled with our underweight exposure to Netflix weighed on performance.

The Fund is managed using a systematic, model driven process that aims to deliver consistent outperformance against a traditional market capitalisation weighted index over the long term by investing in a well-diversified equity portfolio that provides exposure to five factors: Value, Quality, Momentum, Low Risk and Size.

Purchases during the period included: Visa, Costco Wholesale, Delta Airlines, Walt Disney, and United Airlines.

Sales included: Apple Inc, Nvidia, Microsoft, Broadcom Corp, Discover Financial Services, and Chevron.

Investment Performance

During the year under review, the value of the shares in the Fund increased by 12.20% whilst the value of the S&P 500 Index rose by 12.72%.

(Source: Morningstar Direct, GBP, UK net of tax, income reinvested for the Institutional A Accumulation 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 1 September 2025

	Institutional Income	Institutional Accumulation	Institutional A Accumulation
Price	752.2p xd	937.1p	924.9p
Distribution payable (on 31 October 2025) per share net	8.263931p	10.095373p	7.677913p
Current net estimated yield	1.10%	1.08%	0.83%
Annual ACD charge	0.00%	0.00%	0.25%

Portfolio Statement

as at 31 August 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
UNITED STATES - 97.33% (96.06%)			
Oil & Gas - 2.92% (4.58%)			
ConocoPhillips	28,950	2,122	0.61
Coterra Energy	126,940	2,296	0.65
EOG Resources	30,554	2,823	0.81
Exxon Mobil	34,375	2,909	0.83
First Solar	609	88	0.02
Total Oil & Gas		10,238	2.92
Basic Materials - 0.00% (1.12%)			
Industrials - 7.27% (8.76%)			
Ametek	21,536	2,946	0.84
Boeing	3,532	614	0.17
Dover	21,958	2,907	0.83
Fastenal	67,556	2,484	0.71
General Dynamics	14,126	3,394	0.97
Northrop Grumman Corp	7,523	3,285	0.94
Paccar	17,658	1,307	0.37
Raytheon Technology	2,298	270	0.08
Teledyne Technologies	7,099	2,826	0.81
Textron	45,071	2,673	0.76
Trimble Navigation	46,292	2,769	0.79
Total Industrials		25,475	7.27
Consumer Goods - 6.20% (9.18%)			
Altria Group	70,392	3,502	1.00
Ford Motor	217,674	1,898	0.54
General Motors	69,363	3,009	0.86
Molson Coors Beverage	1,736	65	0.02
NVR	375	2,258	0.65
Procter & Gamble	1,899	221	0.06
PulteGroup	27,394	2,677	0.76
Snap-on	11,640	2,803	0.80
Tesla Motors	21,442	5,300	1.51
Total Consumer Goods		21,733	6.20
Healthcare - 6.77% (10.11%)			
Abbvie	1,496	233	0.07
DaVita	11,556	1,178	0.33
Elevance Health	5,094	1,201	0.34
Eli Lilly and Company	5,493	2,976	0.85
Incyte Genomics	5,120	321	0.09
Intuitive Surgical	6,702	2,347	0.67
Johnson & Johnson	35,462	4,651	1.33
Merck & Co.	43,754	2,725	0.78
Pfizer	64,307	1,178	0.34
Regeneron Pharmaceuticals	3,137	1,348	0.38

Portfolio Statement

as at 31 August 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Vertex Pharmaceuticals	8,944	2,589	0.74
Viatrix	258,949	2,022	0.58
Waters	4,243	948	0.27
Total Healthcare		23,717	6.77
Consumer Services - 12.03% (5.27%)			
Amazon.com	96,822	16,412	4.69
Copart	61,898	2,237	0.64
Costco Wholesale	7,299	5,094	1.45
Delta Airlines	68,881	3,151	0.90
Home Depot	1,855	559	0.16
Live Nation	25,653	3,161	0.90
NetFlix	799	714	0.20
O'Reilly Automotive	23,331	1,791	0.51
Target Corp	18,441	1,310	0.37
TJX Companies	3,830	387	0.11
Ulta Beauty	688	251	0.07
United Airlines Holdings	40,361	3,137	0.90
Wal-Mart Stores	13,123	942	0.27
Walt Disney	34,145	2,993	0.86
Total Consumer Services		42,139	12.03
Telecommunications - 1.58% (0.93%)			
Arista Networks	17,843	1,804	0.52
AT&T	171,237	3,714	1.06
Total Telecommunications		5,518	1.58
Utilities - 2.21% (1.65%)			
Atoms Energy	21,692	2,669	0.76
Duke Energy	22,689	2,057	0.59
Evergy	27,449	1,447	0.41
Xcel Energy	29,560	1,584	0.45
Total Utilities		7,757	2.21
Financials - 17.04% (17.33%)			
American Express	13,242	3,244	0.93
American International Group	28,544	1,718	0.49
Ameriprise Financial	7,969	3,037	0.87
AvalonBay Communities	12,093	1,752	0.50
Bank Of New York Mellon	27,160	2,123	0.61
Berkshire Hathaway B	11,609	4,323	1.23
Blackrock Funding Inc	3,232	2,698	0.77
Capital One Financial	18,263	3,073	0.88
Chicago Mercantile Exchng	9,368	1,847	0.53
Cincinnati Finance	12,418	1,412	0.40
Citizens Financial Group	29,668	1,148	0.33
Franklin Resources	42,144	801	0.23
Hartford Financial Services	10,853	1,063	0.30
Healthpeak Properties	55,785	741	0.21

Portfolio Statement

as at 31 August 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Huntington Bancshares	74,149	978	0.28
JPMorgan Chase & Company	34,517	7,702	2.20
Loews	16,132	1,156	0.33
Mastercard	405	178	0.05
Metlife	15,745	949	0.27
Progressive	2,894	529	0.15
Raymond James Financial	10,506	1,318	0.38
Regency Centers	39,397	2,114	0.60
Synchrony Financial	35,936	2,031	0.58
T Rowe Price Group	9,770	778	0.22
Travelers	14,631	2,938	0.84
US Bancorp	30,387	1,099	0.31
VICI Properties REIT	110,479	2,761	0.79
Visa A	17,595	4,584	1.31
W. R. Berkley	29,861	1,585	0.45
Total Financials		59,680	17.04
Technology - 41.31% (37.13%)			
Akamai Technologies	16,266	953	0.27
Alphabet A	49,185	7,754	2.21
Alphabet C	47,516	7,514	2.14
Apple	129,646	22,283	6.36
Autodesk	4,806	1,119	0.32
Booking Holdings	807	3,345	0.95
Broadcom Corporation	36,966	8,136	2.32
Cisco Systems	86,922	4,447	1.27
Cognizant Technology Solutions	48,166	2,576	0.74
Doordash Inc	887	161	0.05
EPAM Systems	12,766	1,667	0.48
Fortinet	40,739	2,375	0.68
Intuit	6,277	3,099	0.88
GoDaddy	14,576	1,599	0.46
HP	73,466	1,552	0.44
Lam Research	1,354	100	0.03
Meta Platforms	22,100	12,082	3.45
Microsoft	65,051	24,390	6.96
Monolithic Power Systems	280	173	0.05
NetApp	19,295	1,610	0.46
Nvidia	212,426	27,383	7.82
Oracle	9,887	1,655	0.47
Palantir Technologies	16,394	1,901	0.54
Palo Alto Networks	5,878	829	0.24
Qualcomm	5,821	693	0.20
Salesforce.com	877	166	0.05
Skyworks Solutions	6,138	340	0.10
Teradyne	16,498	1,445	0.41
Texas Instruments	22,383	3,355	0.96
Total Technology		144,702	41.31
Total United States		340,959	97.33

Portfolio Statement

as at 31 August 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
BERMUDA - 0.87% (0.79%)			
Financials - 0.87% (0.79%)			
Arch Capital Group	1,503	102	0.03
Everest	11,637	2,945	0.84
Total Financials		3,047	0.87
Total Bermuda		3,047	0.87
IRELAND - 0.72% (1.10%)			
Industrials - 0.64% (1.01%)			
Accenture	2,561	493	0.14
Pentair Plc	21,845	1,738	0.50
Total Industrials		2,231	0.64
Healthcare - 0.08% (0.09%)			
Steris	1,664	302	0.08
Total Healthcare		302	0.08
Total Ireland		2,533	0.72
JERSEY - 0.00% (0.53%)			
SWITZERLAND - 0.00% (0.30%)			
Futures - 0.01% (0.01%)			
CME S&P 500 E-Mini Index Future September 2025	16	21	0.01
Total Futures		21	0.01
Portfolio of investments		346,560	98.93
Net other assets		3,737	1.07
Net assets		350,297	100.00

Figures in brackets denote comparative percentage holdings as at 31 August 2024.

Unless otherwise stated, all investments are listed securities.

The counterparty for the futures is HSBC Bank.

The fund does not hold investments in other funds available within the OEIC.

Comparative Tables

for the year ended 31 August 2025

Institutional Income	31.8.25	31.8.24	31.8.23
Change in net assets per share			
Opening net asset value per share	689.50p	558.50p	540.40p
Return before operating charges*	71.73p	139.31p	26.32p
Operating charges**	(0.17p)	(0.13p)	(0.17p)
Return after operating charges*	71.56p	139.18p	26.15p
Distributions on income shares	(8.26p)	(8.18p)	(8.05p)
Closing net asset value per share	752.80p	689.50p	558.50p
*after direct transaction costs of:***	0.27p	0.33p	0.25p
Performance			
Return after charges	10.38%	24.92%	4.84%
Other information			
Closing net asset value	£77,149,967	£77,601,680	£73,663,351
Closing number of shares	10,248,977	11,255,377	13,189,693
Operating charges - OCF	0.02%	0.02%+	0.03%
Direct transaction costs	0.04%	0.05%	0.05%
Prices			
Highest share price	780.80p	707.70p	570.70p
Lowest share price	607.10p	537.40p	503.70p

Institutional Accumulation	31.8.25	31.8.24	31.8.23
Change in net assets per share			
Opening net asset value per share	849.70p	680.30p	648.90p
Return before operating charges*	88.49p	169.57p	31.60p
Operating charges**	(0.29p)	(0.17p)	(0.20p)
Return after operating charges*	88.20p	169.40p	31.40p
Distributions on accumulation shares	(10.10p)	(9.86p)	(9.66p)
Retained distributions on accumulation shares	10.10p	9.86p	9.66p
Closing net asset value per share	937.90p	849.70p	680.30p
*after direct transaction costs of:***	0.34p	0.40p	0.29p
Performance			
Return after charges	10.38%	24.90%	4.84%
Other information			
Closing net asset value	£66,085	£50,980	£59,965
Closing number of shares	7,046	6,000	8,814
Operating charges - OCF	0.03%	0.03%+	0.03%
Direct transaction costs	0.04%	0.05%	0.05%
Prices			
Highest share price	956.60p	862.00p	685.30p
Lowest share price	748.20p	655.00p	604.80p

**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.

+With effect from 28 March 2024, Administrator and Electronic Service Fees have been charged to this share class.

Comparative Tables

for the year ended 31 August 2025

Institutional A Accumulation	31.8.25	31.8.24	31.8.23
Change in net assets per share			
Opening net asset value per share	840.80p	674.90p	645.50p
Return before operating charges*	87.48p	168.08p	31.28p
Operating charges**	(2.58p)	(2.18p)	(1.88p)
Return after operating charges*	84.90p	165.90p	29.40p
Distributions on accumulation shares	(7.68p)	(7.85p)	(7.92p)
Retained distributions on accumulation shares	7.68p	7.85p	7.92p
Closing net asset value per share	925.70p	840.80p	674.90p
*after direct transaction costs of:***	0.33p	0.40p	0.29p
Performance			
Return after charges	10.10%	24.58%	4.55%
Other information			
Closing net asset value	£273,080,662	£300,930,832	£244,330,670
Closing number of shares	29,499,887	35,789,983	36,200,966
Operating charges - OCF	0.30%	0.29% ⁺	0.29%
Direct transaction costs	0.04%	0.05%	0.05%
Prices			
Highest share price	951.30p	853.20p	680.00p
Lowest share price	739.10p	649.20p	601.10p
**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.			
+With effect from 28 March 2024, Administrator and Electronic Service Fees have been charged to this share class.			

Statement of Total Return

for the year ended 31 August 2025

	Notes	31.8.25		31.8.24	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		32,198		71,757
Revenue	3	5,391		5,244	
Expenses	4	(889)		(741)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		4,502		4,502	
Taxation	5	(783)		(729)	
Net revenue after taxation			3,719		3,773
Total return before distributions			35,917		75,530
Distributions	6		(3,732)		(3,784)
Change in net assets attributable to shareholders from investment activities			32,185		71,746

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 August 2025

	31.8.25		31.8.24	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		378,583		318,054
Amounts receivable on creation of shares	130,909		241,827	
Amounts payable on cancellation of shares	(193,918)		(256,307)	
		(63,009)		(14,480)
Dilution adjustment		272		451
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		32,185		71,746
Retained distribution on accumulation shares		2,266		2,812
Closing net assets attributable to shareholders		350,297		378,583

Balance Sheet

as at 31 August 2025

	Notes	31.8.25		31.8.24	
		£'000	£'000	£'000	£'000
Assets					
Investments			346,560		373,998
Current assets					
Debtors	8	8,146		337	
Cash and bank balances		1,956		5,456	
Total current assets			10,102		5,793
Total assets			356,662		379,791
Liabilities					
Creditors					
Distribution payable on income shares		(847)		(920)	
Other creditors	9	(5,518)		(288)	
Total creditors			(6,365)		(1,208)
Total liabilities			(6,365)		(1,208)
Net assets attributable to shareholders			350,297		378,583

Distribution Table (pence per share)

for the year ended 31 August 2025

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 31.10.25</i>	<i>Distribution paid 31.10.24</i>
Group 1: Shares purchased prior to 1 September 2024				
Group 2: Shares purchased from 1 September 2024 to 31 August 2025				
Institutional Income				
Group 1	8.263931	-	8.263931	8.175112
Group 2	7.659884	0.604047	8.263931	8.175112
Institutional Accumulation				
Group 1	10.095373	-	10.095373	9.860500
Group 2	5.839573	4.255800	10.095373	9.860500
Institutional A Accumulation				
Group 1	7.677913	-	7.677913	7.854486
Group 2	3.769902	3.908011	7.677913	7.854486

Notes to the Financial Statements

for the year ended 31 August 2025

	31.8.25	31.8.24
	£'000	£'000
1. Accounting Policies		
The accounting policies are set out on pages 8 and 9.		
2. Net Capital Gains		
The net capital gains during the year comprise:		
Currency losses	(95)	(160)
Transaction charges	(4)	(13)
Management fee rebates	8	-
Capital US REIT income	100	98
Gains on derivative contracts	496	1,658
Gains on non-derivative securities	31,693	70,174
Net capital gains	32,198	71,757
3. Revenue		
Inland revenue interest received	1	-
Overseas dividends	5,257	5,074
Deposit interest	13	14
Bank interest	118	146
Stocklending Income	2	10
Total revenue	5,391	5,244
4. Expenses		
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's charge	731	640
Administration fee	80	43
Safe custody fee	15	9
	826	692
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	35	32
Other expenses:		
Audit fee	11	8
Report and accounts fee	16	9
Administration fee	1	-
	28	17
Total expenses	889	741
Audit fees excluding VAT for the year were £8,246 (2024: £7,296).		

31.8.25 31.8.24
£'000 £'000

5. Taxation

a) Analysis of charge in year:

Overseas tax	783	729
Total tax for the year (note 5b)	783	729

b) Factors affecting taxation charge for the year:

The tax assessed for the year is lower (2024: lower) than the standard rate of corporation tax in the UK for an open-ended investment company (20%).

The differences are explained below:

Net revenue before taxation	4,502	4,502
Corporation tax at 20%	900	900
Effects of:		
Revenue not subject to taxation	(972)	(927)
Tax relief on overseas tax suffered	(12)	(13)
Current year expenses not utilised	82	40
Irrecoverable overseas tax	771	718
Irrecoverable withholding tax on capital special dividends	12	11
Taxable management fee rebates accounted for as capital	2	-
Total tax charge for the year (note 5a)	783	729

c) Provision for deferred taxation

At 31 August 2025, there is a potential deferred tax asset of £774,620 (31.8.24 : £693,099) in relation to surplus management expenses of £3,872,889 (31.8.24: £3,465,283) and non-trading deficits of £213 (31.8.24: £213). It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or prior year.

6. Distributions

The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:

Final dividend distribution	3,113	3,732
	3,113	3,732
Add: Amounts deducted on cancellation of shares	1,124	1,371
Deduct: Amounts received on issue of shares	(505)	(1,319)
Net distribution for the year	3,732	3,784

7. Movement Between Net Revenue and Distributions

Net revenue after taxation	3,719	3,773
Irrecoverable withholding tax on capital special dividends	13	11
Net distribution for the year	3,732	3,784

8. Debtors

Amounts receivable for creation of shares	107	-
Sales awaiting settlement	7,729	-
Accrued revenue	310	337
Total debtors	8,146	337

9. Other creditors

Amounts payable for cancellation of shares	5,390	170
Accrued expenses	128	118
Total other creditors	5,518	288

10. Reconciliation of Shares

	<i>Institutional Income</i>	<i>Institutional Accumulation</i>	<i>Institutional A Accumulation</i>
Opening shares issued at 1.9.24	11,255,377	6,000	35,789,983
Share movements 1.9.24 to 31.8.25			
Shares issued	4,303,021	5,230	11,814,584
Shares cancelled	(5,309,421)	(4,184)	(18,104,680)
Closing shares issued at 31.8.25	10,248,977	7,046	29,499,887

11. Ultimate Controlling Party and Related Party Transactions

The ACD is regarded as a controlling party of the Fund by virtue of having the ability to act in concert in respect of Fund operations. The ultimate controlling party of the ACD is HSBC Group plc.

This entity and its subsidiaries are also related parties of the Fund.

At the year end, the ACD and its associates held the following of the Fund's shares in issue:

	<i>Institutional Income</i>	<i>Institutional Accumulation</i>	<i>Institutional A Income</i>
	%	%	%
As at 31.08.25	-	-	-
As at 31.08.24	95.68	-	32.36

Details of all other material related party transactions during the year and any payment amounts outstanding at the balance sheet date are disclosed in notes 8 and 9 to the financial statements and the Statement of Change in Net Assets Attributable to Shareholders and the Portfolio Statement.

The balance due to the ACD (including amounts due to associates and agents) at the year end was £5,386,495 (31.8.24: £270,682). Further details of such amounts can be found in notes 8 and 9. Fees payable to the ACD are disclosed in Note 4, and fees payable to HSBC Bank plc for stock lending activities are disclosed in Note 14.

Investments in related parties are disclosed in the Portfolio Statement.

12. Financial Instruments

The financial instrument risks and risk management policies are set out on pages 10 and 11.

Foreign Currency Risk

A substantial portion of the net assets of the Fund are denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements.

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>		<i>Net other assets/(liabilities)</i>		<i>Net assets/(liabilities)</i>	
	31.8.25	31.8.24	31.8.25	31.8.24	31.8.25	31.8.24
	£'000	£'000	£'000	£'000	£'000	£'000
Sterling*	-	-	(6,195)	(931)	(6,195)	(931)
United States dollar	346,560	373,998	9,932	5,516	356,492	379,514
Total	346,560	373,998	3,737	4,585	350,297	378,583

*No currency risk as Sterling is the base currency.

Interest Rate Risk

At the year end, 0.56% (31.8.24: 1.44%) of the Fund's assets by value were interest-bearing.

Interest rates are based upon HSBC's proprietary rates, with the exception of GBP debit rate which is linked to Bank of England rate.

13. Shareholders' Funds

This Fund has Institutional share classes and an Institutional A share class.

The annual ACD charge on the Institutional share class is 0.00% and 0.25% on the Institutional A share class.

The net asset value of the share class, the net asset value per share and the number of shares in each class are given in the Comparative Tables on pages 34 and 35. The distribution per share class is given in the Distribution Tables on page 37.

All share classes within the OEIC have the same rights on winding up.

14. Stock Lending Activities

With effect from 1 February 2022, the Fund has started undertaking stock lending transactions. Revenue earned from these activities is shown in note 3 and is net of bank and agents fees amounting to £618 (31.8.24: £3,537) payable to HSBC Bank plc.

15. Financial Derivatives

The Fund has used financial derivatives for hedging and meeting investment objectives including risk reduction and implementation of investment policies.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

The types of derivatives held at the year end were index futures.

The economic exposure of future derivative contracts is equal to the market value. The value of exposure and the related counterparty are disclosed in the Portfolio Statement.

Eligible collateral types are approved by the ACD and may consist of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities.

At 31 August 2025, there was no collateral held in respect of the above derivatives (31.8.24: nil).

16. Contingent Liabilities and Commitments

At the year end, the Fund had no contingent liabilities or commitments (31.8.24: none).

17. Portfolio Transaction Costs

For the year ended 31 August 2025	Purchases	Commissions		Taxes	Other Expenses		
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Equity transactions	245,088	65	0.03	-	-	-	-
Total purchases before transaction costs	245,088	65		-		-	
Transaction costs	65						
Total purchases after commission, tax and fees	245,153						

	Sales	Commissions		Taxes	Other Expenses		
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Equity transactions	301,627	74	0.02	1	-	-	-
Corporate actions	2,726	-	-	-	-	-	-
Total sales before transaction costs	304,353	74		1		-	
Transaction costs	(75)						
Total sales after commission, tax and fees	304,278						

The Fund had paid £4,212 as commission on purchases and sales derivative transactions for the year ended 31.8.25

Commissions, taxes and fees as % of average net assets:

Commissions	0.04%
Taxes	0.00%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.04%, being the difference between the respective bid and offer prices for the Fund's investments.

For the year ended 31 August 2024	Purchases	Commissions		Taxes	Other Expenses		
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Equity transactions	299,925	86	0.03	-	-	-	-
Total purchases before transaction costs	299,925	86		-		-	
Transaction costs	86						
Total purchases after commission, tax and fees	300,011						

	Sales	Commissions		Taxes	Other Expenses		
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Equity transactions	313,894	82	0.03	1	-	4	-
Total sales before transaction costs	313,894	82		1		4	
Transaction costs	(87)						
Total sales after commission, tax and fees	313,807						

The Fund had paid £6,891 as commission on purchases and sales derivative transactions for the year ended 31.8.24

Commissions, taxes and fees as % of average net assets:

Commissions	0.05%
Taxes	0.00%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.03%, being the difference between the respective bid and offer prices for the Fund's investments.

Portfolio transaction costs are incurred by the Fund when buying and selling underlying investments. These costs vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

Direct transaction costs: Broker commissions, fees and taxes.

Indirect transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the Fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the Fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

18. Fair Value of Investments

FRS 102 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following classifications:

Level 1: unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 31 August 2025

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	346,539	-	-	346,539
Derivatives	21	-	-	21
	346,560	-	-	346,560

For the year ended 31 August 2024

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	373,973	-	-	373,973
Derivatives	25	-	-	25
	373,998	-	-	373,998

19. Sensitivity Analysis

Price risk sensitivity:

If the price of investments at 31 August 2025 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £34,655,961 (31.8.24: £37,399,808).

Currency risk sensitivity:

If the exchange rate at 31 August 2025 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £35,649,157 (31.8.24: £37,951,401).

Interest rate risk sensitivity:

At the balance sheet date, the Fund did not have a significant exposure to interest rate risk, therefore no sensitivity analysis is disclosed (31.8.24: no significant exposure).

Employee Remuneration Disclosure (unaudited)

Remuneration Policy

HSBC Universal Investment Funds are managed by HSBC Asset Management (Fund Services UK) Limited, which is a wholly owned subsidiary of HSBC Holdings plc.

The firm's remuneration practices and policies are governed by the HSBC Group Remuneration Committee in compliance with the relevant regulatory requirements. For details please refer to the HSBC Group Remuneration Policy as published on the following website (<http://www.hsbc.com/our-approach/remuneration>).

HSBC Asset Management (Fund Services UK) Limited's remuneration requirements as specified by the Undertakings for Collective Investment in Transferable Securities (UCITS) Directive are covered in the specific remuneration policy published in the HSBC Global Asset Management website (<https://www.assetmanagement.hsbc.com/about-us/our-governance>).

Remuneration Disclosures

The following tables show the remuneration details, including fixed and variable remuneration, made by HSBC Asset Management (Fund Services UK) Limited to its employees and UCITS Identified staff (Material Risk Takers) for performance year 2024. Individuals have been identified as Material Risk Takers based on the criteria set out in the Financial Conduct Authority's (FCA) UCITS Remuneration Code. The disclosures reflect the requirements of the FCA's COLL Sourcebook.

	Headcount No.	Fixed Remuneration £'000	Variable Remuneration £'000
HSBC Asset Management (Fund Services UK) Limited Total Employees	10	997	172
Material Risk Takers	1	Note 1	Note 1

Note 1: Fixed and variable remuneration is included within the data but not individually disclosed due to headcount size and potential data protection issues.

Statement of ACD's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the ACD to prepare financial statements for each annual accounting year which give a true and fair view of the financial position of the Company and of the net income or expense and net gains or losses on the property of the Company for the year.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then apply them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by The Investment Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus and the COLL Rules.

The ACD is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the HSBC Universal Investment Funds OEIC ("the Company")

For the Year 1 September 2024 to 31 August 2025

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM") which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that Company is managed in accordance with the Scheme documents and Regulations in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

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

12 December 2025



Ewan Gillies (Officer)



Faron Jackson (Assistant Vice President)

Independent Auditor's Report to the Shareholders of the HSBC Universal Investment Funds OEIC ('the Company')

Opinion

We have audited the financial statements of the Company for the year ended 31 August 2025 which comprise the Statements of Total Return, the Statements of Changes in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for the Company's sub-funds on page 3 and the accounting policies set out on pages 8 and 9.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of each of the sub-funds as at 31 August 2025 and of the net revenue and the net capital gains on the property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Authorised Corporate Director has prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or its sub-funds or to cease their operations, and as they have concluded that the Company and its sub-funds' financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Authorised Corporate Director's conclusions, we considered the inherent risks to the Company's and its sub-funds' business model and analysed how those risks might affect the Company's and its sub-funds' financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Authorised Corporate Director's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's and its sub-funds' ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company or its sub-funds will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud.

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the ACD, the Depositary, the Administrator and the Investment Manager;
- Reading ACD board minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post-closing entries. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the ACD and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection, bribery and corruption legislation recognising the Company’s activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Authorised Corporate Director is responsible for the other information presented in the Annual Report together with the financial statements.

Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Authorised Corporate Director's Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Company have not been kept; or
- the financial statements are not in agreement with the accounting records.

ACD's (HSBC Asset Management (Fund Services UK) Limited) responsibilities

As explained more fully in their statement set out on page 45 the Authorised Corporate Director is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

D. Swift

David Swift
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

12 December 2025

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 Asset Management (Fund Services UK) Limited, 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 the HSBC Global Asset Management (UK) Limited website:

www.assetmanagement.hsbc.co.uk/en/institutional-investor/assessment-of-value

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 the HSBC Global Asset Management (UK) Limited website, www.assetmanagement.hsbc.co.uk/en/institutional-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. Underlying fund charges for closed-ended investment company funds are excluded, if applicable, as stated in the comparative tables for relevant 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

This Annual Report covers the year 1 September 2024 to 31 August 2025.

The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested. Where overseas investments are held the rate of currency exchange may also cause the value of such investments to fluctuate. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets. Stock market investments should be viewed as a medium to long-term investment and should be held for at least five years.

Any performance information shown refers to the past and should not be seen as an indication of future returns.

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.

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.

The value and relative yield of fixed interest securities (including bonds) are strongly affected by interest rate fluctuations and by changes in the credit ratings of the underlying issuer of the assets. Higher-yielding securities are more likely to default.

The long-term nature of investment in property and the income generated tend to make this type of investment less volatile than equities although it can be difficult to buy and/or sell quickly. Where the underlying Funds invest directly in property, the property in the Fund may not be readily realisable, and the Manager of the Fund may apply a deferral on redemption requests. The value of property is generally a matter of the valuer's opinion rather than fact. Listed property securities are part of the equity market and are more volatile than direct (unlisted) property, which can mean that the price of shares and the income from them can fluctuate, sometimes dramatically.

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

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

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

There are risks involved in investing in HSBC Universal Investment Funds. Please refer to the Prospectus, Key Investor Information Document (KIID), Supplementary Information Document (SID) and most recent annual and semi annual report, which can be obtained upon request free of charge from HSBC Asset Management (Fund Services UK) Limited, 8, Canada Square, Canary Wharf, London, E14 5HQ, UK, or the local distributors.

The information in this report is based on our understanding of current law and HM Revenue and Customs practice as at 31 August 2025. 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 Asset Management (Fund Services 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.

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 Asset Management (Fund Services 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 Asset Management (Fund Services 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 Asset Management (Fund Services UK) Limited.

www.assetmanagement.hsbc.com/uk

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's Instrument of Incorporation

There have been no changes made to the Instrument within this reporting period.

Amendments to the Company's Prospectus

The Company Prospectus was updated on 10 April 2025 to reflect the following:

- In Share Classes, we have added the Institutional A Income Share Class to the list of Share Classes currently in issue. We have updated the Share Classes currently offered in the Funds to add the Institutional A Income and Institutional A Accumulation Share Classes for the UK Multi-Factor Equity Fund.
 - In Dealing in Shares, we have added wording to explain that further information about Dealing Days and non-Dealing Days can be found on the HSBC Global Asset Management (UK) Limited website or by contacting the Fund Servicing Centre.
 - In Management and Administration, the table showing the names of the directors of the ACD, and any significant activities of each director not connected with the business of the ACD has been updated where required.
 - In Fees and Expenses, we have updated the Table of Charges to add the Institutional A Income and Institutional A Accumulation Share Classes for the UK Multi-Factor Equity Fund. The estimated dilution adjustment rates have been updated.
 - The taxation section has been updated for the 2025/2026 tax year.
 - In Appendix 1, we have updated the list of Share Classes Currently Offered for the UK Multi-Factor Equity Fund to add the Institutional A Income and Institutional A Accumulation Share Classes.
 - In Appendix 2, the historical fund performance has been updated.
 - In Appendix 4, we have updated the Eligible Securities Markets and Eligible Derivatives Markets 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

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

Risk and Reward Profile

Fund	Rating*
UK Multi-Factor Equity Fund	5**
US Multi-Factor Equity Fund	5

** Rating changed from 6 to 5 on 18 August 2025.

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.

Securities Financing Transactions (SFTs) (unaudited)

UK Multi-Factor 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 note 3.

Global Data

Amount of securities and commodities on loan

	<i>% of total lendable assets*</i>
Securities	0.74%

Amount of assets engaged in each type of SFT

Amount of assets	<i>% of AUM</i>
£150,113	0.74%

*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 or Top ten collateral issuers (across all SFT)

Issuer	<i>Holding</i>	<i>Collateral Fair value £'000</i>
CIBC	426	24
GVC	2,724	24
RBC	224	24
Adobe	92	24
National Bank of Canada	303	23
Imperial	722	22
Apple	105	18
JP Morgan	2	1

All counterparties

Counterparty	<i>Gross volume of outstanding transactions Fair value £'000</i>
Bank of Nova Scotia	150
	150

Aggregate Data**Type and quality of collateral**

Type	Quality*	Fair Value £'000
Equities	n/a	162

*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	162
	162

Currency of collateral

Currency	Fair Value £'000
Canadian dollar	72
Sterling	47
US dollar	43
	162

Maturity tenor of SFTs

Maturity	Fair Value £'000
Rolling Maturity	150
	150

Country in which counterparties are established

Counterparty	Fair Value £'000
All counterparties are UK based	

Return and cost

	£'000	% of overall returns
Fund gross return	-	
Payment to ACD	-	10.00%
Agents fee	-	15.00%
Fund net return	-	75.00%

US Multi-Factor 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 note 13.

Global Data

Amount of securities and commodities on loan

	<i>% of total lendable assets*</i>
Securities	4.25%

Amount of assets engaged in each type of SFT

Amount of assets	<i>% of AUM</i>
£14,739,883	4.21%

*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>
BMO	10,882	962
Bank of Nova Scotia	20,799	962
CIBC	16,853	962
National Bank of Canada	12,446	962
Medtronic	14,099	960
JP Morgan	4,306	960
Royal Bank of Canada	7,795	844
CIBC	14,776	844
Adobe	3,212	842
BP	190,167	816

All counterparties

Counterparty	<i> Gross volume of outstanding transactions Fair value £'000</i>
Healthcare of Ontario	6,056
Bank of Nova Scotia	5,300
HSBC Bank	2,015
Barclays Capital Securities	1,369
	14,740

Aggregate Data**Type and quality of collateral**

Type	Quality*	Fair Value £'000
Equities	n/a	12,982
Bonds	Investment grade	2,614
		15,596

*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	15,596
	15,596

Currency of collateral

Currency	Fair Value £'000
Sterling	2,735
Canadian Dollar	6,312
Euro	934
Japanese Yen	1,155
US dollar	4,460
	15,596

Maturity tenor of SFTs

Maturity	Fair Value £'000
Rolling Maturity	14,740
	14,740

Country in which counterparties are established

Counterparty	Fair Value £'000
All counterparties are UK based	

Return and cost

	£'000	% of overall returns
Fund gross return	3	
Payment to ACD	-	10.00%
Agents fee	(1)	15.00%
Fund net return	2	75.00%

Directory

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