

Asset Management

HSBC Investment Funds

Annual Report and Accounts

15 January 2025



HSBC

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Company Information

Company

HSBC Investment Funds
Registered in England with
Company Number IC000073

Registered Office

8 Canada Square
London E14 5HQ

Directors

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

With effect from 29 July 2024, the ACD changed from HSBC Global Asset Management UK Limited (AMEU) to HSBC Asset Management (Fund Services UK) Limited (HAMF). For more information, please refer to the shareholder notice, available on the HSBC Asset Management website.

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

S.T. Brown

P.G.P. Dew

C. Godfrey

M.J. Higginbotham

D.A. McMaster

P. Mittal

L.K. Williams

Contents

Contents		Employee Remuneration Disclosure (unaudited)	149
Company Information	2	Statement of ACD's Responsibilities	150
Contents	3	Statement of the Depositary's Responsibilities	151
Directors' Report	4	Independent Auditor's Report	152
Market Review	5	General Information	155
Notes to the Company Financial Statements	11	Important Notes	157
Balanced	15	Important Changes to the Company and/or Fund Documentation	158
UK Growth & Income	32	Other Information	160
Income	50	Corporate Shareholders	161
Monthly Income	64	Risk and Reward Profile	162
Corporate Bond	88	Directory	163
Global Equity Income (Closed 17 March 2023)	112		
Europe Ex-UK Equity Fund	123		
Securities Financing Transactions (SFTs) (unaudited)	137		

Directors' Report

We are pleased to present the Annual Report and Financial Statements for HSBC Investment Funds Open-Ended Investment Company (OEIC), ("the Company"), covering the year from 16 January 2024 to 15 January 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 13596573 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. Global Equity Income is no longer open to investors, having redeemed all shares in March 2023. It is the intention of the ACD to terminate the fund at a later date once the residual assets and liabilities are settled. As a result the financial statements for this fund have not been prepared on a going concern basis.

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 (Funds Services UK) Limited
ACD**

13 May 2025

Market Review

Welcome to the Annual Report for the HSBC Investment Funds Open-Ended Investment Company (OEIC). The report covers the year 16 January 2024 to 15 January 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). If you also have shares in another HSBC OEIC, you will receive a separate statement and report when it is due.**

Economic Overview

Global economic growth was mixed over the period. The US economy was a beacon of light among other developed world economies, as most found growth difficult to come by. Some emerging market countries, notably India, performed well, but many struggled. Although inflation fell and interest rates were cut across most of the world, high debt levels, geopolitical issues and a mild pick-up in inflation towards the end of the period that prompted some nations raise interest rates again, proved to be headwinds.

The US economy defied expectations of a slowdown and improved on an annualised basis through the year. After growing by 1.6% in the first quarter, GDP expanded by 3.0% in the second quarter and by 3.1% in the third quarter. Labour market data indicated a slowdown, but only a modest one. In contrast, economic growth in Europe was subdued. In the eurozone, the economy rebounded by 0.3% quarter on quarter in the first quarter of the year; this was followed by growth of 0.2% and 0.4% over the next two quarters, with growth in the third quarter surprising expectations on the upside. However, overall economic trends remained fragile in the eurozone, especially in Germany, which endured another year of contraction in 2024. The country's GDP fell by 0.2%, after declining by 0.3% in 2023. After tipping into a recession in the final quarter of 2023, the UK economy showed signs of recovery in the first half of 2024. GDP grew by 0.7% in the first quarter, and then by 0.4% in the second. However, it stalled in the third quarter of the year, producing no growth and provoking fears that the UK was potentially headed for another recession. Japan's economy remained fragile despite some intermittent signs of recovery. It fell in the first quarter of 2024, down 2.2% on an annualised basis, before rising by 2.2% in the second quarter, and by 1.2% in the third quarter. Mainland China's annualised growth rate slowed quarter by quarter and was at 4.6% in the third quarter, a little below the government's 5% target. India's economy was vibrant but slowed. After growing by close to 8% in the first quarter on an annualised basis, GDP grew by 5.4% in the third quarter of the year. Overall economic growth in the Asia ex-Japan region remained relatively subdued compared with its history.

The world's major central banks eventually began to ease monetary policy. The European Central Bank (ECB) was the first to cut in June and the Bank of England (BoE) soon followed suit. The US Federal Reserve (Fed) was widely expected to cut rates in September (it duly obliged), and these moves continued to drive markets higher. The Fed cut twice more but warned investors in December that the pace of rate cuts would likely slow in 2025, which caused markets to sell off at the end of the year. In contrast, the Bank of Japan (BoJ) continued to tighten its monetary policy. Having raised rates modestly for the first time in 17 years in March, it did so again in July as it began to pull back from its longstanding ultra-loose monetary policy.

Global Equities

2024 was another strong year for equity market returns, with the MSCI World Index rising by over 20% in sterling terms and by just below 20% in US dollars. The prospect of lower interest rates was the key driver behind the positive performance. A gently improving economic outlook and strong corporate earnings also boosted investor sentiment and underpinned returns. The year saw many markets – including the S&P 500, Stoxx Euro 600, Nikkei 225 and the MSCI World indices – set new all-time highs. There was, however, some disappointment at the caution shown by central banks towards rate cuts as well as concerns about the global economic outlook, and this led to occasional market retracement. Markets were choppy in early 2025 but rallied after it appeared likely that Donald Trump would not initially prioritise trade tariffs against other nations.

Developed markets outperformed emerging markets. Within developed markets, the US led the way and was the top-performing major market, outperforming the MSCI and FTSE World indices. Fed rate cuts, robust economic trends, which contrasted with much of the world's other leading economies, and largely better-than-expected corporate results also drove returns in the US. Japan was also strong as investors grew more optimistic that the country was beginning to escape the clutches of decades-long deflation. The bellwether Nikkei 225 Index hit a new all-time high in late February for the first time in over 34 years and went on to mark a peak of over 42,000 in July, before easing off through the rest of the year. Continental Europe and the UK produced more modest returns and underperformed other global markets, owing to lacklustre economic performance. While Europe benefited from positive trends in inflation and increased hopes of falling interest rates, economic stagnation, most notably in Germany, and the threat of a recession held Continental European equities back in relative terms. Some signs of economic recovery early in the year boosted UK equities, although by the end of the period the economic outlook had deteriorated again.

In Asian and emerging markets, mainland China recovered strongly in the final months of the year on hopes of increased economic support from the government and the country's central bank. Taiwan was the pick of the Asian markets, however, supported by strength in its technology sector. India also produced solid returns on economic strength, but gave back some of those returns in the second half as economic momentum slowed. Korea suffered negative returns as the economy contracted in the second quarter and grew only marginally in the third. A period of political chaos also hurt sentiment in the fourth quarter, as the Korean legislature attempted to impeach the president. In Latin America, Brazil and Mexico delivered negative returns. Brazil suffered from worries over the country's fiscal outlook, a much weaker currency and the damage suffered in the early summer from widespread flooding and consequent economic disruption in the country. Mexico was also weak on its economic outlook and the country's unexpected election results in the summer.

UK Equities

While the UK market produced a positive return over the period and outperformed Continental Europe, it lagged the MSCI and FTSE World indices. Falling inflation and the promise of lower interest rates drove the market for much of the period. Some signs of economic recovery early in the year boosted UK equities, although by the end of the period the economic outlook had deteriorated again. However, the valuation of the market remained relatively low compared with other global markets and this attracted some investors back into it. The FTSE 100 and FTSE All-Share indices hit new all-time highs during the period, belatedly following several other high-profile global market indices in the US, Europe, Japan and some emerging markets.

The UK benefited somewhat from greater political clarity in the mid-summer. The Labour Party won its first general election since 2005 with a resounding majority, ending a multi-year period of political uncertainty which featured multiple changes of prime minister. However, a lot of Labour's goodwill appeared to vanish after the autumn Budget was announced, which featured large tax rises on companies.

Annual inflation continued to ease. The figure fell from 4.0% in January to 1.7% in September – which was the lowest figure since April 2021 and meant that inflation was back below the BoE's target level of 2.0% – before reaccelerating to 2.6% by November. It then eased to 2.5% in December, which was below expectations and rekindled hopes that the BoE might cut rates again at its first policy meeting of the year in February.

Prior to that, and almost exactly 12 months after having raised interest rates to a 15-year high of 5.25%, the BoE cut them in August by 25 basis points (bps) to 5.0%, acknowledging that the outlook for inflation had improved. Although the central bank left rates unchanged at its September policy meeting, it was widely expected to cut them again before the end of the year, which it duly did by a further 25bps at November's policy meeting. The BoE passed on lowering rates again at its December policy meeting.

After tipping into a recession in the final quarter of 2023, the UK economy showed signs of recovery in the first half of the year. The rebound started in the first quarter, with GDP growing by 0.7% quarter on quarter, and then by 0.4% in the second quarter of 2024. However, it stalled in the third quarter of the year, producing no growth and provoking fears that the UK was potentially headed for another recession. The still-high cost of living and increased tax burden – with UK taxes at their highest for over 70 years – continued to cast a shadow over consumers. Both the manufacturing and services purchasing managers' index eased from August, also indicative of a slowdown in the economy. The labour market remained relatively buoyant, although unemployment picked up from 4.0% in January to 4.3% in both September and October.

UK Bonds

The UK government bond market fell moderately over the year and underperformed the wider Citigroup World Government Bond Index. UK corporate bonds did better and eked out a modest return in aggregate. The backdrop to bond markets was largely favourable for much of the year as inflation continued to ease and the world's major central banks, including the BoE, cut interest rates. However, a reacceleration in inflation in several countries and some caution, notably from the Fed, caused bond yields to surge markedly in the final months of the year. Investors were also concerned about the state of the UK's public finances and the large level of new gilt issues likely to be required to cover the budget deficit. Corporate bonds did better than government bonds, benefiting from a greater risk tolerance among investors seeking the higher relative yields on offer.

The 10-year Gilt yield increased from 3.9% to approximately 4.7% over the year, touching 4.9% in early January – marking the highest level for 17 years – as investors worried about the UK's finances and still-stubborn inflation. Meanwhile, the two-year Gilt yield rose from approximately 4.3% to 4.5%. The yield curve inversion between 10-year and two-year gilts righted itself during the year to produce an upward-sloping curve for the first time in over a year from early July – the spread swung from -35bps at the start of the year to +30bps at the end. Over the same period, the 30-year Gilt yield increased from approximately 4.6% to 5.3%, touching its highest level for over 25 years late in the period.

Annual inflation continued to ease. The figure fell from 4.0% in January to 1.7% in September – which was the lowest figure since April 2021 and meant that inflation was back below the BoE's target level of 2.0% – before reaccelerating to 2.6% by November. It then eased to 2.5% in December, which was below expectations and rekindled hopes that the BoE might cut rates again at its first policy meeting of the year in February.

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After tipping into a recession in the final quarter of 2023, the UK economy showed signs of recovery in the first half of the year. The rebound started in the first quarter, with GDP growing by 0.7% quarter on quarter, and then by 0.4% in the second quarter of 2024. However, it stalled in the third quarter of the year, producing no growth and provoking fears that the UK was potentially headed for another recession.

US Equities

US equities were strong over the period and outperformed other global equity markets in aggregate. Performance was driven for much of the year by the prospect of easier monetary policy from the Fed, which eventually materialised in September. Robust economic trends, which contrasted with much of the world's other leading economies, and largely better-than-expected corporate results also drove returns in the US.

The major local equity indices – the S&P 500, the Dow Jones and the Nasdaq Composite – frequently hit new all-time highs during 2024. Technology stocks soared on strong earnings and interest in artificial intelligence. They were led by the so-called "Magnificent Seven" – a group of large-cap stocks including Microsoft, Nvidia and Apple. In January, Microsoft overtook Apple as the largest stock (by market capitalisation) in the world, as well as becoming the first stock with a market capitalisation of over \$3 trillion. By June, Nvidia and Apple had also become \$3 trillion market-cap stocks – in each case, they were worth more than the FTSE 100 Index – as the US's dominance of global equity indices continued.

Headline inflation fell from 3.1% in January to 2.4% in September – a more than three-year low – before rising again to 2.9% in December as base effects became less favourable, and energy prices picked up mildly on an annual basis. Core inflation fell from 3.9% to 3.2% over the same period.

The Fed remained relatively cautious for much of the year, wishing to see greater proof that the decline in inflation was likely to persist. After disappointing the market on occasions (especially at its late July policy meeting, when markets were convinced the Fed would begin to ease), the central bank at last cut its funds rate in September – the first cut in over four years – by 50bps to 5.0%. It followed that with a further 25bps cut in early November and one in December. The December move was accompanied by a warning from the Fed that unnerved investors: the pace of rate reductions would likely slow in 2025, the central bank said, owing to the recent stubbornness in inflation and relatively strong domestic economic trends.

The US economy defied expectations of a slowdown and improved on an annualised basis through the year. After growing by 1.6% in the first quarter, GDP expanded by 3.0% in the second quarter and by 3.1% in the third quarter. Labour market data indicated a slowdown, but only a modest one. The non-farm payrolls figure reached its lowest in October since the Covid-19-affected months of early 2020, but recovered thereafter, ahead of expectations.

Worries about growing tensions over Gaza and Ukraine, as well as US relations with mainland China, did not ultimately unsettle the positive sentiment that prevailed in US equities. Growing concerns about Joe Biden's fitness for another term as president were alleviated when Vice President Kamala Harris was confirmed in early August as the Democratic Party nominee for the November presidential election. However, it was Donald Trump who was elected as US president in early November, causing equities to rally further in the final weeks of the period

Japan Equities

The Japanese market produced strong returns in 2024 in yen terms, particularly in the first half of the year. The bellwether Nikkei 225 Index hit a new all-time high in late February for the first time in over 34 years and went on to mark a peak of over 42,000 in July, before easing off through the rest of the year. The rally was largely driven by growing optimism that the Japanese economy was close to escaping its decades-long period of deflation, as well as impressive earnings growth – not least among Japan's large exporting sector, which benefited from the weaker yen. The market also rallied, along with other world markets, on expectations that global interest rates would likely fall. However, returns in sterling and US dollars were more moderate due to the weakness in the yen. Additionally, overall returns were flatter in the second half of the year as investors worried about tightening monetary conditions.

A key feature of the period was the BoJ's switch towards a tighter monetary policy. The central bank had raised interest rates for the first time in 17 years in March, increasing its short-term rate from -0.1% to a range of 0.0-0.1%. In July, it raised rates again to 0.25%. BoJ Governor Kazuo Ueda suggested that growing wage pressures in the economy, emanating mainly from the highest spring wage settlements in decades, would likely force the central bank to continue to tighten. However, by the end of the period, Ueda sounded a little more cautious and stated that tighter policy would only be gradually integrated given still-weak economic trends.

Annual consumer inflation rose over the period, increasing from 2.0% in January to 2.9% in November. Core inflation (excluding fresh food prices) was also higher, rising from 2.0% to 2.7% over the same period.

The Japanese economy remained fragile despite some intermittent signs of recovery. The economy fell in the first quarter of 2024, down 2.2% on an annualised basis, before rising by 2.2% in the second quarter, and by 1.2% in the third quarter. The third-quarter figure showed a recovery in consumer spending, driven by wage hikes, but still-subdued capital investment and external demand.

The yen was immensely volatile over the year. It weakened substantially against the US dollar during most of 2024, falling to approximately 161 against the US dollar – the lowest rate for 38 years. It recovered during the autumn months towards 140 as the BoJ tightened its monetary policy. However, it weakened off again in the final months of the period to end at approximately 156.

Political changes were also in the air. The ruling LDP party elected Shigeru Ishiba as its new leader in early October. Ishiba called a general election for the end of the month, unwisely as it turned out, because the ruling LDP and Komeito alliance lost its overall majority. This caused a further sell-off in equities as investors faced up to renewed political uncertainty.

Asia ex-Japan Equities

Asia Pacific equities produced positive returns on falling inflation and hopes of lower interest rates, as well as a recovery in earnings and economic growth. Returns in the region exceeded those of the wider emerging markets group in aggregate but were lower than those delivered by developed markets. This partly reflected mixed economic growth in the region, generally tighter monetary policy than in developed markets and the impact of the stronger US dollar over the period.

Mainland China's market recovered strongly in the second half of the period, after an indifferent first half, to outperform the region. Shares surged in the second half of September on the announcement from the authorities of long-awaited new stimulus measures to help support the economy. However, investors became disillusioned by the lack of follow-through and detail from the mainland Chinese government on its stimulus measures, and shares eased thereafter. Additionally, the market was plagued by ongoing worries about the state of mainland China's property sector and the indebtedness of its local governments. India produced positive returns on resilient economic growth in the first half of the year, but gave back some of those returns in the second half as economic momentum slowed. The country ended up marginally underperforming the wider index. Taiwan was the strongest major market as it benefited from a positive technology cycle and product demand. Singapore also performed very well, benefiting from resilient economic growth and political stability. Korea suffered negative returns as the economy contracted in the second quarter and grew only marginally in the third. A period of political chaos also hurt sentiment in the fourth quarter, as the Korean legislature attempted to impeach the president. Returns from Hong Kong were flat.

Headline inflation generally eased. After falling by 0.8% in January – to the lowest level for nearly 15 years – mainland China's annual consumer inflation ended the period at +0.1% in December, as disinflation continued to dominate in the economy. In India, however, annual inflation rose over the year and ended at well above the central bank's target of close to 4%; November's figure came in at 5.48% as food prices reaccelerated, before it eased a little to 5.22% in December.

Mainland China was at the forefront of easing monetary policy, reducing its key loan prime rates during the period. The Bank of Korea cut rates twice late in the year as the economy weakened. Some central banks across the region (including in India and Australia) kept interest rates unchanged, while Taiwan's central bank raised rates modestly in the spring due to persistent inflationary pressures.

Economic data was mixed. Mainland China's annualised growth rate slowed quarter by quarter and was at 4.6% in the third quarter, a little below the government's 5% target. India's economy slowed. After growing by close to 8% in the first quarter on an annualised basis, GDP grew by 5.4% in the third quarter of the year. Taiwan's economy remained buoyant, although GDP also slowed over the period. Australia's economy also slowed on an annual basis. Korea was close to falling into a recession after growth in the second quarter fell by 0.2% quarter on quarter and only recovered by 0.1% in the third quarter.

Emerging Markets

Emerging markets produced positive returns over the period but underperformed developed markets in aggregate. Although inflation and interest rates generally fell throughout the region, investors were concerned about the outlook for global and local economic demand, as well as the strengthening US dollar and geopolitical tensions.

Mainland China's market recovered strongly in the second half of the period after an unremarkable first half, outperforming the region. Shares surged in the second half of September on the announcement of long-awaited new stimulus measures to help support the economy from the authorities. However, investors became disillusioned by the lack of follow-through and detail from the mainland Chinese government on its stimulus measures, and shares eased thereafter. Additionally, the market was plagued by ongoing worries about the state of mainland China's property sector and the indebtedness of local governments. India produced positive returns on resilient economic growth in the first half of the year, but gave back some of those returns in the second half as economic momentum slowed. The country ended up marginally underperforming the wider index. Taiwan was the strongest major market as it benefited from a positive technology cycle and product demand. Korea suffered negative returns as the economy contracted in the second quarter and grew only marginally in the third. A period of political chaos also hurt sentiment in the fourth quarter, as the Korean legislature attempted to impeach the president. Turkey performed well on signs that its tight monetary policy was bringing inflation under control and as the economy recovered.

While Asian emerging markets performed well, Latin American equities proved to be a drag. This was largely due to weakness in Brazil and Mexico. Brazil suffered from worries over the country's fiscal outlook, a much weaker currency and the damage suffered in the early summer from widespread flooding and consequent economic disruption in the country. Mexico was also weak on its economic outlook and the country's unexpected election results in the summer, which sparked fears of enhanced state control over the economy as the Morena party won a substantial majority in the Mexican Congress.

Monetary policy varied. Mainland China and Korea cut rates, while some central banks across the region (including in India and Australia) kept interest rates unchanged. Taiwan's central bank raised rates modestly in the spring, while Brazil's central bank raised rates three times from September in an effort to control a reacceleration in inflation.

Economic data was mixed. Mainland China's annualised growth rate slowed quarter by quarter and was at 4.6% in the third quarter, a little below the government's 5% target. India's economy was vibrant but slowed. After growing by close to 8% in the first quarter on an annualised basis, GDP grew by 5.4% in the third quarter of the year. Taiwan's economy remained buoyant, although it also slowed, as did Australia's over the period. Korea was close to falling into a recession after growth in the second quarter fell by 0.2% quarter on quarter and only recovered by 0.1% in the third quarter. Brazil's economy expanded by 4.0% in the third quarter on a year-on-year basis, boosted by recovering consumer spending and business investment. Mexico's economy was more subdued, growing by 2.1% and 1.6% respectively in the second and third quarters of the year.

*The above information refers to past performance and should not be seen as a reliable indication of future returns.
Information provided by HSBC Global Asset Management (UK) Limited, 15 January 2025.*

Notes to the Company Financial Statements

for the year ended 15 January 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, fluctuations in global capital markets and investor redemption levels. Based on this assessment, Balanced Fund, UK Growth and Income Fund, Income Fund, Monthly Income Fund, Corporate Bond Fund and Europe Ex-UK Equity Fund (together the "going concern sub-funds") continue to be open for trading and the ACD is satisfied that the going concern 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.

Global Equity Income Fund is no longer open to investors, having redeemed all shares in March 2023. It is the intention of the ACD to terminate the fund at a later date once the residual assets and liabilities are settled. As a result the financial statements for this fund have not been prepared on a going concern basis. No adjustments were required to the financial statements to adjust assets or liabilities to their realisable values or to provide for liabilities arising from the decision to terminate the fund. No liabilities have been recorded for costs of the terminations as the intention is that the Authorised Corporate Director will bear any such costs which may arise.

b. Revenue

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

Interest on fixed interest securities is accounted for on an effective yield basis. 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 but does not form part of 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.

For purposes of calculating the distribution, the ACD's fee and registration fee are transferred to capital for HSBC Global Equity Income, HSBC Income, HSBC Monthly Income and HSBC UK Growth & Income.

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 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 15 January 2025. The valuation of unlisted investments is based on the ACD'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 15 January 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.

For the purpose of calculating the distribution, revenue on debt securities is computed as the higher of the amount determined on an accrual of coupon basis and an effective yield basis. 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.

The policies of the Funds are to determine the amount available for distribution on a coupon basis, with distributions to shareholders monthly on the 15th of every month for Monthly Income, quarterly on 15 March, 15 June, 15 September and 15 December for Global Equity Income and Corporate Bond, annually on 15 March for Europe Ex-UK Equity and semi-annually on 15 March and 15 September for all other Funds within this OEIC.

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 15 January 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 monitors that any exposure is covered globally to ensure adequate cover from within the sub-fund is available to meet the sub-fund's total exposure, taking into account the value of the underlying investments, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions. The ACD has adopted the commitment approach to determine the global market risk exposure in relation to derivatives held for all sub funds with the exception of Corporate Fund for which the ACD has adopted Relative Value at Risk (VaR) approach.

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 unable 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.

Balanced

Investment Objective

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

Investment Policy

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

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

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

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

Investment Strategy*

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

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

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

*The full strategy can be found in the prospectus.

Portfolio Activity

2024 was another strong year for asset returns, amid various economic and political uncertainties. Global equity markets kept up the momentum seen in 2023, posting strong gains, supported by continued US economic strength, robust company earnings and interest rate cuts. Global government bonds struggled to gain traction as government bond yields rose whilst the higher yielding areas of the fixed income market delivered strong performance, benefitting from the elevated interest rates. This resulted in strong positive returns for the Balanced fund.

We started 2024 underweight equity given our concerns around higher interest rates on the macroeconomic environment. However, resilient economic data over the first couple of months of the year built up momentum in the market and by the end of February we had closed this underweight and moved overweight in April, where we remained so for the rest of the year. The headline equity position detracted over 2024, but the fund's intra-equity positions added value, with strong positive contribution from our tilts towards e.g. Spanish equities and US Tech.

Coming into 2024 we held a modest overweight position to duration. This moved to a more sizeable overweight position from the middle of the year as inflation data started to trend downwards supporting central banks to start on their rate cutting cycle. However, sticky inflation and rates staying higher for longer, meant that the longer duration fixed income exposure was not as successful. This was offset somewhat by the overweight to Gilts and Bunds and our granular exposures via specific US interest curve positions.

Largest Net Purchases: HSBC Global Sterling Liquidity Funds, HSBC GIF Global High Yield Bond Fund, HSBC UK Gilt Index Fund.

Largest Net Sales: HSBC FTSE All-Share Index Fund, Lyxor US Curve Steepening 2-10 ETF, HSBC Global Investment Funds Global Corporate Bond Fund.

Investment Performance

During the year under review, the value of the shares in the Fund increased by 12.55% while the value of the IA Mixed Investment 40-85% Shares sector rose by 10.76%.

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

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

Fund Particulars as at 16 January 2025			
	Income C	Accumulation C	Institutional Accumulation
Price	177.1p xd	321.2p	334.8p
Distribution payable (on 14 March 2025) per share net	2.306258p	4.120274p	5.226155p
Current net estimated yield	2.19%	2.13%	2.61%
Annual ACD charge	0.55%	0.55%	0.00%

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
UNITED KINGDOM - 47.63% (47.88%)			
AG Barr	13,629	78	0.02
Antofagasta	30,663	520	0.16
AstraZeneca	11,178	1,190	0.36
BAE Systems	83,444	991	0.30
Barclays	432,511	1,215	0.36
Barratt Redrow	92,478	389	0.12
Bodycote	30,691	196	0.06
BP	323,870	1,370	0.41
Chemring Group	103,175	337	0.10
Coats Group	369,550	338	0.10
Compass Group	42,681	1,141	0.34
Diageo	8,878	210	0.06
Drax Group	84,155	528	0.16
FDM Group	29,492	79	0.02
GSK	80,604	1,070	0.32
Hays	197,544	148	0.04
Hikma Pharmaceuticals	23,232	471	0.14
+HSBC American Index Fund	3,066,517	40,018	12.03
+HSBC Corporate Bond Fund	2,871,271	5,527	1.66
+HSBC European Index Fund	913,453	11,181	3.36
+HSBC FTSE All-Share Index Fund	4,546,284	17,599	5.29
+HSBC FTSE All-World Index Fund	4,996,400	13,550	4.07
+HSBC Holdings (London listed)	195,327	1,571	0.47
+HSBC Japan Index Fund	2,251,525	4,091	1.23
+HSBC Pacific Index Fund	843,352	3,268	0.98
+HSBC UK Gilt Index Fund	21,483,340	17,371	5.22
+HSBC US Multi Factor Equity Fund	2,518,196	19,116	5.74
Ibstock	186,140	317	0.10
IG Group	66,781	683	0.20
Imperial Brands	30,105	776	0.23
Intertek Group	13,113	627	0.19
Mony Group	122,340	228	0.07
NatWest Group	246,833	1,000	0.30
Next	7,334	679	0.20
Phoenix Group Holdings	110,868	552	0.17
Prudential	74,561	457	0.14
QinetiQ	127,556	524	0.16
Raspberry Pi	22,656	136	0.04
Rentokil Initial	144,913	552	0.17
Rightmove	104,596	656	0.20
Rio Tinto	18,061	891	0.27
Sage Group	60,925	785	0.24
Shell	89,694	2,405	0.72
SSE	41,672	659	0.20

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Tate & Lyle	69,558	447	0.13
Taylor Wimpey	395,177	452	0.14
Tesco	255,152	920	0.28
Unilever	14,744	658	0.20
Victrex	14,589	152	0.05
Volution Group	74,394	395	0.12
Total United Kingdom		158,514	47.63
UNITED STATES - 0.15% (0.00%)			
Ferguson Enterprises	3,369	488	0.15
#Marriott International	96,061	-	-
Total United States		488	0.15
AUSTRALIA - 0.11% (0.15%)			
BHP Group	18,193	370	0.11
Total Australia		370	0.11
CHANNEL ISLANDS - 0.00% (0.19%)			
IRELAND - 26.58% (23.64%)			
Cross Asset Trend Fund	598,470	4,930	1.48
DCC (London listed)	6,519	339	0.10
+HSBC Global Funds ICAV - Global Emerging Market Government Bond Index Fund	524,621	3,523	1.06
+HSBC Global Sterling Liquidity Fund	14,520,338	14,520	4.36
+HSBC MSCI Emerging Markets UCITS ETF	550,192	4,785	1.44
+HSBC MSCI UCITS ETF	25,651	1,646	0.49
+HSBC Multi Factor Worldwide Equity Fund	1,922,239	25,381	7.63
iShares Bloomberg Enhanced Roll Yield Commodity Swap UCITS ETF	1,089,303	6,833	2.05
iShares Digital Security UCITS ETF	103,046	760	0.23
iShares Edge MSCI USA Quality Factor UCITS ETF	5,656	9,913	2.98
iShares Global Timber & Forestry ETF	50,125	1,081	0.32
iShares Global Water UCITS ETF	33,475	1,747	0.53
Passim Structured Funds Cross Asset Trend Strategy B Acc	52,040	5,021	1.51
Smurfit Westrock	11,470	494	0.15
UBS Global Gender ETF	101,469	1,661	0.50
VanEck Semiconductor UCITS ETF	27,890	966	0.29
Xtrackers Artificial Intelligence & Big Data UCITS ETF	12,199	1,401	0.42
Xtrackers IE Physical Gold ETC	102,560	3,455	1.04
Total Ireland		88,456	26.58
LUXEMBOURG - 23.35% (25.64%)			
Amundi MSCI Turkey UCITS ETF	26,854	1,047	0.31
+HGIF Equity Sustainable Healthcare ZC	198,065	1,929	0.58
+HSBC GIF Frontier Markets Fund	141,582	3,583	1.08
+HSBC GIF Global Emerging Markets Bond Fund	455,384	2,795	0.84
+HSBC GIF Global Emerging Markets Local Debt Fund	2,064,476	12,422	3.73

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
+HSBC GIF Global Government Bond ZD	814,150	7,106	2.14
+HSBC GIF Global High Yield Bond Fund	1,441,489	10,663	3.20
+HSBC GIF Global Inflation Linked Bond	339,339	2,583	0.78
+HSBC GIF Global Infrastructure Equity	1,316,370	11,759	3.53
+HSBC GIF Global Investment Grade Securitised Credit Bond Fund	287,876	2,369	0.71
+HSBC GIF Global Real Estate Equity Fund	1,618,939	11,742	3.53
+HSBC GIF Multi-Asset Style Factors Fund	326,642	3,358	1.01
+HSBC Global Equity Circular Economy	130,050	1,502	0.45
Lyxor MSCI Millennials ESG ETF	60,706	810	0.24
Xtrackers CSI300 Swap UCITS ETF	340,178	4,045	1.22
Total Luxembourg		77,713	23.35

FORWARD FOREIGN EXCHANGE CONTRACTS - (0.46%) (0.28%)

#JPY Forward Currency Contract 16/01/2025	JPY 778,184,300	61	0.02
#GBP Forward Currency Contract 16/01/2025	(GBP 4,000,738)		
#GBP Forward Currency Contract 16/01/2025	GBP 8,448,769	(132)	(0.04)
#EUR Forward Currency Contract 16/01/2025	(EUR 10,206,344)		
#GBP Forward Currency Contract 16/01/2025	GBP 1,997,252	(30)	(0.01)
#CHF Forward Currency Contract 16/01/2025	(CHF 2,264,910)		
#GBP Forward Currency Contract 16/01/2025	GBP 39,238,750	(1,417)	(0.43)
#USD Forward Currency Contract 16/01/2025	(USD 49,838,000)		
#GBP Forward Currency Contract 16/01/2025	GBP 69,676	(2)	-
#USD Forward Currency Contract 16/01/2025	(USD 88,551)		
#JPY Forward Currency Contract 20/02/2025	JPY 761,620,022	5	-
#GBP Forward Currency Contract 20/02/2025	(GBP 3,986,745)		
#GBP Forward Currency Contract 16/01/2025	GBP 4,055,705	(6)	-
#JPY Forward Currency Contract 16/01/2025	(JPY 778,184,300)		
#GBP Forward Currency Contract 20/02/2025	GBP 41,117,700	381	0.11
#USD Forward Currency Contract 20/02/2025	(USD 49,926,551)		
#EUR Forward Currency Contract 16/01/2025	EUR 10,206,344	(26)	(0.01)
#GBP Forward Currency Contract 16/01/2025	(GBP 8,606,602)		
#CHF Forward Currency Contract 16/01/2025	CHF 2,264,910	(5)	-
#GBP Forward Currency Contract 16/01/2025	(GBP 2,032,057)		
#USD Forward Currency Contract 16/01/2025	USD 49,926,551	(378)	(0.11)
#GBP Forward Currency Contract 16/01/2025	(GBP 41,106,698)		
#GBP Forward Currency Contract 20/02/2025	GBP 8,369,853	26	0.01
#EUR Forward Currency Contract 20/02/2025	(EUR 9,908,431)		
#GBP Forward Currency Contract 20/02/2025	GBP 1,990,680	5	-
#CHF Forward Currency Contract 20/02/2025	(CHF 2,209,498)		
#USD Forward Currency Contract 20/02/2025	USD 1,753,774	(13)	-
#GBP Forward Currency Contract 20/02/2025	(GBP 1,443,554)		
Total Forward Foreign Exchange Contracts		(1,531)	(0.46)

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
FUTURES - (0.17%) (0.11%)			
CBT US 10yr Ultra Future March 2025	64	65	0.02
CME S&P 500 EMINI Future March 2025	28	(157)	(0.05)
CME S&P EMINI Communication Service Future March 2025	23	(108)	(0.03)
CME XAF Financial March 2025	20	(5)	-
EUX Euro Stoxx 50 Future March 2025	(159)	(122)	(0.04)
EUX Stoxx 600 Bank Future March 2025	375	138	0.04
ICF FTSE 100 Index Future March 2025	7	(1)	-
ICF FTSE 250 Index Future March 2025	77	(87)	(0.03)
ICF Long Gilt Future March 2025	103	(378)	(0.11)
MFM IBEX 35 Index Future February 2025	34	73	0.02
OSE Topix Index Future March 2025	105	28	0.01
Total Futures		(554)	(0.17)
Portfolio of investments		323,456	97.19
Net other assets		9,357	2.81
Net assets		332,813	100.00

+Investment managed by the ACD/HSBC Group

#unlisted

Figures in brackets denote the comparative percentage holdings as at 15 January 2024.

Unless otherwise stated, all investments are listed securities.

The counterparty for futures is HSBC Bank.

The counterparties for the forward foreign exchange contracts are Credit Agricole, HSBC Bank, JP Morgan and UBS.

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

Comparative Tables

for the year ended 15 January 2025

Retail Accumulation#	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	255.10p	245.30p	251.60p
Return before operating charges*	35.26p	13.68p	(2.46p)
Operating charges**	(3.84p)	(3.88p)	(3.84p)
Return after operating charges*	31.42p	9.80p	(6.30p)
Distributions on accumulation shares	(2.06p)	(3.68p)	(2.25p)
Retained distributions on accumulation shares	2.06p	3.68p	2.25p
Cancellation Price	(286.52p)	-	-
Closing net asset value per share	-	255.10p	245.30p
*after direct transaction costs of: ***	0.01p	0.03p	0.04p
Performance			
Return after charges	12.32%	4.00%	(2.50%)
Other information			
Closing net asset value	N/A	£21,080	£22,017
Closing number of shares	N/A	8,264	8,977
Operating charges - OCF	N/A	1.69%	1.67%
Direct transaction costs	N/A	0.01%	0.02%
Prices			
Highest share price	287.60p	256.30p	254.17p
Lowest share price	252.20p	236.70p	229.21p

Income C	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	159.20p	155.40p	160.90p
Return before operating charges*	21.51p	8.59p	(1.58p)
Operating charges**	(1.01p)	(0.91p)	(0.94p)
Return after operating charges*	20.50p	7.68p	(2.52p)
Distributions on Income shares	(4.40p)	(3.88p)	(2.98p)
Closing net asset value per share	175.30p	159.20p	155.40p
*after direct transaction costs of: ***	0.01p	0.02p	0.02p
Performance			
Return after charges	12.88%	4.94%	(1.57%)
Other information			
Closing net asset value	£13,659,301	£13,583,843	£14,843,075
Closing number of shares	7,790,967	8,531,270	9,552,354
Operating charges - OCF	0.69% ****	0.69%	0.67%
Direct transaction costs	0.01%	0.01%	0.02%
Prices			
Highest share price	178.90p	161.70p	162.88p
Lowest share price	157.50p	149.80p	146.07p

#The Retail Accumulation share class closed on 12 December 2024.

**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 15 January 2025

Accumulation C	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	281.50p	268.00p	272.20p
Return before operating charges*	38.20p	15.08p	(2.60p)
Operating charges**	(1.80p)	(1.58p)	(1.60p)
Return after operating charges*	36.40p	13.50p	(4.20p)
Distributions on accumulation shares	(7.82p)	(6.73p)	(5.07p)
Retained distributions on accumulation shares	7.82p	6.73p	5.07p
Closing net asset value per share	317.90p	281.50p	268.00p
*after direct transaction costs of: ***	0.02p	0.04p	0.04p
Performance			
Return after charges	12.93%	5.04%	(1.54%)
Other information			
Closing net asset value	£53,810,737	£48,864,751	£49,207,090
Closing number of shares	16,928,495	17,358,452	18,362,321
Operating charges - OCF	0.69% ****	0.69%	0.67%
Direct transaction costs	0.01%	0.01%	0.02%
Prices			
Highest share price	320.10p	282.70p	275.48p
Lowest share price	278.30p	259.10p	249.79p

Institutional Accumulation	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	291.80p	276.20p	278.90p
Return before operating charges*	39.67p	15.67p	(2.64p)
Operating charges**	(0.07p)	(0.07p)	(0.06p)
Return after operating charges*	39.60p	15.60p	(2.70p)
Distributions on accumulation shares	(9.94p)	(8.51p)	(6.80p)
Retained distributions on accumulation shares	9.94p	8.51p	6.80p
Closing net asset value per share	331.40p	291.80p	276.20p
*after direct transaction costs of: ***	0.02p	0.04p	0.04p
Performance			
Return after charges	13.57%	5.65%	(0.97%)
Other information			
Closing net asset value	£265,342,836	£265,229,401	£274,349,437
Closing number of shares	80,073,594	90,899,651	99,327,979
Operating charges - OCF	0.11% ****	0.13%	0.10%
Direct transaction costs	0.01%	0.01%	0.02%
Prices			
Highest share price	333.20p	293.00p	283.00p
Lowest share price	288.50p	267.00p	257.00p

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

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

****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 15 January 2025

	Notes	15.1.25		15.1.24	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		32,092		7,028
Revenue	3	10,588		10,000	
Expenses	4	(442)		(423)	
Interest payable and similar charges		(16)		(3)	
Net revenue before taxation		10,130		9,574	
Taxation	5	(212)		695	
Net revenue after taxation			9,918		10,269
Total return before distributions			41,970		17,297
Distributions	6		(10,129)		(9,616)
Change in net assets attributable to shareholders from investment activities			31,881		7,681

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15 January 2025

	15.1.25		15.1.24	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		327,699		338,422
Amounts receivable on creation of shares	3,588		1,851	
Amounts payable on cancellation of shares	(39,831)		(29,360)	
		(36,243)		(27,509)
Dilution adjustment		10		-
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		31,881		7,681
Retained distribution on accumulation shares		9,466		9,105
Closing net assets attributable to shareholders		332,813		327,699

Balance Sheet

as at 15 January 2025

	Notes	15.1.25		15.1.24	
		£'000	£'000	£'000	£'000
Assets					
Investments			326,323		320,811
Current assets					
Debtors	8	4,419		3,107	
Cash and bank balances		6,834		5,034	
Total current assets			11,253		8,141
Total assets			337,576		328,952
Liabilities					
Investment liabilities			(2,867)		(18)
Creditors					
Distribution payable on income shares		(180)		(152)	
Other creditors	9	(1,716)		(1,083)	
Total creditors			(1,896)		(1,235)
Total liabilities			(4,763)		(1,253)
Net assets attributable to shareholders			332,813		327,699

Distribution Tables (pence per share)

for the year ended 15 January 2025

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 14.3.25</i>	<i>Distribution paid 15.3.24</i>
Group 1: Shares purchased prior to 16 July 2024				
Group 2: Shares purchased from 16 July 2024 to 15 January 2025				
Retail Accumulation†				
Group 1	n/a	-	n/a	1.590176
Group 2	n/a	n/a	n/a	1.590176
Income C				
Group 1	2.306258	-	2.306258	1.785302
Group 2	1.723454	0.582804	2.306258	1.785302
Accumulation C				
Group 1	4.120274	-	4.120274	3.126005
Group 2	2.545410	1.574864	4.120274	3.126005
Institutional Accumulation				
Group 1	5.226155	-	5.226155	4.024452
Group 2	4.755755	0.470400	5.226155	4.024452
†The Retail Accumulation share class closed on 12 December 2024.				

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 13.9.24</i>	<i>Distribution paid 15.9.23</i>
Group 1: Shares purchased prior to 16 January 2024				
Group 2: Shares purchased from 16 January 2024 to 15 July 2024				
Retail Accumulation				
Group 1	2.060000	-	2.060000	2.090000
Group 2	2.060000	0.000000	2.060000	2.090000
Income C				
Group 1	2.090000	-	2.090000	2.090000
Group 2	1.000000	1.090000	2.090000	2.090000
Accumulation C				
Group 1	3.700000	-	3.700000	3.600000
Group 2	2.410000	1.290000	3.700000	3.600000
Institutional Accumulation				
Group 1	4.710000	-	4.710000	4.490000
Group 2	4.710000	0.000000	4.710000	4.490000

Notes to the Financial Statements

for the year ended 15 January 2025

	15.1.25	15.1.24
	£'000	£'000
1. Accounting Policies		
The accounting policies are set out on pages 11 and 12.		
2. Net Capital Gains		
The net capital gains during the year comprise:		
Currency gains/(losses)	117	(8)
Transaction charges	(6)	(6)
Management fee rebates	4	5
Capital special dividends	32	-
Gains on derivative contracts	771	493
(Losses)/gains on forward foreign currency contracts	(1,537)	1,420
Gains on non-derivative securities	32,711	5,124
Net capital gains	32,092	7,028
Realised gains/(losses) in the current accounting year include unrealised gains/(losses) arising in previous years.		
3. Revenue		
UK dividends (net)	1,080	1,236
Unfranked dividends	48	-
Property investment income	-	38
Overseas dividends	60	77
Dividend distributions from overseas authorised ICVCs and unit trusts	2,254	2,473
Franked distributions from authorised ICVCs and unit trusts	1,695	2,372
Interest distributions from authorised ICVCs and unit trusts	5,276	3,666
Deposit interest	82	24
Bank interest	80	113
Stock lending income	13	1
Total revenue	10,588	10,000
4. Expenses		
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's charge	362	341
Safe custody fee	15	18
	377	359
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	31	31
Other expenses:		
Audit fee	10	11
Professional fee	-	8
Report and accounts fee	6	6
Administration fee	18	8
	34	33
Total expenses	442	423
Audit fees including VAT for the year were £10,547 (2024: £9,720).		

	15.1.25	15.1.24
	£'000	£'000
5. Taxation		
a) Analysis of tax charge in year:		
Irrecoverable income tax	2	-
Deferred tax charge/(credit) in profit and loss account for the year	210	(695)
Total tax for the year (note 5b)	212	(695)
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	10,130	9,574
Corporation tax at 20%	2,026	1,915
Effects of:		
Revenue not subject to taxation	(1,018)	(1,232)
Excess management expenses utilised	(757)	(1,420)
Taxable income in capital	-	1
Irrecoverable income tax	2	-
Realised gains on non-qualifying offshore funds	-	23
Unrealised gains on non-qualifying offshore fund	-	18
Adjustments in respect of prior years	(41)	-
Total tax charge for the year (note 5a)	212	(695)
c) Provision for deferred taxation		
Provision at start of the year	1,715	1,020
Deferred tax (charge)/credit in profit and loss account for the year (note 5a)	(210)	695
Provision at end of year (note 5a)	1,505	1,715
At 15 January 2025, there is no unrecognised deferred tax asset (15.1.24: £756,934) in relation to surplus management expenses.		
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	4,753	5,091
Final dividend distribution	5,062	4,353
	9,815	9,444
Add: Amounts deducted on cancellation of shares	333	182
Deduct: Amounts received on issue of shares	(19)	(10)
Net distribution for the year	10,129	9,616
7. Movement Between Net Revenue and Distributions		
Net revenue after taxation	9,918	10,269
Deferred tax charge/(credit) for the year	211	(695)
Tax relief on expenses transferred to capital	-	42
Net distribution for the year	10,129	9,616

	15.1.25	15.1.24
	£'000	£'000
8. Debtors		
Amounts receivable for creation of shares	88	127
Sales awaiting settlement	2,141	-
Accrued revenue	577	1,159
Management fee rebates receivable/Monies due from ACD	2	2
Overseas tax recoverable	91	96
Income tax recoverable	15	8
Deferred tax	1,505	1,715
Total debtors	4,419	3,107
9. Other Creditors		
Amounts payable for cancellation of shares	542	978
Purchases awaiting settlement	1,103	-
Accrued expenses	54	88
Compensation payment due	17	17
Total other creditors	1,716	1,083

10. Reconciliation of Shares

	<i>Retail Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>	<i>Institutional Accumulation</i>
Opening shares issued at 16.1.24	8,264	8,531,270	17,358,452	90,899,651
Share movements 16.1.24 to 15.1.25				
Shares issued	-	165,812	1,083,281	18,975
Shares cancelled	(8,264)	(906,115)	(1,498,071)	(10,859,613)
Shares converted	-	-	(15,167)	14,581
Closing shares issued at 15.1.25	-	7,790,967	16,928,495	80,073,594

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 Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>
	%	%	%
As at 15.1.25	0.03	83.81	5.67
As at 15.1.24	100.00	86.14	6.28

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 £487,929 (15.1.24: £922,069). Further details of such amounts can be found in notes 8 and 9.

At the year end, the Fund held £254,960,123 (15.1.24: £234,840,550) 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 and/or HSBC Holdings totalled £218,929,534 (15.1.24: £206,459,594).

Investments in funds managed by the ACD are disclosed in the Portfolio Statement.

12. Financial Instruments

The financial instrument risks and risk management policies are set out on pages 13 and 14.

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</i>		<i>Net assets</i>	
	15.1.25	<i>15.1.24</i>	15.1.25	<i>15.1.24</i>	15.1.25	<i>15.1.24</i>
	£'000	<i>£'000</i>	£'000	<i>£'000</i>	£'000	<i>£'000</i>
Sterling*	183,970	182,462	5,350	5,782	189,320	188,244
Danish krone	-	-	-	3	-	3
Euro	8,271	7,800	944	314	9,215	8,114
Japanese yen	22	55	289	-	311	55
Swiss franc	(25)	-	17	17	(8)	17
United States dollar	131,218	130,476	2,757	790	133,975	131,266
Total	323,456	320,793	9,357	6,906	332,813	327,699

*No currency risk as Sterling is the base currency.

Interest Rate Risk

At the year end, 2.05% (15.1.24: 1.54%) 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 a retail share class, an institutional share class and a C share class.

The annual ACD charge on the retail share class is 1.50%, nil on the institutional share class and 0.55% on the C 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 Table on pages 21 and 22. The distribution per share class is given in the Distribution Tables on page 24.

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 £4,381 (15.1.24: £nil) 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 and forward currency contracts.

Details of the individual contracts are shown on the Portfolio Statement on pages 17 to 20, and the total position by the counterparty at the year end is summarised below. The underlying exposure for each category of derivatives were as follows:

Counterparty	Forward Currency £'000		Total £'000	
	2025	2024	2025	2024
CACIB France	-	881	-	881
Credit Agricole	87	-	87	-
HSBC Bank	5	66	5	66
JP Morgan	386	-	386	-
Merrill Lynch	-	4	-	4

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 15 January 2025, there was no collateral held in respect of the above derivatives (15.1.24: £nil).

16. Contingent Liabilities and Commitments

At the year end, the Fund had no contingent liabilities or commitments (15.1.24: none).

17. Portfolio Transaction Costs

For the year ended 15 January 2025	<i>Purchases</i>		<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	
Analysis of total purchases costs								
Equity transactions	1,750	-	-	7	0.40	2	0.11	
Pooled investment vehicles	131,861	2	-	-	-	-	-	
Corporate actions	416	-	-	-	-	-	-	
Total purchases before transaction costs	134,027	2		7		2		
Transaction costs	11							
Total purchases after commission, tax and fees	134,038							
	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>		
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	
Analysis of total sales costs								
Equity transactions	6,239	2	0.03	-	-	-	-	
Pooled investment vehicles	156,673	3	-	-	-	-	-	
Total sales before transaction costs	162,912	5		-		-		
Transaction costs	(5)							
Total sales after commission, tax and fees	162,907							

The Fund had paid £9,408 as commission on purchases and sales derivative transactions for the year ended 15.1.25.

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

Commissions	0.01%
Taxes	0.00%
Other expenses	0.00%

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 15 January 2024	<i>Purchases</i>		<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	
Analysis of total purchases costs								
Equity transactions	3,650	1	0.03	18	0.49	-	-	
Pooled investment vehicles	138,202	13	0.01	-	-	-	-	
Corporate actions	204	-	-	-	-	-	-	
Total purchases before transaction costs	142,056	14		18		-		
Transaction costs	32							
Total purchases after commission, tax and fees	142,088							
	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>		
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	
Analysis of total sales costs								
Equity transactions	9,343	2	0.02	-	-	-	-	
Pooled investment vehicles	151,690	10	0.01	-	-	-	-	
Total sales before transaction costs	161,033	12		-		-		
Transaction costs	(12)							
Total sales after commission, tax and fees	161,021							

The Fund had paid £528 as commission on purchases and sales derivative transactions for the year ended 15.1.24.

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

Commissions	0.01%
Taxes	0.00%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.02%, 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 15 January 2025

Category	1	2	3	Total
Investment Assets	£'000	£'000	£'000	£'000
Equities	26,913	-	-	26,913
Pooled investment vehicles	38,266	260,362	-	298,628
Derivatives	304	478	-	782
	65,483	260,840	-	326,323
Investment Liabilities	£'000	£'000	£'000	£'000
Derivatives	(858)	(2,009)	-	(2,867)
	(858)	(2,009)	-	(2,867)

For the year ended 15 January 2024

Category	1	2	3	Total
Investment Assets	£'000	£'000	£'000	£'000
Equities	30,428	-	-	30,428
Pooled investment vehicles	44,879	244,204	-	289,083
Derivatives	349	951	-	1,300
	75,656	245,155	-	320,811
Investment Liabilities	£'000	£'000	£'000	£'000
Derivatives	-	(18)	-	(18)
	-	(18)	-	(18)

19. Sensitivity Analysis

Price risk sensitivity:

If the price of investments at 15 January 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 £32,345,647 (15.1.24: £32,079,291).

Currency risk sensitivity:

If the exchange rate at 15 January 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 £14,349,208 (15.1.24: £13,945,462).

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 (15.1.24: no significant exposure).

UK Growth & Income

Investment Objective

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

Investment Policy

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

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

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

Investment Strategy*

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

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

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

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

*The full strategy can be found in the prospectus.

Portfolio Activity

Contributors to relative performance included Barclays plc (Financials) with a total effect of 1.13%. Additionally, Natwest Group plc (Financials) was in the top two contributors with a total effect of 1.13%.

Detractors included Prudential plc (Financials) with a total effect of -0.51% and BHP Group Ltd (Basic Materials) with a total effect of -0.50%.

During this period, positions were initiated in Smurfit Westrock plc, Bodycote plc, Raspberry PI Holdings plc and A.G. Barr plc, and closed in Smurfit Kappa Group plc and Britvic plc.

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

Investment Performance

During the year under review, the value of the shares in the Fund increased by 10.91% while the value of the FTSE All-Share Index rose by 13.33%.

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

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

Fund Particulars

as at 16 January 2025

	Retail Income	Retail Accumulation	Retail B Income	Retail B Accumulation
Price	67.70p xd	165.90p	78.51p xd	192.60p
Distribution payable (on 14 March 2025) per share net	1.141672p	2.741797p	1.334278p	3.203059p
Current net estimated yield	3.84%	3.67%	3.82%	3.65%
Annual ACD charge	1.50%	1.50%	0.60%	0.60%

	Institutional Income	Institutional A Accumulation	Income C	Accumulation C
Price	78.22p xd	181.60p	74.75p xd	180.50p
Distribution payable (on 14 March 2025) per share net	1.327091p	2.994210p	1.252002p	2.976488p
Current net estimated yield	3.79%	3.65%	3.82%	3.65%
Annual ACD charge	0.00%	0.75%	0.80%	0.80%

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Oil & Gas - 13.13% (13.89%)			
BP	2,737,110	11,578	4.77
Shell	756,903	20,296	8.36
Total Oil & Gas		31,874	13.13
Basic Materials - 6.58% (8.07%)			
Antofagasta	265,508	4,504	1.85
BHP Group	127,677	2,598	1.07
Rio Tinto	153,977	7,597	3.13
Victrex	124,390	1,291	0.53
Total Basic Materials		15,990	6.58
Industrials - 19.90% (19.64%)			
BAE Systems	692,895	8,232	3.39
Bodycote	258,817	1,656	0.68
Chemring Group	870,116	2,845	1.17
Coats Group	2,894,458	2,648	1.09
DCC (London listed)	54,862	2,853	1.17
Ferguson Enterprises	28,168	4,079	1.68
Hays	1,659,530	1,240	0.51
Ibstock	1,549,069	2,637	1.09
Intertek Group	111,663	5,338	2.20
QinetiQ	1,079,914	4,434	1.83
Rentokil Initial	1,222,424	4,656	1.92
Smurfit Westrock	99,696	4,290	1.77
Volution Group	641,713	3,407	1.40
Total Industrials		48,315	19.90
Consumer Goods - 13.60% (15.41%)			
AG Barr	115,837	666	0.27
Barratt Developments	777,208	3,269	1.35
Diageo	75,199	1,775	0.73
Imperial Brands	250,939	6,472	2.67
Tate & Lyle	587,142	3,775	1.55
Taylor Wimpey	3,332,800	3,811	1.57
Tesco	2,138,290	7,709	3.17
Unilever	124,383	5,552	2.29
Total Consumer Goods		33,029	13.60
Healthcare - 9.54% (10.38%)			
AstraZeneca	94,118	10,018	4.13
GSK	690,436	9,162	3.77
Hikma Pharmaceuticals	196,156	3,978	1.64
Total Healthcare		23,158	9.54

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Consumer Services - 7.12% (7.63%)			
Compass Group	359,930	9,618	3.96
Mony Group	1,067,737	1,990	0.82
Next	61,469	5,687	2.34
Total Consumer Services		17,295	7.12
Utilities - 4.16% (3.80%)			
Drax Group	719,049	4,512	1.86
SSE	353,201	5,588	2.30
Total Utilities		10,100	4.16
Financials - 19.04% (14.92%)			
Barclays	3,664,977	10,297	4.24
+HSBC Holdings (London listed)	1,647,634	13,254	5.45
IG Group	566,232	5,792	2.39
NatWest Group	2,072,839	8,397	3.46
Phoenix Group Holdings	927,106	4,617	1.90
Prudential	633,396	3,880	1.60
Total Financials		46,237	19.04
Technology - 5.85% (0.00%)			
FDM Group	248,251	664	0.27
Raspberry Pi	191,018	1,143	0.47
Rightmove	883,715	5,541	2.28
Sage Group	532,889	6,869	2.83
Total Technology		14,217	5.85
Futures - 0.00% (0.00%)			
ICF FTSE 100 Index Future March 2025	32	12	-
Total Futures		12	-
Portfolio of investments		240,227	98.92
Net other assets		2,619	1.08
Net assets		242,846	100.00

+Investment managed by the ACD/HSBC Group.

Figures in brackets denote the comparative percentage holdings as at 15 January 2024.

Unless otherwise stated, all investments are listed equities.

The counterparty for futures is HSBC Bank.

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

Comparative Tables

for the year ended 15 January 2025

Retail Income	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	62.98p	65.46p	65.27p
Return before operating charges*	7.95p	1.07p	3.88p
Operating charges**	(1.04p)	(0.97p)	(0.96p)
Return after operating charges*	6.91p	0.10p	2.92p
Distributions on income shares	(2.53p)	(2.58p)	(2.73p)
Closing net asset value per share	67.36p	62.98p	65.46p
*after direct transaction costs of:***	0.02p	0.04p	0.07p
Performance			
Return after charges	10.97%	0.15%	4.47%
Other information			
Closing net asset value	£3,011,713	£3,194,058	£3,600,154
Closing number of shares	4,471,345	5,071,300	5,499,436
Operating charges - OCF	1.54%****	1.53%	1.53%
Direct transaction costs	0.03%	0.07%	0.12%
Prices			
Highest share price	70.76p	67.14p	66.67p
Lowest share price	61.66p	60.10p	57.28p

Retail Accumulation	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	148.70p	148.30p	141.60p
Return before operating charges*	18.78p	2.63p	8.81p
Operating charges**	(2.48p)	(2.23p)	(2.11p)
Return after operating charges*	16.30p	0.40p	6.70p
Distributions on accumulation shares	(6.03p)	(5.91p)	(5.98p)
Retained distributions on accumulation shares	6.03p	5.91p	5.98p
Closing net asset value per share	165.00p	148.70p	148.30p
*after direct transaction costs of:***	0.04p	0.10p	0.16p
Performance			
Return after charges	10.96%	0.27%	4.73%
Other information			
Closing net asset value	£1,680,128	£1,737,601	£1,809,718
Closing number of shares	1,018,175	1,168,570	1,220,204
Operating charges - OCF	1.54%****	1.53%	1.53%
Direct transaction costs	0.03%	0.07%	0.12%
Prices			
Highest share price	168.90p	152.10p	148.20p
Lowest share price	145.60p	137.80p	127.30p

**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 15 January 2025

Retail B Income	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	72.38p	74.55p	73.66p
Return before operating charges*	9.17p	1.25p	4.44p
Operating charges**	(0.49p)	(0.46p)	(0.45p)
Return after operating charges*	8.68p	0.79p	3.99p
Distributions on income shares	(2.94p)	(2.96p)	(3.10p)
Closing net asset value per share	78.12p	72.38p	74.55p
*after direct transaction costs of:***	0.02p	0.05p	0.08p
Performance			
Return after charges	11.99%	1.06%	5.42%
Other information			
Closing net asset value	£55,851,612	£57,392,597	£65,469,455
Closing number of shares	71,496,082	79,289,825	87,816,676
Operating charges - OCF	0.60%	0.60%	0.60%
Direct transaction costs	0.03%	0.07%	0.12%
Prices			
Highest share price	81.58p	76.52p	75.92p
Lowest share price	70.86p	68.94p	65.07p

Retail B Accumulation	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	171.10p	169.10p	160.00p
Return before operating charges*	21.67p	3.05p	10.09p
Operating charges**	(1.17p)	(1.05p)	(0.99p)
Return after operating charges*	20.50p	2.00p	(9.10p)
Distributions on accumulation shares	(7.02p)	(6.79p)	(6.81p)
Retained distributions on accumulation shares	7.02p	6.79p	6.81p
Closing net asset value per share	191.60p	171.10p	169.10p
*after direct transaction costs of:***	0.05p	0.11p	0.18p
Performance			
Return after charges	11.98%	1.18%	5.69%
Other information			
Closing net asset value	£2,567,639	£2,900,078	£3,073,879
Closing number of shares	1,339,909	1,695,087	1,817,839
Operating charges - OCF	0.60%	0.60%	0.60%
Direct transaction costs	0.03%	0.07%	0.12%
Prices			
Highest share price	195.40p	173.70p	168.90p
Lowest share price	167.50p	157.80p	144.80p

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

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

Comparative Tables

for the year ended 15 January 2025

Institutional Income	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	71.68p	73.38p	72.05p
Return before operating charges*	9.08p	1.23p	4.37p
Operating charges**	(0.02p)	(0.01p)	(0.01p)
Return after operating charges*	9.06p	1.22p	4.36p
Distributions on income shares	(2.92p)	(2.92p)	(3.03p)
Closing net asset value per share	77.82p	71.68p	73.38p
*after direct transaction costs of:***	0.02p	0.05p	0.08p
Performance			
Return after charges	12.64%	1.66%	6.05%
Other information			
Closing net asset value	£13,863,623	£12,703,448	£15,532,474
Closing number of shares	17,814,052	17,723,514	21,168,271
Operating charges - OCF	0.02%****	0.02%	0.02%
Direct transaction costs	0.03%	0.07%	0.12%
Prices			
Highest share price	81.00p	75.14p	74.72p
Lowest share price	70.00p	68.18p	63.94p

Institutional Accumulation#	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	N/A	N/A	74.61p
Return before operating charges*	N/A	N/A	(0.48p)
Operating charges**	N/A	N/A	-
Return after operating charges*	N/A	N/A	(0.48p)
Distributions on accumulation shares	N/A	N/A	-
Retained distributions on accumulation shares	N/A	N/A	-
Cancellation price	N/A	N/A	(74.13p)
Closing net asset value per share	N/A	N/A	0.00p
*after direct transaction costs of:***	N/A	N/A	0.08p
Performance			
Return after charges	N/A	N/A	(0.64%)
Other information			
Closing net asset value	N/A	N/A	N/A
Closing number of shares	N/A	N/A	N/A
Operating charges - OCF	N/A	N/A	N/A
Direct transaction costs	N/A	N/A	N/A
Prices			
Highest share price	N/A	N/A	75.40p
Lowest share price	N/A	N/A	68.49p

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

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

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

**** With effect from 28 March 2024, Administrator and Electronic Service Fees have been charged to this Share Class.

Comparative Tables

for the year ended 15 January 2025

Institutional A Accumulation	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	161.60p	160.00p	151.60p
Return before operating charges*	20.39p	2.83p	9.55p
Operating charges**	(1.39p)	(1.23p)	(1.15p)
Return after operating charges*	19.00p	1.60p	8.40p
Distributions on accumulation shares	(6.57p)	(6.39p)	(6.42p)
Retained distributions on accumulation shares	6.57p	6.39p	6.42p
Closing net asset value per share	180.60p	161.60p	160.00p
*after direct transaction costs of:***	0.04p	0.10p	0.17p
Performance			
Return after charges	11.76%	1.00%	5.54%
Other information			
Closing net asset value	£1,821,717	£1,839,859	£1,798,058
Closing number of shares	1,008,456	1,138,706	1,124,067
Operating charges - OCF	0.79%****	0.78%	0.78%
Direct transaction costs	0.03%	0.07%	0.12%
Prices			
Highest share price	184.00p	163.70p	159.80p
Lowest share price	158.00p	149.10p	137.00p
Income C	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	69.01p	71.22p	70.51p
Return before operating charges*	8.72p	1.19p	4.23p
Operating charges**	(0.63p)	(0.58p)	(0.57p)
Return after operating charges*	8.09p	0.61p	3.66p
Distributions on income shares	(2.78p)	(2.82p)	(2.95p)
Closing net asset value per share	74.32p	69.01p	71.22p
*after direct transaction costs of:***	0.02p	0.05p	0.08p
Performance			
Return after charges	11.72%	0.86%	5.19%
Other information			
Closing net asset value	£113,957,171	£118,264,565	£134,065,882
Closing number of shares	153,330,758	171,382,199	188,242,643
Operating charges - OCF	0.84%****	0.83%	0.83%
Direct transaction costs	0.03%	0.07%	0.12%
Prices			
Highest share price	77.74p	73.10p	72.54p
Lowest share price	67.57p	65.77p	62.21p
**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 15 January 2025

Accumulation C	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	160.70p	159.10p	150.90p
Return before operating charges*	20.27p	2.90p	9.42p
Operating charges**	(1.47p)	(1.30p)	(1.22p)
Return after operating charges*	18.80p	1.60p	8.20p
Distributions on accumulation shares	(6.54p)	(6.36p)	(6.39p)
Retained distributions on accumulation shares	6.54p	6.36p	6.39p
Closing net asset value per share	179.50p	160.70p	159.10p
*after direct transaction costs of: ***	0.04p	0.10p	0.17p
Performance			
Return after charges	11.70%	1.01%	5.43%
Other information			
Closing net asset value	£50,092,522	£50,120,094	£54,363,445
Closing number of shares	27,900,606	31,196,649	34,162,457
Operating charges - OCF	0.84% ****	0.83%	0.83%
Direct transaction costs	0.03%	0.07%	0.12%
Prices			
Highest share price	183.20p	163.30p	159.00p
Lowest share price	157.30p	148.30p	136.30p
<p>**The operating charges include all costs borne by the Fund, except for direct transaction costs.</p> <p>***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.</p> <p>****With effect from 28 March 2024, Administrator and Electronic Service Fees have been charged to this Share Class.</p>			

Statement of Total Return

for the year ended 15 January 2025

	Notes	15.1.25		15.1.24	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		20,726		(6,723)
Revenue	3	9,684		10,748	
Expenses	4	(1,924)		(1,964)	
Net revenue before taxation		7,760		8,784	
Taxation	5	(6)		-	
Net revenue after taxation			7,754		8,784
Total return before distributions			28,480		2,061
Distributions	6		(9,581)		(10,670)
Change in net assets attributable to shareholders from investment activities			18,899		(8,609)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15 January 2025

	15.1.25		15.1.24	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		248,152		279,713
Amounts receivable on creation of shares	2,048		863	
Amounts payable on cancellation of shares	(28,388)		(26,123)	
		(26,340)		(25,260)
Dilution adjustment		18		11
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		18,899		(8,609)
Retained distribution on accumulation shares		2,117		2,297
Closing net assets attributable to shareholders		242,846		248,152

Balance Sheet

as at 15 January 2025

	Notes	15.1.25		15.1.24	
		£'000	£'000	£'000	£'000
Assets					
Investments			240,227		246,233
Current assets					
Debtors	8	6,202		5,783	
Cash and bank balances		-		697	
Total current assets			6,202		6,480
Total assets			246,429		252,713
Liabilities					
Creditors					
Bank overdrafts		(57)		-	
Distribution payable on income shares		(3,161)		(3,684)	
Other creditors	9	(365)		(877)	
Total creditors			(3,583)		(4,561)
Total liabilities			(3,583)		(4,561)
Net assets attributable to shareholders			242,846		248,152

Distribution Tables (pence per share)

for the year ended 15 January 2025

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 14.3.25</i>	<i>Distribution paid 15.3.24</i>
Group 1: Shares purchased prior to 16 July 2024				
Group 2: Shares purchased from 16 July 2024 to 15 January 2025				
Retail Income				
Group 1	1.141672	-	1.141672	1.211604
Group 2	0.576972	0.564700	1.141672	1.211604
Retail Accumulation				
Group 1	2.741797	-	2.741797	2.802216
Group 2	0.458539	2.283258	2.741797	2.802216
Retail B Income				
Group 1	1.334278	-	1.334278	1.392696
Group 2	0.504647	0.829631	1.334278	1.392696
Retail B Accumulation				
Group 1	3.203059	-	3.203059	3.220321
Group 2	1.403424	1.799635	3.203059	3.220321
Institutional Income				
Group 1	1.327091	-	1.327091	1.375513
Group 2	0.391354	0.935737	1.327091	1.375513
Institutional A Accumulation				
Group 1	2.994210	-	2.994210	3.025225
Group 2	1.286431	1.707779	2.994210	3.025225
Income C				
Group 1	1.252002	-	1.252002	1.327018
Group 2	0.742576	0.509426	1.252002	1.327018
Accumulation C				
Group 1	2.976488	-	2.976488	3.018904
Group 2	1.143162	1.833326	2.976488	3.018904

Distribution Tables (pence per share)

for the year ended 15 January 2025

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 13.9.24</i>	<i>Distribution paid 15.9.23</i>
Group 1: Shares purchased prior to 16 January 2024				
Group 2: Shares purchased from 16 January 2024 to 15 July 2024				
Retail Income				
Group 1	1.390000	-	1.390000	1.370000
Group 2	0.700000	0.690000	1.390000	1.370000
Retail Accumulation				
Group 1	3.290000	-	3.290000	3.110000
Group 2	0.370000	2.920000	3.290000	3.110000
Retail B Income				
Group 1	1.610000	-	1.610000	1.570000
Group 2	0.430000	1.180000	1.610000	1.570000
Retail B Accumulation				
Group 1	3.820000	-	3.820000	3.570000
Group 2	1.810000	2.010000	3.820000	3.570000
Institutional Income				
Group 1	1.590000	-	1.590000	1.540000
Group 2	1.430000	0.160000	1.590000	1.540000
Institutional A Accumulation				
Group 1	3.580000	-	3.580000	3.360000
Group 2	1.800000	1.780000	3.580000	3.360000
Income C				
Group 1	1.530000	-	1.530000	1.490000
Group 2	0.490000	1.040000	1.530000	1.490000
Accumulation C				
Group 1	3.560000	-	3.560000	3.340000
Group 2	1.560000	2.000000	3.560000	3.340000

Notes to the Financial Statements

for the year ended 15 January 2025

	15.1.25	15.1.24
	£'000	£'000
1. Accounting Policies		
The accounting policies are set out on pages 11 and 12.		
2. Net Capital Gains/(Losses)		
The net capital gains/(losses) during the year comprise:		
Currency losses	(5)	(1)
Transaction charges	(4)	-
Capital Special Dividend	267	-
Gains/(losses) on derivative contracts	262	(273)
Gains/(losses) on non-derivative securities	20,206	(6,449)
Net capital gains/(losses)	20,726	(6,723)
Realised gains/(losses) in the current accounting year include unrealised gains/(losses) arising in previous years.		
3. Revenue		
UK dividends (net)	9,095	10,035
Overseas dividends	499	603
Deposit interest	7	30
Bank interest	61	64
Rebate to control charge for Retail B classes	11	10
Inland Revenue interest	2	-
Stock dividends	9	6
Total revenue	9,684	10,748
4. Expenses		
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's charge	1,827	1,886
Safe custody fee	4	5
	1,831	1,891
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	25	26
Other expenses:		
Audit fee	11	11
Report and accounts fee	4	4
Administration fee	53	32
	68	47
Total expenses	1,924	1,964
Audit fees including VAT for the year were £10,547 (2024: £9,720).		

	15.1.25	15.1.24
	£'000	£'000
5. Taxation		
a) Analysis of tax charge in year:		
Overseas tax	6	-
Total tax for the year (note 5b)	6	-
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	7,760	8,784
Corporation tax at 20%	1,552	1,757
Effects of:		
Revenue not subject to taxation	(1,919)	(2,128)
Current year expenses not utilised	367	371
Overseas tax	6	-
Total tax charge for the year (note 5a)	6	-
c) Provision for deferred taxation		
At 15 January 2025, there is potential deferred tax asset of £39,476,208 (15.1.24: £39,109,543) in relation to surplus management expenses of £197,381,041 (15.1.24: £195,547,716). 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	5,202	5,614
Final dividend distribution	4,093	4,747
	9,295	10,361
Add: Amounts deducted on cancellation of shares	305	316
Deduct: Amounts received on issue of shares	(19)	(7)
Net distribution for the year	9,581	10,670
7. Movement Between Net Revenue and Distributions		
Net revenue after taxation	7,754	8,784
ACD's charge charged to capital	1,827	1,886
Net distribution for the year	9,581	10,670
8. Debtors		
Sales awaiting settlement	5,691	5,029
Accrued revenue	221	271
Overseas tax recoverable	290	483
Total debtors	6,202	5,783
9. Other Creditors		
Amounts payable for cancellation of shares	244	623
Accrued expenses	121	254
Total other creditors	365	877

10. Reconciliation of Shares

	<i>Retail Income</i>	<i>Retail Accumulation</i>	<i>Retail B Income</i>	<i>Retail B Accumulation</i>
Opening shares issued at 16.1.24	5,071,300	1,168,570	79,289,825	1,695,087
Share movements 16.1.24 to 15.1.25				
Shares issued	197,542	8,429	16,113	3,826
Shares cancelled	(797,497)	(158,824)	(7,761,495)	(359,004)
Shares converted	-	-	(48,361)	-
Closing shares issued at 15.1.25	4,471,345	1,018,175	71,496,082	1,339,909
	<i>Institutional Income</i>	<i>Institutional A Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>
Opening shares issued at 16.1.24	17,723,514	1,138,706	171,382,199	31,196,649
Share movements 16.1.24 to 15.1.25				
Shares issued	2,199,582	1,909	171,337	83,255
Shares cancelled	(2,109,044)	(130,953)	(18,273,536)	(3,380,511)
Shares converted	-	(1,206)	50,758	1,213
Closing shares issued at 15.1.25	17,814,052	1,008,456	153,330,758	27,900,606

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>Retail B Income</i>	<i>Retail B Accumulation</i>	<i>Institutional Income</i>
	%	%	%
As at 15.1.25	97.31	16.96	0.46
As at 15.1.24	97.47	15.35	100.00
	<i>Institutional A Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>
	%	%	%
As at 15.1.25	1.88	90.25	16.20
As at 15.1.24	5.20	90.35	16.15

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 £346,999 (15.1.24: £861,498). Further details of such amounts can be found in notes 8 and 9.

At the year end, the Fund held £13,253,568 (15.1.24: £9,929,814) in Authorised Investment Funds managed by HSBC and/or HSBC Holdings, the parent company of the ACD. During the year, transactions in Authorised Investment Funds managed by HSBC and/or HSBC Holdings totalled £2,251,315 (15.1.24: £978,489).

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 13 and 14.

Foreign Currency Risk

Since a small portion of the net assets of the Fund are denominated in currencies other than sterling, no currency risk exposure has been disclosed (15.1.24: no significant exposure).

Interest Rate Risk

At the year end, (0.02)% (15.1.24: 0.28%) of the Fund's assets by value were interest-bearing.

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

13. Shareholders' Funds

This Fund has a retail share class, a retail B share class, an institutional share class, an institutional A share class and a C share class.

The annual ACD charge on the retail share class is 1.50%, 0.60% on the retail B share class, nil on the institutional share class, 0.75% on the institutional A share class and 0.80% on the C 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 Table on pages 36 to 40. The distribution per share class is given in the Distribution Tables on pages 42 and 43.

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 £2,925 (15.01.24 - £1,962) 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.

Details of the individual contracts are shown on the Portfolio Statement on pages 34 and 35.

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 15 January 2025 there was no collateral held in respect of the above derivatives (15.1.24: nil).

16. Contingent Liabilities and Commitments

At the year end, the Fund had no contingent liabilities or commitments (15.1.24: £nil).

17. Portfolio Transaction Costs

For the year ended 15 January 2025	<i>Purchases</i>		<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	
Analysis of total purchases costs								
Equity transactions	9,910	3	0.03	32	0.32	17	0.17	
Total purchases before transaction costs	9,910	3		32		17		
Transaction costs	52							
Transaction costs after commission tax and fees	9,962							
	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>		
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	
Analysis of total sales costs								
Equity transactions	36,174	10	0.03	-	0.00	-	0.00	
Total sales before transaction costs	36,174	10		0		0		
Transaction costs	(10)							
Total sales after commission, tax and fees	36,164							

The Fund had paid £782 as commission on purchases and sales derivative transactions for the year ended 15.1.25. Commissions, taxes and fees as % of average net assets:

Commissions	0.01%
Taxes	0.01%
Other expenses	0.01%

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 15 January 2024	<i>Purchases</i>		<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	
Analysis of total purchases costs								
Equity transactions	29,810	8	0.03	149	0.50	-	-	
Total purchases before transaction costs	29,810	8		149		-		
Transaction costs	157							
Total purchases after commission, tax and fees	29,967							
	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>		
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	
Analysis of total sales costs								
Equity transactions	53,023	13	0.02	-	-	-	-	
Total sales before transaction costs	53,023	13		-		-		
Transaction costs	(13)							
Total sales after commission, tax and fees	53,010							

The Fund had paid £1,012 as commission on purchases and sales derivative transactions for the year ended 15.1.24. Commissions, taxes and fees as % of average net assets:

Commissions	0.01%
Taxes	0.06%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.02%, 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 15 January 2025

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	240,215	-	-	240,215
Derivatives	12	-	-	12
	240,227	-	-	240,227

For the year ended 15 January 2024

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	246,231	-	-	246,231
Derivatives	2	-	-	2
	246,233	-	-	246,233

19. Sensitivity Analysis

Price risk sensitivity:

If the price of investments at 15 January 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 £24,022,679 (15.1.24: £24,623,260).

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 (15.1.24: 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 (15.1.24: no significant exposure).

Income

Investment Objective

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

Investment Policy

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

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

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

Investment Strategy*

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

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

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

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

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

*The full strategy can be found in the prospectus.

Portfolio Activity

At sector level, stock selection was positive in the period. Positive performance came from selection in Financials and Consumer Staples, while negative stock selection came from Industrials.

Financials security, Natwest Group plc is the top contributor with total effect 1.24%. Additionally, Financials security, Barclays plc was the second largest contributor with total effect 1.19%. Lastly, Consumer Staples security, Glencore plc also contributed with total effect 0.84%.

On the other side, detractors included Basic Materials security BHP Group Ltd with total effect -0.70%, Consumer Discretionary holding, Barratt Redrow plc with total effect -0.57%, and Consumer Discretionary holding, Taylor Wimpey plc with total effect -0.56%.

During this period, positions were initiated in Smurfit Westrock plc, Bodycote plc and A.G. Barr plc, and closed in Smurfit Kappa Group plc and Britvic plc.

Sector allocation effects are residual to stock selection. At sector level, effects were negative, given an underweight exposure to Financials.

Investment Performance

During the year under review, the value of the shares in the Fund increased by 10.34% while the value of the FTSE All-Share Index rose by 13.33%. For information on comparative yields please refer to The Investment Association's website (<https://www.theia.org/industry-data/fund-sectors/equity-income-yields>).

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

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

Fund Particulars

as at 16 January 2025

	Retail Income	Retail Accumulation	Income C	Accumulation C
Price	306.6p xd	811.9p	339.9p xd	885.8p
Distribution payable (on 14 March 2025) per share net	5.434177p	14.086632p	6.015992p	15.382833p
Current net estimated yield	4.17%	3.97%	4.14%	3.94%
Annual ACD charge	1.50%	1.50%	0.80%	0.80%

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Oil & Gas - 14.13% (14.29%)			
BP	1,266,337	5,357	5.12
Shell	332,648	8,920	8.52
Volution Group	95,909	509	0.49
Total Oil & Gas		14,786	14.13
Basic Materials - 7.43% (9.13%)			
Antofagasta	88,045	1,494	1.43
BHP Group	79,020	1,608	1.54
Rio Tinto	80,929	3,993	3.81
Victrex	65,812	683	0.65
Total Basic Materials		7,778	7.43
Industrials - 16.54% (16.94%)			
BAE Systems	384,719	4,571	4.37
Bodycote	112,583	721	0.69
Chemring Group	144,907	474	0.45
Coats Group	1,270,200	1,162	1.11
DCC (London listed)	24,269	1,262	1.20
Ferguson Enterprises	11,507	1,666	1.59
Hays	711,301	531	0.51
Ibstock	674,295	1,148	1.10
Intertek Group	44,207	2,113	2.02
Rentokil Initial	492,611	1,876	1.79
Smurfit Westrock	41,561	1,788	1.71
Total Industrials		17,312	16.54
Consumer Goods - 15.99% (14.86%)			
AG Barr	50,257	289	0.28
Barratt Developments	403,828	1,699	1.62
Diageo	44,108	1,041	1.00
Imperial Brands	146,855	3,787	3.62
Tate & Lyle	254,278	1,635	1.56
Taylor Wimpey	1,988,771	2,274	2.17
Tesco	930,788	3,356	3.20
Unilever	59,565	2,659	2.54
Total Consumer Goods		16,740	15.99
Healthcare - 10.25% (11.17%)			
AstraZeneca	42,794	4,555	4.35
GSK	338,612	4,493	4.29
Hikma Pharmaceuticals	83,027	1,684	1.61
Total Healthcare		10,732	10.25

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Consumer Services - 7.02% (10.13%)			
Compass Group	162,162	4,333	4.14
Mony Group	307,261	573	0.55
Next	26,340	2,437	2.33
Total Consumer Services		7,343	7.02
Telecommunications - 0.67% (0.70%)			
Vodafone Group	1,011,169	699	0.67
Total Telecommunications		699	0.67
Utilities - 4.21% (3.69%)			
Drax Group	306,679	1,924	1.84
SSE	156,965	2,483	2.37
Total Utilities		4,407	4.21
Financials - 20.45% (15.57%)			
Barclays	1,659,706	4,663	4.46
+HSBC Holdings (London listed)	827,664	6,658	6.36
IG Group	242,368	2,480	2.37
NatWest Group	959,086	3,885	3.71
Phoenix Group Holdings	480,171	2,391	2.29
Prudential	215,704	1,321	1.26
Total Financials		21,398	20.45
Technology - 2.64% (2.77%)			
FDM Group	107,720	288	0.28
Sage Group	191,958	2,474	2.36
Total Technology		2,762	2.64
Futures - 0.00% ((0.01%))			
ICF FTSE 100 Index Future March 2025	8	(1)	-
Total Futures		(1)	-
Portfolio of investments		103,956	99.33
Net other assets		702	0.67
Net assets		104,658	100.00

+Investment managed by the ACD/HSBC Group

Figures in brackets denote the comparative percentage holdings as at 15 January 2024.

Unless otherwise stated, all investments are listed securities.

The counterparty for futures is HSBC Bank.

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

Comparative Tables

for the year ended 15 January 2025

Retail Income			
Change in net assets per share	15.1.25	15.1.24	15.1.23
Opening net asset value per share	288.00p	297.80p	294.20p
Return before operating charges*	34.55p	7.04p	20.65p
Operating charges**	(4.77p)	(4.46p)	(4.38p)
Return after operating charges*	29.78p	2.58p	16.27p
Distributions on income shares	(12.38p)	(12.38p)	(12.67p)
Closing net asset value per share	305.40p	288.00p	297.80p
*after direct transaction costs of:***	0.07p	0.18p	0.28p
Performance			
Return after charges	10.34%	0.87%	5.53%
Other information			
Closing net asset value	£633,989	£611,832	£772,682
Closing number of shares	207,569	212,474	259,486
Operating charges - OCF	1.55%****	1.54%	1.53%
Direct transaction costs	0.02%	0.06%	0.10%
Prices			
Highest share price	324.00p	305.90p	303.60p
Lowest share price	281.80p	274.70p	260.80p
Retail Accumulation			
Change in net assets per share	15.1.25	15.1.24	15.1.23
Opening net asset value per share	732.90p	725.80p	686.00p
Return before operating charges*	88.39p	18.10p	50.12p
Operating charges**	(12.29p)	(11.00p)	(10.32p)
Return after operating charges*	76.10p	7.10p	39.80p
Distributions on accumulation shares	(31.79p)	(30.50p)	(29.88p)
Retained distributions on accumulation shares	31.79p	30.50p	29.88p
Closing net asset value per share	809.00p	732.90p	725.80p
*after direct transaction costs of:***	0.19p	0.44p	0.65p
Performance			
Return after charges	10.38%	0.98%	5.80%
Other information			
Closing net asset value	£14,582	£14,508	£18,409
Closing number of shares	1,803	1,980	2,537
Operating charges - OCF	1.55%****	1.54%	1.53%
Direct transaction costs	0.02%	0.06%	0.10%
Prices			
Highest share price	829.20p	745.50p	725.90p
Lowest share price	717.30p	675.20p	623.60p
**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 15 January 2025

Income C	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	317.10p	325.60p	319.40p
Return before operating charges*	38.17p	7.74p	22.58p
Operating charges**	(2.89p)	(2.67p)	(2.59p)
Return after operating charges*	35.28p	5.07p	19.99p
Distributions on income shares	(13.68p)	(13.57p)	(13.79p)
Closing net asset value per share	338.70p	317.10p	325.60p
*after direct transaction costs of:***	0.08p	0.20p	0.30p
Performance			
Return after charges	11.13%	1.56%	6.26%
Other information			
Closing net asset value	£80,518,563	£85,152,677	£96,808,405
Closing number of shares	23,771,597	26,855,303	29,735,499
Operating charges - OCF	0.85%****	0.84%	0.83%
Direct transaction costs	0.02%	0.06%	0.10%
Prices			
Highest share price	357.70p	334.60p	331.90p
Lowest share price	310.30p	301.60p	284.60p

Accumulation C	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	793.90p	780.70p	732.80p
Return before operating charges*	95.92p	19.68p	53.91p
Operating charges**	(7.32p)	(6.48p)	(6.01p)
Return after operating charges*	88.60p	13.20p	47.90p
Distributions on accumulation shares	(34.58p)	(32.91p)	(32.01p)
Retained distributions on accumulation shares	34.58p	32.91p	32.01p
Closing net asset value per share	882.50p	793.90p	780.70p
*after direct transaction costs of:***	0.20p	0.48p	0.70p
Performance			
Return after charges	11.16%	1.69%	6.54%
Other information			
Closing net asset value	£23,490,673	£23,246,004	£24,674,362
Closing number of shares	2,661,784	2,927,934	3,160,511
Operating charges - OCF	0.85%****	0.84%	0.83%
Direct transaction costs	0.02%	0.06%	0.10%
Prices			
Highest share price	902.10p	805.80p	780.80p
Lowest share price	777.00p	728.70p	669.60p

**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 15 January 2025

	Notes	15.1.25		15.1.24	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		8,153		(2,349)
Revenue	3	4,526		4,944	
Expenses	4	(938)		(964)	
Net revenue before taxation		3,588		3,980	
Taxation	5	(2)		-	
Net revenue after taxation			3,586		3,980
Total return before distributions			11,739		1,631
Distributions	6		(4,470)		(4,900)
Change in net assets attributable to shareholders from investment activities			7,269		(3,269)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15 January 2025

	15.1.25		15.1.24	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		109,025		122,274
Amounts receivable on creation of shares	303		432	
Amounts payable on cancellation of shares	(12,891)		(11,399)	
		(12,588)		(10,967)
Dilution adjustment		8		6
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		7,269		(3,269)
Retained distribution on accumulation shares		944		981
Closing net assets attributable to shareholders		104,658		109,025

Balance Sheet

as at 15 January 2025

	Notes	15.1.25		15.1.24	
		£'000	£'000	£'000	£'000
Assets					
Investments			103,957		108,208
Current assets					
Debtors	8	1,602		2,413	
Cash and bank balances		659		350	
Total current assets			2,261		2,763
Total assets			106,218		110,971
Liabilities					
Investment liabilities			(1)		(7)
Creditors					
Distribution payable on income shares		(1,441)		(1,735)	
Other creditors	9	(118)		(204)	
Total creditors			(1,559)		(1,939)
Total liabilities			(1,560)		(1,946)
Net assets attributable to shareholders			104,658		109,025

Distribution Tables (pence per share)

for the year ended 15 January 2025

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 14.3.25</i>	<i>Distribution paid 15.3.24</i>
Group 1: Shares purchased prior to 16 July 2024				
Group 2: Shares purchased from 16 July 2024 to 15 January 2025				
Retail Income				
Group 1	5.434177	-	5.434177	5.837420
Group 2	3.085934	2.348243	5.434177	5.837420
Retail Accumulation				
Group 1	14.086632	-	14.086632	14.573009
Group 2	14.086632	0.000000	14.086632	14.573009
Income C				
Group 1	6.015992	-	6.015992	6.414164
Group 2	1.506229	4.509763	6.015992	6.414164
Accumulation C				
Group 1	15.382833	-	15.382833	15.741461
Group 2	5.104789	10.278044	15.382833	15.741461
Group 1: Shares purchased prior to 16 January 2024				
Group 2: Shares purchased from 16 January 2024 to 15 July 2024				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 13.9.24</i>	<i>Distribution paid 15.9.23</i>
Retail Income				
Group 1	6.950000	-	6.950000	6.540000
Group 2	3.820000	3.130000	6.950000	6.540000
Retail Accumulation				
Group 1	17.700000	-	17.700000	15.930000
Group 2	17.700000	0.000000	17.700000	15.930000
Income C				
Group 1	7.660000	-	7.660000	7.160000
Group 2	2.890000	4.770000	7.660000	7.160000
Accumulation C				
Group 1	19.200000	-	19.200000	17.170000
Group 2	11.900000	7.300000	19.200000	17.170000

Notes to the Financial Statements

for the year ended 15 January 2025

	15.1.25	15.1.24
	£'000	£'000
1. Accounting Policies		
The accounting policies are set out on pages 11 and 12.		
2. Net Capital Gains/(Losses)		
The net capital gains/(losses) during the year comprise:		
Currency losses	(3)	-
Transaction charges	(4)	-
Capital Special Dividend	140	-
Gains/(losses) on derivative contracts	54	(75)
Gains/(losses) on non-derivative securities	7,966	(2,274)
Net capital gains/(losses)	8,153	(2,349)
Realised gains/(losses) in the current accounting year include unrealised gains/(losses) arising in previous years.		
3. Revenue		
UK dividends (net)	4,245	4,612
Overseas dividends	245	288
Deposit interest	3	13
Bank interest	30	29
Stocklending income	3	2
Total revenue	4,526	4,944
4. Expenses		
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's charge	884	920
Safe custody fee	2	5
	886	925
Payable to the Depository, associates of the Depository, and agents of either of them:		
Depository fee	12	12
Other expenses:		
Audit fee	10	10
Report and accounts fee	2	2
Administration fee	28	15
	40	27
Total expenses	938	964
Audit fees including VAT for the year were £9,894 (2024: £9,120).		

15.1.25 15.1.24
£'000 £'000

5. Taxation

a) Analysis of tax charge in year:

Overseas tax	2	-
Total tax for the year (note 5b)	2	-

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	3,588	3,980
Corporation tax at 20%	718	796
Effects of:		
Revenue not subject to taxation	(898)	(980)
Current year expenses not utilised	180	184
Irrecoverable overseas tax	2	-
Total tax charge for the year (note 5a)	2	-

c) Provision for deferred taxation

At 15 January 2025, there is a potential deferred tax asset of £23,583,898 (15.1.24: £23,403,475) in relation to surplus management expenses of £117,919,492 (15.1.24: £117,017,377). 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	2,479	2,570
Final dividend distribution	1,851	2,196
	4,330	4,766
Add: Amounts deducted on cancellation of shares	144	141
Deduct: Amounts received on issue of shares	(4)	(7)
Net distribution for the year	4,470	4,900

7. Movement Between Net Revenue and Distributions

Net revenue after taxation	3,586	3,980
ACD's charge charged to capital	884	920
Net distribution for the year	4,470	4,900

8. Debtors

Amounts receivable for creation of shares	59	24
Sales awaiting settlement	1,445	2,238
Accrued revenue	89	141
Overseas tax recoverable	9	10
Total debtors	1,602	2,413

9. Other Creditors

Amounts payable for cancellation of shares	51	75
Accrued expenses	67	129
Total other creditors	118	204

10. Reconciliation of Shares

	<i>Retail Income</i>	<i>Retail Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>
Opening shares issued at 16.1.24	212,474	1,980	26,855,303	2,927,934
Share movements 16.1.24 to 15.1.25				
Shares issued	8,186	-	48,525	14,020
Shares cancelled	(13,091)	(177)	(3,154,625)	(271,308)
Shares converted	-	-	22,394	(8,862)
Closing shares issued at 15.1.25	207,569	1,803	23,771,597	2,661,784

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>Income C</i>	<i>Accumulation C</i>
	<i>%</i>	<i>%</i>
As at 15.1.25	73.48	3.84
As at 15.1.24	73.88	3.88

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 £45,652 (15.1.24: £168,545). Further details of such amounts can be found in notes 8 and 9.

At the year end, the Fund held £6,657,729 (15.1.24: £5,091,484) in Authorised Investment Funds managed by HSBC and/or HSBC Holdings, the parent company of the ACD. During the period, transactions in Authorised Investment Funds managed by HSBC and/or HSBC Holdings totalled £1,098,524 (15.1.24: £512,797).

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 13 and 14.

Foreign Currency Risk

Since a small portion of the net assets of the Fund are denominated in currencies other than sterling, no currency risk exposure has been disclosed (15.1.24: no significant exposure).

Interest Rate Risk

At the year end, 0.63% (15.1.24: 0.32%) 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 a retail share class and a C share class.

The annual ACD charge on the retail share class is 1.50% and 0.80% on the C 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 Table on pages 54 and 55. The distribution per share class is given in the Distribution Tables on page 57.

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 £907 (15.1.24: £655) 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.

Details of the individual contracts are shown on the Portfolio Statement on pages 52 and 53.

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 15 January 2025, there was no collateral held in respect of the above derivatives (15.1.24: none).

16. Contingent Liabilities and Commitments

At the year end, the Fund had no contingent liabilities or commitments (15.1.24: none).

17. Portfolio Transaction Costs

For the year ended 15 January 2025	<i>Purchases</i>		<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	
Analysis of total purchases costs								
Equity transactions	3,855	1	0.03	12	0.31	7	0.18	
Total purchases before transaction costs	3,855	1		12		7		
Transaction costs	20							
Total purchases after commission, tax and fees	3,875							
	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>		
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	
Analysis of total sales costs								
Equity transactions	16,097	5	0.03	-	-	-	-	
Total sales before transaction costs	16,097	5		-				
Transaction costs	(5)							
Total sales after commission, tax and fees	16,092							

The Fund had paid £739 as commission on purchases and sales derivative transactions for the year ended 15.1.25

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

Commissions	0.01%
Taxes	0.01%
Other expenses	0.00%

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 15 January 2024	<i>Purchases</i>		<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	
Analysis of total purchases costs								
Equity transactions	12,244	3	0.02	61	0.50	-	-	
Total purchases before transaction costs	12,244	3		61		-		
Transaction costs	64							
Total purchases after commission, tax and fees	12,308							
	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>		
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	
Analysis of total sales costs								
Equity transactions	22,769	6	0.03	-	-	-	-	
Total sales before transaction costs	22,769	6		-		-		
Transaction costs	(6)							
Total sales after commission, tax and fees	22,763							

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

Commissions	0.01%
Taxes	0.05%
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.

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 15 January 2025

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	103,957	-	-	103,957
	103,957	-	-	103,957
Investment Liabilities				
Derivatives	(1)	-	-	(1)
	(1)	-	-	(1)

For the year ended 15 January 2024

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	108,208	-	-	108,208
	108,208	-	-	108,208
Investment Liabilities				
Derivatives	(7)	-	-	(7)
	(7)	-	-	(7)

19. Sensitivity Analysis

Price risk sensitivity:

If the price of investments at 15 January 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 £10,395,621 (15.1.24: £10,820,124).

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 (15.1.24: 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 (15.1.24: no significant exposure).

Monthly Income

Investment Objective

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

Investment Policy

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

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

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

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

Investment Strategy*

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

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

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

*The full strategy can be found in the prospectus.

Portfolio Activity

The monthly income fund value increased over the period, but relative performance to benchmark was negative at -0.65%. Driving relative underperformance was a result of duration in the fund coming from longer dated credits. As the curve flattened in 2022 carry was somewhat lower. As the curve steepened in 2023 and 2024, returns were impacted. Security Selection to Banks and Insurance was positive to absolute and relative performance.

Spreads tightening in Q4 has meant that the market is at tight levels and not far-off post-COVID QE driven levels. However, the recent back-up in Gilts to above 4.5% provides investors another opportunity to invest in credit. Fall in swap spreads has also made credit look less expensive in swap spread terms despite the recent credit spread tightening.

We would expect increased market volatility in 2025 because Trump has a history of unexpected decision making. However, we continue to expect the US economy will continue to expand over the next 12 months, Europe and the UK will remain steady thereby causing credit fundamentals not to deteriorate materially. Therefore, we remain moderately overweight in our credit positioning. We continue to rotate out of more fully valued securities and seek to trade up in conviction, adding bonds which we consider to have better upside potential in order to help maintain a defensive overweight.

Equity Section

At sector level, stock selection was positive in the period. Positive performance came from selection in Basic Materials and Consumer Discretionary, while negative stock selection came from Industrials and Financials.

Consumer Discretionary security, Taylor Wimpey is the top contributor with total effect 0.86%. Additionally, Industrials security, BAE Systems was the second largest contributor with total effect 0.68%. Lastly, Industrials security, Ferguson also contributed with total effect 0.64%.

On the other side, detractors included Industrials security Drax Group with total effect -0.67%, Consumer Staples holding, Imperial Brands with total effect -0.43%, and Financials holding, NatWest Group with total effect -0.39%.

During this period, positions were initiated in Taylor Wimpey and Chemring, and closed in Bunzl and Persimmon.

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

Investment Performance

During the year under review, the value of the shares in the Fund increased by 7.83% while the value of the 70% FTSE All-Share/30% Markit iBoxx GBP Corporates Index rose by 10.30%. For information on comparative yields please refer to The Investment Association's website (<https://www.theia.org/industry-data/fund-sectors/equity-income-yields>).

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

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

Fund Particulars

as at 16 January 2025

	Retail Income	Income C	Accumulation C
Price	133.20p xd	143.60p xd	375.40p
Distribution payable (on 14 March 2025) per share net	0.475459p	0.511232p	1.336567p
Current net estimated yield	4.13%	4.13%	4.12%
Annual ACD charge	1.25%	0.55%	0.55%

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
UNITED KINGDOM - 79.76% (77.93%)			
Government Bonds - 1.95% (3.26%)			
Treasury 0.625% 31/7/2035	£500,000	332	0.46
Treasury 1.5% 31/7/2053	£405,000	184	0.25
Treasury 3.25% 31/1/2033	£570,000	518	0.71
Treasury 4.125% 22/7/2029	£240,000	237	0.32
Treasury 4.375% 31/7/2054	£178,000	154	0.21
Total Government Bonds		1,425	1.95
Corporate Bonds - 9.77% (7.13%)			
Anglian Water 1.625% 10/8/2025	£100,000	98	0.13
Anglian Water 6% 20/6/2039	£119,000	115	0.16
Anglian Water 6.25% 12/9/2044	£149,000	144	0.20
Aviva 4.375% variable rate 12/9/2049	£200,000	188	0.26
Aviva 6.125% variable rate 12/9/2054	£100,000	97	0.13
Barclays 3.25% 17/1/2033	£180,000	151	0.21
Barclays 5.746% variable rate 31/7/2032	£145,000	145	0.20
Barclays 5.851% 21/3/2035	£154,000	153	0.21
Barclays 6.369% variable rate 31/1/2031	£100,000	103	0.14
Barclays 7.09% variable rate 6/11/2029	£150,000	158	0.22
BP Capital Markets 5.773% 25/5/2038	£100,000	99	0.13
BP Capital Markets 6% variable rate perpetual	£237,000	233	0.32
British Telecommunications 5.625% 3/12/2041	£100,000	94	0.13
Cadent Finance 5.625% 11/1/2036	£100,000	97	0.13
Centrica 4.375% 13/3/2029	£281,000	272	0.37
Clarion Funding 5.375% 30/5/2057	£100,000	91	0.12
Eastern Power Networks 5.375% 2/10/2039	£123,000	116	0.16
Eastern Power Networks 5.375% 26/2/2042	£103,000	96	0.13
Heathrow Finance 6.625% 1/3/2031	£100,000	100	0.14
+HSBC Holdings 5.29% variable rate 16/9/2032	£240,000	235	0.32
+HSBC Holdings 6.8% variable rate 14/9/2031	£154,000	163	0.22
International Distributions 7.375% 14/9/2030	£100,000	102	0.14
Legal and General Group 5.5% variable rate 27/6/2064	£121,000	110	0.15
M&G 5.7% variable rate 19/12/2063	£100,000	91	0.12
Manchester Airport Group Funding 4.75% 31/3/2034	£317,000	301	0.41
Motability Operations Group 4.875% 17/1/2043	£130,000	111	0.15
National Grid Electricity Distribution 5.35% 10/7/2039	£101,000	95	0.13
Nationwide Building Society 5.532% variable rate 13/1/2033	£156,000	155	0.21
NatWest Group 3.619% variable rate 29/3/2029	£200,000	190	0.26
NatWest Group 5% 18/11/2029	£143,000	142	0.19
NatWest Group 7.416% variable rate 6/6/2033	£200,000	209	0.29
Northern Powergrid Northeast 3.25% 1/4/2052	£100,000	63	0.09
Northumbrian Water Finance 4.5% 14/2/2031	£333,000	311	0.42
Peabody Capital No.2 2.75% 2/3/2034	£200,000	158	0.22
Pension Insurance 6.875% 15/11/2034	£175,000	172	0.23
Places For People Treasury 6.25% 6/12/2041	£120,000	119	0.16
Principality Building Society 8.625% 12/7/2028	£211,000	227	0.31

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Prudential 5.875 11/5/2029	£100,000	102	0.14
Rothsay Life 7.019% 10/12/2034	£128,000	129	0.18
Scottish Hydro-Electric Transmission 5.5% 15/1/2044	£100,000	93	0.13
Southern Gas Networks 6.625% 14/3/2035	£131,000	137	0.19
SW Finance 7.75% 31/10/2031	£200,000	189	0.26
Telereal Securitisation 5.634% 10/12/2031	£140,000	137	0.19
Tesco Corporate Treasury Service 5.125% 22/5/2034	£103,000	97	0.13
The Unite Group 5.625% 25/6/2032	£100,000	99	0.13
Virgin Money 2.625% variable rate 19/8/2031	£100,000	96	0.13
Virgin Money 3.375% variable rate 24/04/2026	£400,000	397	0.54
Yorkshire Building Society 3.511% variable rate 11/10/2030	£100,000	92	0.13
Yorkshire Water Finance 2.75% 18/4/2041	£130,000	82	0.11
Total Corporate Bonds		7,154	9.77
Oil & Gas - 10.28% (9.61%)			
BP	642,138	2,716	3.71
Shell	169,498	4,545	6.21
Volution Group	49,127	261	0.36
Total Oil & Gas		7,522	10.28
Basic Materials - 4.19% (4.65%)			
Antofagasta	42,817	726	0.99
Rio Tinto	40,424	1,994	2.72
Victrex	33,533	348	0.48
Total Basic Materials		3,068	4.19
Industrials - 8.9% (8.41%)			
BAE Systems	195,822	2,326	3.18
Bodycote	57,385	367	0.50
Chemring Group	73,884	242	0.33
Coats Group	742,212	679	0.93
Hays	372,793	278	0.38
Ibstock	348,865	594	0.81
Intertek Group	22,490	1,075	1.47
Rentokil Initial	251,027	956	1.30
Total Industrials		6,517	8.90
Consumer Goods - 11.64% (11.96%)			
AG Barr	25,436	146	0.20
Barratt Redrow	210,040	883	1.21
Diageo	22,070	521	0.71
Imperial Brands	72,932	1,881	2.57
Tate & Lyle	130,608	840	1.15
Taylor Wimpey	1,013,387	1,159	1.58
Tesco	481,605	1,736	2.37
Unilever	30,296	1,352	1.85
Total Consumer Goods		8,518	11.64

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Healthcare - 7.48% (7.53%)			
AstraZeneca	21,813	2,322	3.17
GSK	172,325	2,287	3.13
Hikma Pharmaceuticals	42,659	865	1.18
Total Healthcare		5,474	7.48
Consumer Services - 5.16% (4.99%)			
Compass Group	82,482	2,204	3.01
Mony Group	176,690	329	0.45
Next	13,411	1,241	1.70
Total Consumer Services		3,774	5.16
Telecommunications - 0.48% (0.47%)			
Vodafone Group	512,969	355	0.48
Total Telecommunications		355	0.48
Utilities - 2.70% (2.48%)			
Drax Group	156,131	980	1.34
SSE	79,738	1,261	1.72
Total Utilities		2,241	3.06
Financials - 14.83% (10.48%)			
Barclays	840,602	2,362	3.23
+HSBC Holdings (London listed)	426,007	3,427	4.68
IG Group	124,909	1,278	1.74
NatWest Group	476,485	1,930	2.64
Phoenix Group Holdings	244,316	1,217	1.66
Prudential	105,316	645	0.88
Total Financials		10,859	14.83
Technology - 2.02% (1.96%)			
FDM Group	54,890	147	0.20
Sage Group	103,107	1,329	1.82
Total Technology		1,476	2.02
Total United Kingdom		58,383	79.76
UNITED STATES - 4.13% (4.10%)			
Corporate Bonds - 2.97% (2.90%)			
AT&T 4.25% 1/6/2043	£300,000	235	0.32
Bank of America 3.584% variable rate 27/4/2031	£286,000	264	0.36
Comcast 5.25% 26/9/2040	£143,000	133	0.18
Ford Motor 4.535% 6/3/2025	£200,000	200	0.27
Ford Motor 6.86% 5/6/2026	£150,000	152	0.21
Morgan Stanley 5.213% variable rate 24/10/2035	£153,000	147	0.20
Morgan Stanley 5.789% variable rate 18/11/2033	£327,000	335	0.46
Realty Income 5% 15/10/2029	£121,000	119	0.16

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Realty Income 6% 5/12/2039	£110,000	109	0.15
Time Warner Cable 5.25% 15/7/2042	£150,000	121	0.17
Wells Fargo & Co 4.875% 29/11/2035	£400,000	360	0.49
Total Corporate Bonds		2,175	2.97
Industrials - 1.16% (0.00%)			
Ferguson Enterprises	5,861	849	1.16
Total Industrials		849	1.16
Total United States		3,024	4.13
AUSTRALIA - 1.09% (1.55%)			
Corporate Bonds - 0.00% (0.24%)			
Basic Materials - 1.09% (1.31%)			
BHP Group	39,352	801	1.09
Total Basic Materials		801	1.09
Total Australia		801	1.09
BELGIUM - 0.14% (0.00%)			
Corporate Bonds - 0.14% (0.00%)			
KBC Group 6.151% 19/3/2034	£100,000	101	0.14
Total Corporate Bonds		101	0.14
Total Belgium		101	0.14
CANADA - 0.25% (0.69%)			
Corporate Bonds - 0.25% (0.69%)			
Royal Bank of Canada 4.875% 1/11/2030	£184,000	181	0.25
Total Corporate Bonds		181	0.25
Total Canada		181	0.25
CAYMAN ISLANDS - 1.61% (1.65%)			
Corporate Bonds - 1.61% (1.65%)			
Gaci First Investment Company 5.125% 11/6/2029	£100,000	99	0.13
Gaci First Investment Company 5.625% 11/6/2039	£109,000	106	0.14
Phoenix 7.75% variable rate 6/12/2053	£132,000	136	0.19
Yorkshire Power 7.25% 4/8/2028	£800,000	840	1.15
Total Corporate Bonds		1,181	1.61
Total Cayman Islands		1,181	1.61
CHANNEL ISLANDS - 0.63% (1.84%)			
Corporate Bonds - 0.63% (0.59%)			
CPUK Finance 5.94% 28/2/2047	£100,000	100	0.14
Gatwick Funding 5.5% 4/4/2042	£100,000	93	0.13
Gatwick Funding 6.5% 2/3/2043	£100,000	104	0.14
Heathrow Funding 4.625% 31/10/2046	£200,000	162	0.22
Total Corporate Bonds		459	0.63

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Industrials - 0.00% (1.25%)			
Total Channel Islands		459	0.63
FRANCE - 3.18% (2.97%)			
Corporate Bonds - 3.18% (2.97%)			
BNP Paribas 6.3175% variable rate 15/11/2035	£100,000	101	0.14
BPCE 5.25% 16/4/2029	£300,000	294	0.40
BPCE 5.375% 22/10/2031	£200,000	196	0.27
Credit Agricole 4.875% 23/10/2029	£200,000	197	0.27
Credit Agricole 5.5% variable rate 31/7/2032	£100,000	99	0.13
Électricité de France 5.875% variable rate perpetual	£200,000	191	0.26
Électricité de France 6% 23/1/2114	£200,000	175	0.24
Électricité de France 6% variable rate perpetual	£500,000	497	0.68
Électricité de France 6.5% 8/11/2064	£100,000	94	0.13
Engie 5.625% 3/4/2053	£100,000	91	0.12
Engie 5.75% 28/10/2050	£100,000	94	0.13
Société Générale 5.75% variable rate 22/1/2032	£200,000	197	0.27
Societe Generale 6.25% 22/6/2033	£100,000	104	0.14
Total Corporate Bonds		2,330	3.18
Total France		2,330	3.18
GERMANY - 0.27% (0.52%)			
Corporate Bonds - 0.27% (0.52%)			
Bayerische Landesbank 5.25% 28/11/2029	£200,000	199	0.27
Total Corporate Bonds		199	0.27
Total Germany		199	0.27
IRELAND - 2.11% (1.98%)			
Industrials - 2.11% (1.98%)			
DCC (London listed)	11,920	620	0.85
Smurfit Westrock	21,470	924	1.26
Total Industrials		1,544	2.11
Total Ireland		1,544	2.11
Italy - 0.16% (0.00%)			
Corporate Bonds - 0.16% (0.00%)			
Snam 5.75% 26/11/2036	£115,000	114	0.16
Total Corporate Bonds		114	0.16
Total Italy		114	0.16
LUXEMBOURG - 3.48% (0.35%)			
Corporate Bonds - 0.41% (0.35%)			
Blackstone Property Partners 2% 20/10/2025	£200,000	195	0.27
Prologis International Funding 2.75% 22/2/2032	£127,000	107	0.14
Total Corporate Bonds		302	0.41

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Financials - 3.07% (0.00%)			
Xtrackers JP Morgan EM Local Government Bond UCITS ETF	96,671	2,244	3.07
Total Financials		2,244	3.07
Total Luxembourg		2,546	3.48
MEXICO - 0.39% (0.36%)			
Corporate Bonds - 0.39% (0.36%)			
Petroleos Mexicanos 3.75% 16/11/2025	£300,000	288	0.39
Total Corporate Bonds		288	0.39
Total Mexico		288	0.39
NETHERLANDS - 1.41% (0.82%)			
Corporate Bonds - 1.41% (0.82%)			
BMW International Investment 4.75% 4/9/2030	£200,000	196	0.27
ING Groep 4.875% variable rate 2/10/2029	£200,000	197	0.27
ING Groep 6.25% variable rate 20/5/2033	£300,000	303	0.41
Toyota Motor Finance Netherlands 4.75% 22/10/2029	£136,000	134	0.18
Volkswagen Financial Services 5.875% 23/5/2029	£200,000	200	0.28
Total Corporate Bonds		1,030	1.41
Total Netherlands		1,030	1.41
SPAIN - 0.40% (0.26%)			
Corporate Bonds - 0.40% (0.26%)			
Banco Santander 5% 13/10/2029	£200,000	198	0.27
Iberdrola Finanzas 5.25% 31/10/2036	£100,000	97	0.13
Total Corporate Bonds		295	0.40
Total Spain		295	0.40
FUTURES - 0.00% (0.00%)			
ICF FTSE 100 Index Future March 2025	6	2	-
Total Futures		2	-
Portfolio of investments		72,478	99.01
Net other assets		724	0.99
Net assets		73,202	100.00

+Investment managed by the ACD/HSBC Group

Figures in brackets denote the comparative percentage holdings as at 15 January 2024.

Unless otherwise stated, all investments are listed securities.

The counterparty for futures is HSBC Bank

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

Comparative Tables

for the year ended 15 January 2025

Retail Income	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	127.80p	130.70p	136.90p
Return before operating charges*	11.88p	3.85p	0.60p
Operating charges**	(1.75p)	(1.71p)	(1.73p)
Return after operating charges*	10.13p	2.14p	(1.13p)
Distributions on income shares	(5.23p)	(5.04p)	(5.07p)
Closing net asset value per share	132.70p	127.80p	130.70p
*after direct transaction costs of:***	0.06p	0.08p	0.09p
Performance			
Return after charges	7.93%	1.64%	(0.83%)
Other information			
Closing net asset value	£35,110	£34,883	£39,448
Closing number of shares	26,467	27,290	30,174
Operating charges - OCF	1.31%****	1.35%	1.34%
Direct transaction costs	0.04%	0.06%	0.07%
Prices			
Highest share price	138.00p	133.00p	137.60p
Lowest share price	126.00p	120.90p	116.00p

Income C	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	137.00p	139.00p	144.70p
Return before operating charges*	12.50p	4.26p	0.54p
Operating charges**	(0.89p)	(0.88p)	(0.87p)
Return after operating charges*	11.61p	3.38p	(0.33p)
Distributions on income shares	(5.61p)	(5.38p)	(5.37p)
Closing net asset value per share	143.00p	137.00p	139.00p
*after direct transaction costs of:***	0.06p	0.08p	0.09p
Performance			
Return after charges	8.47%	2.43%	(0.23%)
Other information			
Closing net asset value	£60,217,660	£66,139,548	£75,088,774
Closing number of shares	42,104,759	48,264,400	54,012,407
Operating charges - OCF	0.61%*****	0.65%	0.64%
Direct transaction costs	0.04%	0.06%	0.07%
Prices			
Highest share price	148.20p	141.60p	145.50p
Lowest share price	134.90p	129.00p	123.20p

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

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

****With effect from 28 March 2024, the annual ACD charge for this Share Class decreased to 1.25% per annum. Administrator and Electronic Service Fees have also been charged to this Share Class from this date.

*****With effect from 28 March 2024, the annual ACD charge for this Share Class decreased to 0.55% per annum. Administrator and Electronic Service Fees have also been charged to this Share Class from this date.

Comparative Tables

for the year ended 15 January 2025

Accumulation C	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	344.60p	336.00p	336.10p
Return before operating charges*	31.68p	10.75p	1.96p
Operating charges**	(2.28p)	(2.15p)	(2.06p)
Return after operating charges*	29.40p	8.60p	(0.10p)
Distributions on accumulation shares	(14.34p)	(13.20p)	(12.65p)
Retained distributions on accumulation shares	14.34p	13.20p	12.65p
Closing net asset value per share	374.00p	344.60p	336.00p
*after direct transaction costs of:***	0.16p	0.20p	0.22p
Performance			
Return after charges	8.53%	2.56%	(0.03%)
Other information			
Closing net asset value	£12,949,352	£13,460,967	£14,074,482
Closing number of shares	3,462,248	3,906,239	4,188,995
Operating charges - OCF	0.61%****	0.65%	0.64%
Direct transaction costs	0.04%	0.06%	0.07%
Prices			
Highest share price	380.80p	350.10p	337.90p
Lowest share price	339.20p	316.30p	293.00p
<p>**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, the annual ACD charge for this Share Class decreased to 0.55% per annum. Administrator and Electronic Service Fees have also been charged to this Share Class from this date.</p>			

Statement of Total Return

for the year ended 15 January 2025

	Notes	15.1.25		15.1.24	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		3,776		(1,003)
Revenue	3	3,341		3,566	
Expenses	4	(478)		(533)	
Interest payable and similar charges		(8)		-	
Net revenue before taxation		2,855		3,033	
Taxation	5	(130)		(142)	
Net revenue after taxation			2,725		2,891
Total return before distributions			6,501		1,888
Distributions	6		(3,073)		(3,288)
Change in net assets attributable to shareholders from investment activities			3,428		(1,400)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15 January 2025

	15.1.25		15.1.24	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		79,635		89,203
Amounts receivable on creation of shares	1,151		781	
Amounts payable on cancellation of shares	(11,538)		(9,479)	
		(10,387)		(8,698)
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		3,428		(1,400)
Retained distribution on accumulation shares		526		530
Closing net assets attributable to shareholders		73,202		79,635

Balance Sheet

as at 15 January 2025

	Notes	15.1.25		15.1.24	
		£'000	£'000	£'000	£'000
Assets					
Investments			72,478		72,850
Current assets					
Debtors	8	506		965	
Cash and bank balances		648		6,671	
Total current assets			1,154		7,636
Total assets			73,632		80,486
Liabilities					
Creditors					
Distribution payable on income shares		(215)		(286)	
Other creditors	9	(215)		(565)	
Total liabilities			(430)		(851)
Net assets attributable to shareholders			73,202		79,635

Distribution Tables (pence per share)

for the year ended 15 January 2025

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 14.2.25</i>	<i>Distribution paid 15.2.24</i>
Group 1: Shares purchased prior to 16 December 2024				
Group 2: Shares purchased from 16 December 2024 to 15 January 2025				
Retail Income				
Group 1	0.475459	-	0.475459	0.553803
Group 2	0.191690	0.283769	0.475459	0.553803
Income C				
Group 1	0.511232	-	0.511232	0.592595
Group 2	0.098246	0.412986	0.511232	0.592595
Accumulation C				
Group 1	1.336567	-	1.336567	1.480296
Group 2	0.433610	0.902957	1.336567	1.480296

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.1.25</i>	<i>Distribution paid 15.1.24</i>
Group 1: Shares purchased prior to 16 November 2024				
Group 2: Shares purchased from 16 November 2024 to 15 December 2024				
Retail Income				
Group 1	0.420000	-	0.420000	0.470000
Group 2	0.000000	0.420000	0.420000	0.470000
Income C				
Group 1	0.460000	-	0.460000	0.500000
Group 2	0.000000	0.460000	0.460000	0.500000
Accumulation C				
Group 1	1.180000	-	1.180000	1.240000
Group 2	0.000000	1.180000	1.180000	1.240000

Distribution Tables (pence per share)

for the year ended 15 January 2025

Group 1: Shares purchased prior to 16 October 2024 Group 2: Shares purchased from 16 October 2024 to 15 November 2024				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 13.12.24</i>	<i>Distribution paid 15.12.23</i>
Retail Income				
Group 1	0.450000	-	0.450000	0.450000
Group 2	0.010000	0.440000	0.450000	0.450000
Income C				
Group 1	0.480000	-	0.480000	0.480000
Group 2	0.000000	0.480000	0.480000	0.480000
Accumulation C				
Group 1	1.240000	-	1.240000	1.170000
Group 2	0.000000	1.240000	1.240000	1.170000

Group 1: Shares purchased prior to 16 September 2024 Group 2: Shares purchased from 16 September 2024 to 15 October 2024				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.11.24</i>	<i>Distribution paid 15.11.23</i>
Retail Income				
Group 1	0.420000	-	0.420000	0.440000
Group 2	0.070000	0.350000	0.420000	0.440000
Income C				
Group 1	0.450000	-	0.450000	0.470000
Group 2	0.000000	0.450000	0.450000	0.470000
Accumulation C				
Group 1	1.160000	-	1.160000	1.170000
Group 2	0.000000	1.160000	1.160000	1.170000

Distribution Tables (pence per share)

for the year ended 15 January 2025

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.10.24</i>	<i>Distribution paid 13.10.23</i>
Group 1: Shares purchased prior to 16 August 2024				
Group 2: Shares purchased from 16 August 2024 to 15 September 2024				
Retail Income				
Group 1	0.410000	-	0.410000	0.430000
Group 2	0.000000	0.410000	0.410000	0.430000
Income C				
Group 1	0.440000	-	0.440000	0.460000
Group 2	0.000000	0.440000	0.440000	0.460000
Accumulation C				
Group 1	1.130000	-	1.130000	1.140000
Group 2	0.630000	0.500000	1.130000	1.140000

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.9.24</i>	<i>Distribution paid 15.9.23</i>
Group 1: Shares purchased prior to 16 July 2024				
Group 2: Shares purchased from 16 July 2024 to 15 August 2024				
Retail Income				
Group 1	0.400000	-	0.400000	0.440000
Group 2	0.250000	0.150000	0.400000	0.440000
Income C				
Group 1	0.430000	-	0.430000	0.470000
Group 2	0.170000	0.260000	0.430000	0.470000
Accumulation C				
Group 1	1.110000	-	1.110000	1.150000
Group 2	0.580000	0.530000	1.110000	1.150000

Distribution Tables (pence per share)

for the year ended 15 January 2025

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.8.24</i>	<i>Distribution paid 15.8.23</i>
Group 1: Shares purchased prior to 16 June 2024				
Group 2: Shares purchased from 16 June 2024 to 15 July 2024				
Retail Income				
Group 1	0.390000	-	0.390000	0.430000
Group 2	0.000000	0.390000	0.390000	0.430000
Income C				
Group 1	0.420000	-	0.420000	0.460000
Group 2	0.000000	0.420000	0.420000	0.460000
Accumulation C				
Group 1	1.050000	-	1.050000	1.110000
Group 2	0.000000	1.050000	1.050000	1.110000

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.7.24</i>	<i>Distribution paid 15.7.23</i>
Group 1: Shares purchased prior to 16 May 2024				
Group 2: Shares purchased from 16 May 2024 to 15 June 2024				
Retail Income				
Group 1	0.520000	-	0.520000	0.430000
Group 2	0.000000	0.520000	0.520000	0.430000
Income C				
Group 1	0.550000	-	0.550000	0.460000
Group 2	0.000000	0.550000	0.550000	0.460000
Accumulation C				
Group 1	1.410000	-	1.410000	1.120000
Group 2	0.000000	1.410000	1.410000	1.120000

Distribution Tables (pence per share)

for the year ended 15 January 2025

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 14.6.24</i>	<i>Distribution paid 15.6.23</i>
Group 1: Shares purchased prior to 16 April 2024				
Group 2: Shares purchased from 16 April 2024 to 15 May 2024				
Retail Income				
Group 1	0.450000	-	0.450000	0.430000
Group 2	0.010000	0.440000	0.450000	0.430000
Income C				
Group 1	0.480000	-	0.480000	0.460000
Group 2	0.000000	0.480000	0.480000	0.460000
Accumulation C				
Group 1	1.230000	-	1.230000	1.120000
Group 2	0.000000	1.230000	1.230000	1.120000

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.5.24</i>	<i>Distribution paid 15.5.23</i>
Group 1: Shares purchased prior to 16 March 2024				
Group 2: Shares purchased from 16 March 2024 to 15 April 2024				
Retail Income				
Group 1	0.450000	-	0.450000	0.410000
Group 2	0.010000	0.440000	0.450000	0.410000
Income C				
Group 1	0.490000	-	0.490000	0.440000
Group 2	0.000000	0.490000	0.490000	0.440000
Accumulation C				
Group 1	1.230000	-	1.230000	1.060000
Group 2	0.000000	1.230000	1.230000	1.060000

Distribution Tables (pence per share)

for the year ended 15 January 2025

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.4.24</i>	<i>Distribution paid 14.4.23</i>
Group 1: Shares purchased prior to 16 February 2024				
Group 2: Shares purchased from 16 February 2024 to 15 March 2024				
Retail Income				
Group 1	0.450000	-	0.450000	0.370000
Group 2	0.350000	0.100000	0.450000	0.370000
Income C				
Group 1	0.490000	-	0.490000	0.390000
Group 2	0.000000	0.490000	0.490000	0.390000
Accumulation C				
Group 1	1.220000	-	1.220000	0.950000
Group 2	0.850000	0.370000	1.220000	0.950000

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.3.24</i>	<i>Distribution paid 15.3.23</i>
Group 1: Shares purchased prior to 16 January 2024				
Group 2: Shares purchased from 16 January 2024 to 15 February 2024				
Retail Income				
Group 1	0.390000	-	0.390000	0.190000
Group 2	0.360000	0.030000	0.390000	0.190000
Income C				
Group 1	0.410000	-	0.410000	0.200000
Group 2	0.270000	0.140000	0.410000	0.200000
Accumulation C				
Group 1	1.040000	-	1.040000	0.490000
Group 2	0.960000	0.080000	1.040000	0.490000

Notes to the Financial Statements

for the year ended 15 January 2025

	15.1.25	15.1.24
	£'000	£'000
1. Accounting Policies		
The accounting policies are set out on pages 11 and 12.		
2. Net Capital Gains/(Losses)		
The net capital gains/(losses) during the year comprise:		
Currency losses	(2)	-
Transaction charges	(7)	(1)
Capital special dividends	72	-
Gains/(losses) on derivative contracts	40	(13)
Gains/(losses) on non-derivative securities	3,673	(989)
Net capital gains/(losses)	3,776	(1,003)
Realised gains/(losses) in the current accounting year include unrealised gains/(losses) arising in previous years.		
3. Revenue		
UK dividends (net)	2,142	2,260
Overseas dividends	122	139
Interest on bonds and other debt securities	948	1,010
Deposit interest	3	3
Bank interest	125	154
Stocklending income	1	-
Total revenue	3,341	3,566
4. Expenses		
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's charge	436	496
Safe custody fee	3	7
	439	503
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	8	9
Other expenses:		
Audit fee	10	9
Report and accounts fee	1	1
Administration fee	20	11
	31	21
Total expenses	478	533
Audit fees including VAT for the year were £9,894 (2024: £9,120).		

	15.1.25	15.1.24
	£'000	£'000
5. Taxation		
a) Analysis of tax charge in year:		
Corporation tax	118	127
Overseas tax	12	15
Total tax for the year (note 5b)	130	142
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	2,855	3,033
Corporation tax at 20%	571	607
Effects of:		
Revenue not subject to taxation	(453)	(480)
Irrecoverable overseas tax	12	15
Total tax charge for the year (note 5a)	130	142
c) Provision for deferred taxation		
At 15 April 2025, there is no potential deferred tax asset (15.1.24: £nil) in relation to surplus management expenses.		
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	2,775	2,901
Final dividend distribution	262	344
	3,037	3,245
Add: Amounts deducted on cancellation of shares	41	47
Deduct: Amounts received on issue of shares	(5)	(4)
Net distribution for the year	3,073	3,288
7. Movement Between Net Revenue and Distributions		
Net revenue after taxation	2,725	2,891
ACD's charge charged to capital	435	496
Tax relief on expenses transferred to capital	(87)	(99)
Net distribution for the year	3,073	3,288
8. Debtors		
Amounts receivable for creation of shares	74	290
Sales awaiting settlement	-	155
Accrued revenue	411	506
Overseas tax recoverable	21	14
Total debtors	506	965

	15.1.25	15.1.24
	£'000	£'000
9. Other Creditors		
Amounts payable for cancellation of shares	121	32
Purchases awaiting settlement	-	399
Accrued expenses	43	78
Corporation tax payable	51	56
Total other creditors	215	565

10. Reconciliation of Shares

	<i>Retail Income</i>	<i>Income C</i>	<i>Accumulation C</i>
Opening shares issued at 16.1.24	27,290	48,264,400	3,906,239
Share movements 16.1.24 to 15.1.25			
Shares issued	1,245	586,022	86,044
Shares cancelled	(2,068)	(6,785,890)	(514,137)
Shares converted	-	40,227	(15,898)
Closing shares issued at 15.1.25	26,467	42,104,759	3,462,248

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>Income C</i>	<i>Accumulation C</i>
	%	%
As at 15.1.25	70.53	37.35
As at 15.1.24	71.81	38.08

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 from/to the ACD (including amounts due to associates and agents) at the year end was £53,279 (15.1.24: £196,759). Further details of such amounts can be found in notes 8 and 9.

At the year end, the Fund held £3,825,611 (15.1.24: £2,699,658) in Authorised Investment Funds managed by HSBC and/or HSBC Holdings, the parent company of the ACD. During the year, transactions in Authorised Investment Funds managed by HSBC and/or HSBC Holdings totalled £1,090,249 (15.1.24: £727,356).

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 13 and 14.

Foreign Currency Risk

Since a small portion of the net assets of the Fund are denominated in currencies other than sterling, no currency risk exposure has been prepared (15.1.24: same).

Interest Rate Risk

The interest rate profile of the Fund's financial assets and liabilities at 15 January 2025 was:

	<i>Floating rate financial assets*</i>		<i>Fixed rate financial assets</i>		<i>Financial assets not carrying interest</i>		<i>Total</i>	
	15.1.25 £'000	15.1.24 £'000	15.1.25 £'000	15.1.24 £'000	15.1.25 £'000	15.1.24 £'000	15.1.25 £'000	15.1.24 £'000
Sterling	6,033	12,100	11,848	14,093	53,058	53,410	70,939	79,603
Euro	-	-	-	-	16	28	16	28
United States dollar	-	-	-	-	2,247	4	2,247	4
Total	6,033	12,100	11,848	14,093	55,321	53,442	73,202	79,635

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

The bond ratings for the portfolio at 15 January 2025 were:

	<i>Bid value £'000</i>	<i>Total net assets %</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
	15.1.25	15.1.25	15.1.24	15.1.24
Bond credit ratings				
Investment grade	16,036	21.90	18,602	23.36
Non rated	1,198	1.64	923	1.16
Total Bonds	17,234	23.54	19,525	24.52

13. Shareholders' Funds

This Fund has a retail share class and a C share class.

The annual ACD charge on the retail share class is 1.25% and 0.55% on the C 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 72 and 73. The distribution per share class is given in the Distribution Tables on pages 75 to 80.

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 £348 (15.1.24: £nil) 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.

Details of the individual contracts are shown on the Portfolio Statement on pages 66 to 71.

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 15 January 2025, there was no collateral held in respect of the above derivatives (15.1.24: nil).

16. Contingent Liabilities and Commitments

At the year end, the Fund had no contingent liabilities or commitments (15.1.24: none).

17. Portfolio Transaction Costs

For the year ended 15 January 2025	Purchases		Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%	
Analysis of total purchases costs								
Equity transactions	5,681	2	0.04	13	0.23	15	0.26	
Bond transactions	12,037	-	-	-	-	-	-	
Pooled investment vehicles	2,302	-	-	-	-	-	-	
Total purchases before transaction costs	20,020	2		13		15		
Transaction costs	30							
Total purchases after commission, tax and fees	20,050							
	Sales	Commissions		Taxes		Other Expenses		
	£'000	£'000	%	£'000	%	£'000	%	
Analysis of total sales costs								
Equity transactions	10,066	3	0.03	-	-	-	-	
Bond transactions	13,994	-	-	-	-	-	-	
Pooled investment vehicles	88	-	-	-	-	-	-	
Total sales before transaction costs	24,148	3		-		-		
Transaction costs	(3)							
Total sales after commission, tax and fees	24,145							

The Fund had paid £134 as commission on purchases and sales derivative transactions for the year ended 15.1.25.

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

Commissions	0.01 %
Taxes	0.01 %
Other expenses	0.02 %

At the balance sheet date the portfolio dealing spread was 0.15, being the difference between the respective bid and offer prices for the Fund's investments.

For the year ended 15 January 2024	<i>Purchases</i>		<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	
Analysis of total purchases costs								
Equity transactions	8,728	2	0.02	43	0.49	-	-	
Bond transactions	8,676	-	-	-	-	-	-	
Total purchases before transaction costs	17,404	2		43		-		
Transaction costs	45							
Total purchases after commission, tax and fees	17,449							
	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>		
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	
Analysis of total sales costs								
Equity transactions	14,172	4	0.03	-	-	-	-	
Bond transactions	10,325	-	-	-	-	-	-	
Corporate actions	1,672	-	-	-	-	-	-	
Total sales before transaction costs	26,169	4		-		-		
Transaction costs	(4)							
Total sales after commission, tax and fees	26,165							

The Fund had paid £191 as commission on purchases and sales derivative transactions for the year ended 15.1.24

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

Commissions	0.01%
Taxes	0.05%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.18%, 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 15 January 2025

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	52,998	-	-	52,998
Bonds	-	17,234	-	17,234
Pooled investment vehicles	2,244	-	-	2,244
Derivatives	2	-	-	2
	55,244	17,234	-	72,478

For the year ended 15 January 2024

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	53,325	-	-	53,325
Bonds*	2,597	16,928	-	19,525
	55,922	16,928	-	72,850

*Bonds included in level 1 reflect G7 government issued bonds valued on a basis where the price is sufficiently close to a binding quoted price.

19. Sensitivity Analysis

Price risk sensitivity:

If the price of investments at 15 January 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 £7,247,840 (15.1.24: £7,285,026).

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 (15.1.24: no significant exposure).

Interest rate risk sensitivity:

If the interest rate at 15 January 2025 had increased or decreased by 1 basis point with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £10,462 (15.1.24: £14,679).

Corporate Bond

Investment Objective

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

Investment Policy

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

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

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

Investment Strategy*

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

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

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

*The full strategy can be found in the prospectus.

Portfolio Activity

The Fund outperformed its benchmark over the period. Sterling corporate bonds value rose during the period as corporate bond spreads continued to tighten. Rising gilt yields was a slight detractor to performance as we were overweight duration. Driving relative outperformance came primarily from Security Selection in Financials and Utilities.

We retain a modest overweight credit positioning for carry purposes and a greater focus on issuer selection. We continue to have a bias towards financials due to more attractive valuations, and shorter duration, high carry assets. We will look to place a greater emphasis on sector and issuer allocations as we move into the next phase of the cycle.

We retained the off-benchmark exposure to Securitised Credit and USD and EUR denominated holdings on relative valuations, hedged back into sterling. The UK gilt exposure was also maintained for duration management purposes. We largely maintained all other sector exposures.

Investment Performance

During the year under review, the value of the shares in the Fund increased by 3.42% while the value of the Markit iBoxx GBP Corporates Index +1% rose by 3.26%.

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

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

Fund Particulars as at 16 January 2025			
	Retail Income	Retail Accumulation	Institutional Income
Price	104.1p xd	291.2p	191p xd
Distribution payable (on 14 March 2025) per share net	1.139509p	3.153098p	2.584307p
Current net estimated yield	3.80%	3.80%	4.90%
Annual ACD charge	1.00%	1.00%	0.00%

	Institutional Accumulation	Income C	Accumulation C
Price	365.7p	104.4p xd	315.2p
Distribution payable (on 14 March 2025) per share net	4.883124p	1.334963p	3.967073p
Current net estimated yield	4.90%	4.60%	4.60%
Annual ACD charge	0.00%	0.30%	0.30%

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
UNITED KINGDOM - 49.91% (50.21%)			
Government Bonds - 1.74% (3.44%)			
Treasury 1.25% 31/7/2051	£6,522,000	2,849	1.74
Total Government Bonds		2,849	1.74
Corporate Bonds - 48.17% (46.77%)			
Anglian Water 2.75% 26/10/2029	£735,000	649	0.40
Anglian Water 5.75% 7/6/2043	£319,000	292	0.18
Anglian Water 6% 20/6/2039	£709,000	685	0.42
Anglian Water 6.25% 12/9/2044	£1,287,000	1,241	0.76
Aviva 4.375% variable rate 12/9/2049	£900,000	845	0.50
Aviva 6.125% variable rate 12/9/2054	£898,000	870	0.53
Barclays Bank 3.25% 17/1/2033	£1,000,000	840	0.50
Barclays Bank 3.75% variable rate 22/11/2030	£3,490,000	3,429	2.09
Barclays Bank 5.746% variable rate 31/7/2032	£1,548,000	1,546	0.94
Barclays Bank 5.851% variable rate 21/3/2035	£797,000	789	0.48
Barclays Bank 7.09% variable rate 6/11/2029	£1,007,000	1,061	0.65
Barclays Bank 8.407% variable rate 14/11/2032	£2,448,000	2,607	1.59
Barclays Bank 8.5% variable rate perpetual	£414,000	423	0.26
Berkeley Group 2.50% 11/8/2031	£953,000	757	0.46
BP Capital Markets 4.25% variable rate perpetual	£801,000	769	0.47
BP Capital Markets 5.773% 25/5/2038	£942,000	935	0.57
BP Capital Markets 6% variable rate perpetual	£1,151,000	1,133	0.69
British Telecommunications 5.625% 3/12/2041	£608,000	571	0.35
Broadgate 4.999% 5/10/2033	£550,000	486	0.30
BUPA Finance 4% variable rate perpetual	£600,000	461	0.28
BUPA Finance 5% 8/12/2026	£312,000	310	0.19
Cadent Finance 2.75% 22/9/2046	£1,099,000	646	0.39
Cadent Finance 5.625% 11/1/2036	£661,000	639	0.39
Centrica 7% 19/9/2033	£574,000	624	0.38
Clarion Funding 5.375% 30/5/2057	£432,000	393	0.24
Coventry Building Society 8.75% variable rate perpetual	£827,000	846	0.52
Eastern Power Networks 5.375% 2/10/2039	£835,000	790	0.48
Eastern Power Networks 5.375% 26/2/2042	£437,000	409	0.25
GlaxoSmithKline 1.625% 12/5/2035	£600,000	424	0.26
Heathrow Finance 6.25% 3/3/2025	£1,100,000	1,099	0.67
Heathrow Finance 6.625% 1/3/2031	£589,000	587	0.36
+HSBC Holdings 5.29% variable rate 16/9/2032	£1,360,000	1,334	0.81
+HSBC Holdings 5.875% variable rate perpetual	£1,000,000	986	0.60
+HSBC Holdings 6.8% variable rate 14/9/2031	£2,000,000	2,121	1.29
International Distributions Services 7.375% 14/9/2030	£900,000	920	0.56
Legal & General Group 5.375% variable rate 27/10/2045	£1,000,000	999	0.61
Lloyds Banking Group 2.707% variable rate 3/12/2035	£1,774,000	1,480	0.90
Lloyds Banking Group 6.625% variable rate 2/6/2033	£1,091,000	1,113	0.68
Lloyds Banking Group 8.5% variable rate perpetual	£375,000	387	0.24
M&G 5.7% variable rate 19/12/2063	£500,000	453	0.28
Motability Operations Group 5.625% 24/1/2054	£436,000	394	0.24

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Motability Operations Group 6.25% 22/1/2045	£144,000	142	0.09
National Grid Electricity Distribution 5.35% 10/7/2039	£1,009,000	949	0.58
National Grid Electricity Transmission 2.75% 6/2/2035	£1,500,000	1,165	0.71
Nationwide Building Society 5.532% variable rate 13/1/2033	£1,327,000	1,322	0.81
Nationwide Building Society 7.5% variable rate perpetual	£814,000	809	0.49
NatWest Group 3.619% variable rate 29/3/2029	£1,500,000	1,426	0.87
NatWest Group 5.125% variable rate perpetual	£1,125,000	1,073	0.65
NatWest Group 7.416% variable rate 6/6/2033	£1,282,000	1,337	0.81
NatWest Markets 5% 18/11/2029	£1,429,000	1,416	0.86
NGG Finance 5.625% variable rate 18/6/2073	£500,000	499	0.30
NIE Finance 5.875% 1/12/2032	£1,000,000	1,023	0.62
NIE Finance 6.375% 2/6/2026	£1,500,000	1,526	0.93
Northern Powergrid Northeast 3.25% 1/4/2052	£1,163,000	728	0.44
Northern Powergrid Yorkshire 2.25% 9/10/2059	£643,000	295	0.18
Pension Insurance 6.875% 15/11/2034	£218,000	214	0.13
Pension Insurance 8% 13/11/2033	£900,000	953	0.58
Places for People Treasury 2.875% 17/8/2026	£367,000	353	0.22
Places for People Treasury 6.25% 6/12/2041	£1,056,000	1,050	0.64
Principality Building Society 8.625% 12/7/2028	£1,180,000	1,267	0.77
Prudential 5.875% 11/5/2029	£664,000	677	0.41
Rentokil Initial 5% 27/6/2032	£500,000	478	0.29
RL Finance Bonds 4.875% variable rate 7/10/2049	£750,000	594	0.36
Rothsay Life 5% variable rate perpetual	£750,000	616	0.38
Royal Bank of Scotland 3.125% variable rate 28/3/2027	£3,761,000	3,665	2.23
Santander UK Group Holdings 2.92% variable rate 8/5/2026	£2,700,000	2,677	1.63
Santander UK Group Holdings 7.098% variable rate 16/11/2027	£1,000,000	1,027	0.63
Scottish & Southern 8.375% 20/11/2028	£1,300,000	1,448	0.88
Scottish Hydro-Electric Transmission 5.5% 15/1/2044	£754,000	704	0.43
Southern Gas Networks 3.5% 16/10/2030	£636,000	527	0.32
Southern Gas Networks 6.625% 14/3/2035	£1,180,000	1,229	0.75
SW Finance 7% 16/4/2040	£400,000	354	0.22
SW Finance 7.75% 31/10/2031	£1,000,000	947	0.58
Telereal Securitisation 5.634% 10/12/2031	£1,258,000	1,227	0.75
Tesco Corporate Treasury Services 5.125% 22/5/2034	£699,000	661	0.40
The Unite Group 5.625% 25/6/2032	£497,000	494	0.30
Virgin Money 4% variable rate 25/9/2026	£1,500,000	1,485	0.90
Virgin Money 5.125% variable rate 11/12/2030	£560,000	557	0.34
Virgin Money 11% variable rate perpetual	£330,000	373	0.23
Vodafone Group 3% 12/8/2056	£952,000	518	0.32
Vodafone Group 3.375% 8/8/2049	£1,200,000	766	0.47
Western Power Distribution 3.5% 16/10/2026	£1,000,000	974	0.59
Yorkshire Water Finance 1.75% 26/11/2026	£1,200,000	1,117	0.68
Yorkshire Water Finance 1.75% 27/10/2032	£1,000,000	738	0.45
Yorkshire Water Finance 2.75% 18/4/2041	£500,000	317	0.19
Total Corporate Bonds		79,060	48.17
Total United Kingdom		81,909	49.91

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
UNITED STATES - 6.68% (7.37%)			
Corporate Bonds - 6.68% (7.37%)			
AT&T 2.9% 4/12/2026	£2,000,000	1,925	1.17
AT&T 4.25% 1/6/2043	£2,000,000	1,566	0.95
AT&T 7% 30/4/2040	£1,000,000	1,083	0.66
Comcast 5.25% 26/9/2040	£1,031,000	961	0.59
Goldman Sachs 3.625% variable rate 29/10/2029	£1,500,000	1,417	0.86
Morgan Stanley 5.213% variable rate 24/10/2035	£2,364,000	2,267	1.38
Realty Income 5% 15/10/2029	£683,000	670	0.41
Realty Income 6% 5/12/2039	£685,000	678	0.41
Time Warner Cable 5.25% 15/7/2042	£500,000	404	0.25
Total Corporate Bonds		10,971	6.68
Total United States		10,971	6.68
AUSTRALIA - 1.52% (1.57%)			
Corporate Bonds - 1.52% (1.57%)			
QBE Insurance Group 2.5% variable rate 13/9/2038	£1,800,000	1,597	0.98
Westfield America Manage 2.625% 30/3/2029	£1,000,000	890	0.54
Total Corporate Bonds		2,487	1.52
Total Australia		2,487	1.52
BELGIUM - 0.68% (0.00%)			
Corporate Bonds - 0.68% (0.00%)			
AnheuserBusch InBev 3.95% 22/3/2044	€494,000	415	0.25
KBC Group 6.151% variable rate 19/3/2034	£700,000	706	0.43
Total Corporate Bonds		1,121	0.68
Total Belgium		1,121	0.68
BERMUDA - 1.06% (0.90%)			
Corporate Bonds - 1.06% (0.90%)			
Hiscox 6% 22/9/2027	£727,000	737	0.45
Hiscox 6.125% variable rate 24/11/2045	£1,000,000	1,002	0.61
Total Corporate Bonds		1,739	1.06
Total Bermuda		1,739	1.06
CANADA - 1.55% (0.58%)			
Corporate Bonds - 1.55% (0.58%)			
Royal Bank of Canada 4.875% 1/11/2030	£1,472,000	1,449	0.88
Royal Bank of Canada 5% 24/1/2028	£1,100,000	1,100	0.67
Total Corporate Bonds		2,549	1.55
Total Canada		2,549	1.55

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
CAYMAN ISLANDS - 2.07% (0.64%)			
Corporate Bonds - 2.07% (0.64%)			
Gaci First Investment 5.125% 11/6/2029	£630,000	624	0.38
Gaci First Investment 5.625% 11/6/2039	£600,000	581	0.35
Phoenix 7.75% variable rate 6/12/2053	£1,186,000	1,225	0.75
Yorkshire Power 7.25% 4/8/2028	£924,000	970	0.59
Total Corporate Bonds		3,400	2.07
Total Cayman Islands		3,400	2.07
CHANNEL ISLANDS - 2.43% (3.61%)			
Corporate Bonds - 2.43% (3.61%)			
CPUK Finance 5.94% 28/2/2047	£749,000	752	0.46
Heathrow Funding 4.625% 31/10/2046	£1,000,000	811	0.49
Heathrow Funding 6% 5/3/2032	£682,000	672	0.41
Heathrow Funding 6.75% 3/12/2028	£1,700,000	1,748	1.07
Total Corporate Bonds		3,983	2.43
Total Channel Islands		3,983	2.43
DENMARK - 1.66% (1.27%)			
Corporate Bonds - 1.66% (1.27%)			
Danske Bank 3.75% variable rate 19/11/2036	€420,000	348	0.21
Orsted AS 4.875% 12/1/2032	£1,000,000	958	0.58
Orsted AS 5.125% 13/9/2034	£1,500,000	1,418	0.87
Total Corporate Bonds		2,724	1.66
Total Denmark		2,724	1.66
FRANCE - 9.39% (8.76%)			
Corporate Bonds - 9.39% (8.76%)			
Banque Fédérative du Crédit Mutuel 4.375% 11/1/2034	€400,000	339	0.21
BNP Paribas 6.3175% variable rate 15/11/2035	£1,200,000	1,209	0.74
BPCE 5.375% 22/10/2031	£1,300,000	1,275	0.78
Credit Agricole 5.5% variable rate 31/7/2032	£1,300,000	1,291	0.79
Électricité de France 5.875% variable rate perpetual	£1,000,000	955	0.57
Électricité de France 6% 23/1/2114	£1,000,000	874	0.53
Électricité de France 6% variable rate perpetual	£1,400,000	1,391	0.85
Électricité de France 6.125% 2/6/2034	£1,000,000	1,000	0.61
Électricité de France 6.5% 8/11/2064	£800,000	749	0.46
Engie 5.625% 3/4/2053	£800,000	725	0.44
Engie 5.75% 28/10/2050	£700,000	655	0.40
Kering 5% 23/11/2032	£1,400,000	1,339	0.81
La Banque Postale 5.625% variable rate 21/9/2028	£1,500,000	1,497	0.91
Orange 5.375% 22/11/2050	£1,000,000	931	0.57
Société Générale 5.75% variable rate 22/1/2032	£1,200,000	1,184	0.72
Total Corporate Bonds		15,414	9.39
Total France		15,414	9.39

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
GERMANY - 1.03% (1.24%)			
Corporate Bonds - 1.03% (1.24%)			
Bayerische Landesbank 5.25% 28/11/2029	£1,700,000	1,690	1.03
Total Corporate Bonds		1,690	1.03
Total Germany		1,690	1.03
IRELAND - 1.01% (3.09%)			
Corporate Bonds - 0.86% (1.22%)			
Zurich Finance Ireland 5.125% variable rate 23/11/2052	£1,500,000	1,419	0.86
Total Corporate Bonds		1,419	0.86
Financials - 0.15% (1.87%)			
+HSBC Sterling ESG Liquidity Fund	237,545	238	0.15
Total Financials		238	0.15
Total Ireland		1,657	1.01
ITALY - 1.35% (0.33%)			
Corporate Bonds - 1.35% (0.33%)			
Enel 4.5% variable rate perpetual	€1,286,000	1,071	0.65
Snam 5.75% 26/11/2036	£1,152,000	1,140	0.70
Total Corporate Bonds		2,211	1.35
Total Italy		2,211	1.35
JAPAN - 0.64% (0.56%)			
Corporate Bonds - 0.64% (0.56%)			
Mizuho Financial Group 5.628% 13/6/2028	£1,037,000	1,051	0.64
Total Corporate Bonds		1,051	0.64
Total Japan		1,051	0.64
JERSEY - 1.57% (1.68%)			
Corporate Bonds - 1.57% (1.68%)			
Gatwick Funding 5.5% 4/4/2042	£625,000	582	0.35
Heathrow Funding 5.875% 13/5/2041	£1,000,000	971	0.59
+HSBC Bank Fund 5.844% variable rate perpetual	£1,000,000	1,026	0.63
Total Corporate Bonds		2,579	1.57
Total Jersey		2,579	1.57
LUXEMBOURG - 5.94% (4.40%)			
Corporate Bonds - 1.91% (2.33%)			
Aroundtown Finance 8.625% variable rate perpetual	£700,000	671	0.41
Blackstone Property Partners 2.625% 20/10/2028	£903,000	812	0.49
CK Hutchison Holdings 2% 17/10/2027	£1,000,000	913	0.56
Logicor Financing 2.75% 15/1/2030	£856,000	739	0.45
#~Virgolino De Oliveira Fi 6.75% 29/1/2018	\$243,000	-	-
Total Corporate Bonds		3,135	1.91

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i> Holding</i>	<i> Bid</i> <i> value</i> <i> £'000</i>	<i> Total</i> <i> net</i> <i> assets</i> <i> %</i>
Financials - 4.03% (2.07%)			
+HSBC Global Securitised Credit Bond Fund	678,949	6,617	4.03
Total Financials		6,617	4.03
Total Luxembourg		9,752	5.94
NETHERLANDS - 3.44% (4.71%)			
Corporate Bonds - 3.44% (4.71%)			
BMW International Investment 4.75% 4/9/2030	£1,300,000	1,275	0.78
E.ON International Finance 6.125% 6/7/2039	£1,000,000	999	0.61
Enel Finance 5.75% 14/9/2040	£500,000	480	0.29
ING Groep 4.875% variable rate 2/10/2029	£800,000	790	0.48
ING Groep 6.25% variable rate 20/5/2033	£1,200,000	1,213	0.74
Toyota Motor Finance 4.75% 22/10/2029	£906,000	892	0.54
Total Corporate Bonds		5,649	3.44
Total Netherlands		5,649	3.44
NORWAY - 1.20% (1.02%)			
Corporate Bonds - 1.20% (1.02%)			
DNB Bank ASA 4% variable rate 17/8/2027	£2,000,000	1,967	1.20
Total Corporate Bonds		1,967	1.20
Total Norway		1,967	1.20
SPAIN - 2.49% (2.68%)			
Corporate Bonds - 2.49% (2.68%)			
Banco de Sabadell 5% 13/10/2029	£1,100,000	1,087	0.66
CaixaBank 1.5% variable rate 3/12/2026	£2,400,000	2,324	1.42
Iberdrola Finanzas 5.25% 31/10/2036	£700,000	677	0.41
Total Corporate Bonds		4,088	2.49
Total Spain		4,088	2.49
SWEDEN - 0.75% (0.81%)			
Corporate Bonds - 0.75% (0.81%)			
Svenska Handelsbanken AB 4.625% variable rate 23/8/2032	£1,268,000	1,235	0.75
Total Corporate Bonds		1,235	0.75
Total Sweden		1,235	0.75
SWITZERLAND - 0.57% (4.24%)			
Corporate Bonds - 0.57% (4.24%)			
Credit Suisse Group 2.25% variable rate 9/6/2028	£1,000,000	931	0.57
Total Corporate Bonds		931	0.57
Total Switzerland		931	0.57

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
FORWARD FOREIGN EXCHANGE CONTRACTS - 0.03% (0.00%)			
#EUR Forward Currency Contract 5/2/2025	EUR 1,170,000	14	0.01
#GBP Forward Currency Contract 5/2/2025	(GBP 971,052)		
#USD Forward Currency Contract 6/2/2025	USD 940,000	29	0.02
#GBP Forward Currency Contract 6/2/2025	(GBP 737,618)		
#EUR Forward Currency Contract 5/2/2025	EUR 325,000	5	-
#GBP Forward Currency Contract 5/2/2025	(GBP 268,305)		
#GBP Forward Currency Contract 5/2/2025	GBP 1,069,793	(3)	-
#EUR Forward Currency Contract 5/2/2025	(EUR 1,275,000)		
Total Forward Foreign Exchange Contracts		45	0.03
FUTURES - (0.26%) (0.24%)			
CBT US 10Yr Ultra Note March 2025	(15)	(1)	-
EUX Euro Bobl Future March 2025	(22)	47	0.03
ICF ICE Long Gilt Future March 2025	141	(471)	(0.29)
Total Futures		(425)	(0.26)
CREDIT DEFAULT SWAPS - (0.00%) ((0.16%))			
Portfolio of investments		158,727	96.71
Net other assets		5,400	3.29
Net assets		164,127	100.00

+Investment managed by the ACD/HSBC Group

#Unlisted

~Value less than £1,000

Figures in brackets denote the comparative percentage holdings as at 15 January 2024.

Unless otherwise stated, all investments are listed securities.

The counterparty for futures is HSBC Bank.

The counterparties for the forward foreign exchange contracts are Credit Agricole London and UBS.

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

Comparative Tables

for the year ended 15 January 2025

Retail Income	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	104.90p	103.70p	125.70p
Return before operating charges*	4.44p	6.42p	(17.51p)
Operating charges**	(1.12p)	(1.12p)	(1.19p)
Return after operating charges*	3.32p	5.30p	(18.70p)
Distributions on income shares	(4.42p)	(4.10p)	(3.30p)
Closing net asset value per share	103.80p	104.90p	103.70p
*after direct transaction costs of: ***	0.00p	0.00p	0.00p
Performance			
Return after charges	3.16%	5.11%	(14.88%)
Other information			
Closing net asset value	£9,749,360	£9,687,296	£9,916,481
Closing number of shares	9,391,250	9,237,552	9,566,738
Operating charges - OCF	1.04% ****	1.11%	1.09%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	108.50p	108.20p	125.70p
Lowest share price	104.00p	97.64p	92.30p

Retail Accumulation	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	281.50p	267.20p	313.90p
Return before operating charges*	11.97p	17.23p	(43.66p)
Operating charges**	(2.97p)	(2.93p)	(3.04p)
Return after operating charges*	9.00p	14.30p	(46.70p)
Distributions on accumulation shares	(12.01p)	(10.77p)	(8.32p)
Retained distributions on accumulation shares	12.01p	10.77p	8.32p
Closing net asset value per share	290.50p	281.50p	267.20p
*after direct transaction costs of: ***	0.01p	0.00p	0.01p
Performance			
Return after charges	3.20%	5.35%	(14.88%)
Other information			
Closing net asset value	£468,857	£5,040,983	£6,477,607
Closing number of shares	161,384	1,791,048	2,424,559
Operating charges - OCF	1.04% ****	1.11%	1.09%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	296.90p	287.10p	313.90p
Lowest share price	279.00p	254.90p	233.90p

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

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

****With effect from 28 March 2024, the annual ACD charge for this Share Class decreased to 1.00% per annum.

Administrator and Electronic Service Fees have also been charged to this Share Class from this date.

Comparative Tables

for the year ended 15 January 2025

Institutional Income	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	192.60p	190.60p	231.10p
Return before operating charges*	8.07p	11.79p	(32.24p)
Operating charges**	(0.06p)	(0.07p)	(0.05p)
Return after operating charges*	8.01p	11.72p	(32.29p)
Distributions on income shares	(10.11p)	(9.72p)	(8.21p)
Closing net asset value per share	190.50p	192.60p	190.60p
*after direct transaction costs of: ***	0.00p	0.00p	0.01p
Performance			
Return after charges	4.16%	6.15%	(13.97%)
Other information			
Closing net asset value	£6,448,295	£23,822,547	£171,316,755
Closing number of shares	3,384,052	12,371,221	89,879,448
Operating charges - OCF	0.04% ****	0.04%	0.03%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	199.40p	199.30p	231.20p
Lowest share price	190.90p	179.60p	170.20p

Institutional Accumulation	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	349.90p	328.90p	382.30p
Return before operating charges*	14.99p	21.13p	(53.31p)
Operating charges**	(0.09p)	(0.13p)	(0.09p)
Return after operating charges*	14.90p	21.00p	(53.40p)
Distributions on accumulation shares	(18.74p)	(16.70p)	(13.80p)
Retained distributions on accumulation shares	18.74p	16.70p	13.80p
Closing net asset value per share	364.80p	349.90p	328.90p
*after direct transaction costs of: ***	0.01p	0.00p	0.01p
Performance			
Return after charges	4.26%	6.38%	(13.97%)
Other information			
Closing net asset value	£37,711,302	£38,676,078	£30,382,948
Closing number of shares	10,337,563	11,054,790	9,236,710
Operating charges - OCF	0.04% ****	0.04%	0.03%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	371.60p	356.70p	382.40p
Lowest share price	346.80p	315.40p	287.20p

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

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

****With effect from 28 March 2024, Administrator and Electronic Service Fees have been charged to this Share Class.

Comparative Tables

for the year ended 15 January 2025

Income C	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	105.30p	104.10p	126.20p
Return before operating charges*	4.46p	6.45p	(17.59p)
Operating charges**	(0.38p)	(0.41p)	(0.43p)
Return after operating charges*	4.08p	6.04p	(18.02p)
Distributions on accumulation shares	(5.18p)	(4.84p)	(4.08p)
Closing net asset value per share	104.20p	105.30p	104.10p
*after direct transaction costs of: ***	0.00p	0.00p	0.00p
Performance			
Return after charges	3.87%	5.80%	(14.28%)
Other information			
Closing net asset value	£68,041,311	£76,025,215	£81,425,976
Closing number of shares	65,305,076	72,227,360	78,209,557
Operating charges - OCF	0.35% ****	0.41%	0.39%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	109.00p	108.80p	126.30p
Lowest share price	104.40p	98.08p	92.88p

Accumulation C	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	302.50p	285.60p	333.20p
Return before operating charges*	13.00p	18.05p	(46.45p)
Operating charges**	(1.10p)	(1.15p)	(1.15p)
Return after operating charges*	11.90p	16.90p	(47.60p)
Distributions on accumulation shares	(15.18p)	(13.54p)	(10.93p)
Retained distributions on accumulation shares	15.18p	13.54p	10.93p
Closing net asset value per share	314.40p	302.50p	285.60p
*after direct transaction costs of: ***	0.01p	0.00p	0.01p
Performance			
Return after charges	3.93%	5.92%	(14.29%)
Other information			
Closing net asset value	£41,708,166	£37,599,419	£46,959,419
Closing number of shares	13,264,487	12,428,883	16,441,338
Operating charges - OCF	0.35% ****	0.41%	0.39%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	320.60p	308.50p	333.30p
Lowest share price	299.90p	273.40p	249.60p

**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, the annual ACD charge for this Share Class decreased to 0.30% per annum. Administrator and Electronic Service Fees have also been charged to this Share Class from this date.

Comparative Tables

for the year ended 15 January 2025

Institutional Gross Accumulation#	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	N/A	N/A	383.50p
Return before operating charges*	N/A	N/A	(2.40p)
Operating charges**	N/A	N/A	0.00p
Return after operating charges*	N/A	N/A	(2.40p)
Distributions on accumulation shares	N/A	N/A	-
Retained distributions on accumulation shares	N/A	N/A	-
Cancellation Price			(381.10p)
Closing net asset value per share	N/A	N/A	-
*after direct transaction costs of: ***	N/A	N/A	0.00p
Performance			
Return after charges	N/A	N/A	(0.63%)
Other information			
Closing net asset value	N/A	N/A	N/A
Closing number of shares	N/A	N/A	N/A
Operating charges - OCF	N/A	N/A	N/A
Direct transaction costs	N/A	N/A	N/A
Prices			
Highest share price	N/A	N/A	383.60p
Lowest share price	N/A	N/A	381.10p
#The Institutional Gross Accumulation share class closed on 18 January 2022.			
**The operating charges include all costs borne by the Fund, except for direct transaction costs.			
***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.			

Statement of Total Return

for the year ended 15 January 2025

	Notes	15.1.25		15.1.24	
		£'000	£'000	£'000	£'000
Income					
Net capital (losses)/gains	2		(1,823)		3,678
Revenue	3	9,205		10,113	
Expenses	4	(528)		(654)	
Interest payable and similar charges		(2)		-	
Net revenue before taxation		8,675		9,459	
Taxation	5	-		-	
Net revenue after taxation			8,675		9,459
Total return before distributions			6,852		13,137
Distributions	6		(8,675)		(9,459)
Change in net assets attributable to shareholders from investment activities			(1,823)		3,678

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15 January 2025

	15.1.25		15.1.24	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		190,852		346,479
Amounts receivable on creation of shares	26,328		27,476	
Amounts payable on cancellation of shares	(55,476)		(191,145)	
		(29,148)		(163,669)
Dilution adjustment		73		562
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		(1,823)		3,678
Retained distribution on accumulation shares		4,173		3,802
Closing net assets attributable to shareholders		164,127		190,852

Balance Sheet

as at 15 January 2025

	Notes	15.1.25		15.1.24	
		£'000	£'000	£'000	£'000
Assets					
Investments			159,202		190,725
Current assets					
Debtors	8	6,401		4,784	
Cash and bank balances		3,082		2,963	
Total current assets			9,483		7,747
Total assets			168,685		198,472
Liabilities					
Investment liabilities			(475)		(362)
Creditors					
Distribution payable on income shares		(1,066)		(1,500)	
Other creditors	9	(3,017)		(5,758)	
Total creditors			(4,083)		(7,258)
Total liabilities			(4,558)		(7,620)
Net assets attributable to shareholders			164,127		190,852

Distribution Tables (pence per share)

for the year ended 15 January 2025

	<i>Gross income</i>	<i>Equalisation</i>	<i>Distribution payable 14.3.25</i>	<i>Distribution paid 15.3.24</i>
Group 1: Shares purchased prior to 16 October 2024				
Group 2: Shares purchased from 16 October 2024 to 15 January 2025				
Retail Income				
Group 1	1.139509	-	1.139509	1.228228
Group 2	1.139509	0.000000	1.139509	1.228228
Retail Accumulation				
Group 1	3.153098	-	3.153098	3.304278
Group 2	1.661711	1.491387	3.153098	3.304278
Institutional Income				
Group 1	2.584307	-	2.584307	2.943475
Group 2	1.797806	0.786501	2.584307	2.943475
Institutional Accumulation				
Group 1	4.883124	-	4.883124	4.856328
Group 2	3.813098	1.070026	4.883124	4.856328
Income C				
Group 1	1.334963	-	1.334963	1.416057
Group 2	0.725651	0.609312	1.334963	1.416057
Accumulation C				
Group 1	3.967073	-	3.967073	4.050828
Group 2	2.600056	1.367017	3.967073	4.050828

Distribution Tables (pence per share)

for the year ended 15 January 2025

	<i>Gross income</i>	<i>Equalisation</i>	<i>Distribution paid 13.12.24</i>	<i>Distribution paid 15.12.23</i>
Group 1: Shares purchased prior to 16 July 2024				
Group 2: Shares purchased from 16 July 2024 to 15 October 2024				
Retail Income				
Group 1	1.160000	-	1.160000	0.990000
Group 2	1.160000	0.000000	1.160000	0.990000
Retail Accumulation				
Group 1	3.160000	-	3.160000	2.590000
Group 2	1.640000	1.520000	3.160000	2.590000
Institutional Income				
Group 1	2.630000	-	2.630000	2.320000
Group 2	1.450000	1.180000	2.630000	2.320000
Institutional Accumulation				
Group 1	4.890000	-	4.890000	4.090000
Group 2	2.350000	2.540000	4.890000	4.090000
Income C				
Group 1	1.350000	-	1.350000	1.170000
Group 2	0.560000	0.790000	1.350000	1.170000
Accumulation C				
Group 1	3.970000	-	3.970000	3.280000
Group 2	2.150000	1.820000	3.970000	3.280000

Distribution Tables (pence per share)

for the year ended 15 January 2025

	<i>Gross income</i>	<i>Equalisation</i>	<i>Distribution paid 13.9.24</i>	<i>Distribution paid 15.9.23</i>
Group 1: Shares purchased prior to 16 April 2024				
Group 2: Shares purchased from 16 April 2024 to 15 July 2024				
Retail Income				
Group 1	1.080000	-	1.080000	0.940000
Group 2	1.060000	0.020000	1.080000	0.940000
Retail Accumulation				
Group 1	2.940000	-	2.940000	2.440000
Group 2	2.080000	0.860000	2.940000	2.440000
Institutional Income				
Group 1	2.480000	-	2.480000	2.220000
Group 2	1.750000	0.730000	2.480000	2.220000
Institutional Accumulation				
Group 1	4.570000	-	4.570000	3.870000
Group 2	1.170000	3.400000	4.570000	3.870000
Income C				
Group 1	1.270000	-	1.270000	1.120000
Group 2	0.600000	0.670000	1.270000	1.120000
Accumulation C				
Group 1	3.700000	-	3.700000	3.100000
Group 2	2.230000	1.470000	3.700000	3.100000

Distribution Tables (pence per share)

for the year ended 15 January 2025

	<i>Gross income</i>	<i>Equalisation</i>	<i>Distribution paid 14.6.24</i>	<i>Distribution paid 15.6.23</i>
Group 1: Shares purchased prior to 16 January 2024				
Group 2: Shares purchased from 16 January 2024 to 15 April 2024				
Retail Income				
Group 1	1.040000	-	1.040000	0.940000
Group 2	1.040000	0.000000	1.040000	0.940000
Retail Accumulation				
Group 1	2.760000	-	2.760000	2.440000
Group 2	0.990000	1.770000	2.760000	2.440000
Institutional Income				
Group 1	2.420000	-	2.420000	2.240000
Group 2	1.290000	1.130000	2.420000	2.240000
Institutional Accumulation				
Group 1	4.400000	-	4.400000	3.880000
Group 2	3.620000	0.780000	4.400000	3.880000
Income C				
Group 1	1.230000	-	1.230000	1.130000
Group 2	0.580000	0.650000	1.230000	1.130000
Accumulation C				
Group 1	3.540000	-	3.540000	3.110000
Group 2	1.480000	2.060000	3.540000	3.110000

Notes to the Financial Statements

for the year ended 15 January 2025

	15.1.25	15.1.24
	£'000	£'000
1. Accounting Policies		
The accounting policies are set out on pages 11 and 12.		
2. Net Capital (Losses)/Gains		
The net capital (losses)/gains during the year comprise:		
Currency (losses)/gains	(32)	16
Transaction charges	-	(13)
Losses on derivative contracts	(960)	(392)
Gains on forward foreign currency contracts	180	377
(Losses)/gains on non-derivative securities	(1,011)	3,690
Net capital (losses)/gains	(1,823)	3,678
Realised gains/(losses) in the current accounting year include unrealised gains/(losses) arising in previous years.		
3. Revenue		
Interest on bonds and other debt securities	9,191	10,172
Deposit interest	53	60
Bank interest	63	67
Income on derivative contracts	(112)	(191)
Stock lending income	10	5
Total revenue	9,205	10,113
4. Expenses		
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's charge	477	574
Safe custody fee	2	30
	479	604
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	19	21
Other expenses:		
Audit fee	11	11
Report and accounts fee	3	1
Administration fee	16	17
	30	29
Total expenses	528	654
Audit fees including VAT for the year were £10,872 (2024: £10,020).		

	15.1.25	15.1.24
	£'000	£'000
5. Taxation		
a) Analysis of tax charge in year:		
Corporation tax	-	-
Total tax for the year (note 5b)	-	-
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	8,675	9,459
Corporation tax at 20%	1,735	1,892
Effects of:		
Tax deductible interest distribution	(1,735)	(1,892)
Total tax charge for the year (note 5a)	-	-
c) Provision for deferred taxation		
At 15 January 2025, there is no potential deferred tax asset (15.1.24: £nil) in relation to surplus management expenses.		
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	6,453	6,464
Final dividend distribution	2,102	2,600
	8,555	9,064
Add: Amounts deducted on cancellation of shares	294	539
Deduct: Amounts received on issue of shares	(174)	(144)
Net distribution for the year	8,675	9,459
7. Movement Between Net Revenue and Distributions		
Net revenue after taxation	8,675	9,459
Net distribution for the year	8,675	9,459
8. Debtors		
Amounts receivable for creation of shares	115	385
Sales awaiting settlement	3,569	1,002
Accrued revenue	2,717	3,397
Total debtors	6,401	4,784
9. Other Creditors		
Amounts payable for cancellation of shares	651	233
Purchases awaiting settlement	2,301	5,384
Accrued expenses	65	141
Total other creditors	3,017	5,758

10. Reconciliation of Shares

	<i>Retail Income</i>	<i>Retail Accumulation</i>	<i>Institutional Income</i>
Opening shares issued at 16.1.24	9,237,552	1,791,048	12,371,221
Share movements 16.1.24 to 15.1.25			
Shares issued	153,698	14,125	13,775
Shares cancelled	-	(1,643,789)	(8,991,705)
Shares converted	-	-	(9,239)
Closing shares issued at 15.1.25	9,391,250	161,384	3,384,052

	<i>Institutional Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>
Opening shares issued at 16.1.24	11,054,790	72,227,360	12,428,883
Share movements 16.1.24 to 15.1.25			
Shares issued	3,884,279	2,368,053	3,092,674
Shares cancelled	(4,601,506)	(9,307,245)	(2,257,070)
Shares converted	-	16,908	-
Closing shares issued at 15.1.25	10,337,563	65,305,076	13,264,487

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>Retail Income</i>	<i>Retail Accumulation</i>	<i>Institutional Income</i>	<i>Institutional Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>
	%	%	%	%	%	%
As at 15.1.25	-	-	5.77	71.09	87.44	7.01
As at 15.1.24	-	-	96.63	99.01	88.21	7.75

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/from the ACD (including amounts due to associates and agents) at the year end was £584,111 (15.1.24: £26,248). Further details of such amounts can be found in notes 8 and 9.

At the year end, the Fund held £12,321,991 (15.1.24: £14,119,637) in Authorised Investment Funds managed by HSBC and/or HSBC Holdings, the parent company of the ACD. During the Year, transactions in Authorised Investment Funds managed by HSBC and/or HSBC Holdings totalled £74,534,507 (15.1.24: £119,459,057).

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 13 and 14.

Foreign Currency Risk

Since a small portion of the net assets of the Fund are denominated in currencies other than sterling, no currency risk exposure has been disclosed (15.1.24: no significant exposure).

Interest Rate Risk

The interest rate profile of the Fund's financial assets and liabilities at 15 January 2025 was:

	<i>Floating rate financial assets/ (liabilities)*</i>		<i>Fixed rate financial assets</i>		<i>Financial assets/ (liabilities) not carrying interest</i>		<i>Total</i>	
	15.1.25 £'000	15.1.24 £'000	15.1.25 £'000	15.1.24 £'000	15.1.25 £'000	15.1.24 £'000	15.1.25 £'000	15.1.24 £'000
Sterling	76,339	82,374	80,023	92,822	8,730	5,872	165,092	181,068
Euro	(1,520)	5,874	1,281	6,493	64	(5,102)	(175)	7,265
United States dollar	(789)	430	-	1,967	(1)	122	(790)	2,519
Total	74,030	88,678	81,304	101,282	8,793	892	164,127	190,852

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

The bond ratings for the portfolio at 15 January 2025 were:

	<i>Bid value £'000</i>	<i>Total net assets %</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
	15.1.25	15.1.25	15.1.24	15.1.24
Bond credit ratings				
Investment grade	139,169	84.79	164,257	86.05
Non investment grade	8,642	5.26	10,246	5.38
Non rated	4,442	2.71	8,194	4.30
Total Bonds	152,253	92.76	182,697	95.73

13. Shareholders' Funds

This Fund has a retail share class, an institutional share class and a C share class.

The annual ACD charge on the retail share class is 1.00%, nil on the institutional share class and 0.30% on the C 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 Table on pages 97 to 99. The distribution per share class is given in the Distribution Tables on pages 101 to 104.

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 £3,403 (15.1.24: £1,864) 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 and forward currency contracts.

Details of the individual contracts are shown on the Portfolio Statement on pages 90 to 96, and the total position by the counterparty at the year end is summarised below. The underlying exposure for each category of derivatives were as follows:

Counterparty	Forward Currency £'000		Total £'000	
	2025	2024	2025	2024
Credit Agricole	5	1	5	1
HSBC Bank	-	5	-	5
NatWest	-	31	-	31
UBS	43	1	43	1

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 15 January 2025, there was no collateral held in respect of the above derivatives (15.1.24: £nil).

16. Contingent Liabilities and Commitments

At the year end, the Fund had no contingent liabilities or commitments (15.1.24: none).

17. Portfolio Transaction Costs

The purchases and sales of securities incurred no direct transaction costs during the year or previous year.

Total purchases for the year were £108,343,026 (15.1.24: £164,779,815).

Total sales for the year were £138,810,486 (15.1.24: £315,128,867).

The Fund had paid £3,181 (15.1.24: £2,233) as commission on purchases and sales derivative transactions for the year ended 15.1.25

At the balance sheet date the portfolio dealing spread was 0.42% (15.1.24: 0.54%), 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 15 January 2025

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	-	-	-	-
Bonds	-	152,252	-	152,252
Pooled investment vehicles	-	6,855	-	6,855
Derivatives	47	48	-	95
	47	159,155	-	159,202
Investment Liabilities				
Derivatives	(472)	(3)	-	(475)
	(472)	(3)	-	(475)

For the year ended 15 January 2024

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	-	-	-	-
Bonds	6,562	176,135	-	182,697
Pooled investment vehicles	-	7,525	-	7,525
Derivatives	465	38	-	503
	7,027	183,698	-	190,725
Investment Liabilities				
Derivatives	(16)	(4,646)	-	(4,662)
	(16)	(4,646)	-	(4,662)

19. Value at Risk (VaR)

The market risk of the Fund's financial asset and liability positions is monitored by the Investment Advisor using VaR analysis.

VaR is a process that provides an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances.

The Manager produces daily relative Value at Risk (VaR) numbers. The third party system used to calculate the VaR is FIS APT.

The relative VaR attempts to quantify the incremental amount the Fund may lose relative to the benchmark.

The investment risk team undertake model back testing which involves calculating 1 day VaR and comparing to actual daily return on the Fund, to review the accuracy of the model. As at 15 January 2025 the relative VaR was 101.53% (15.1.24: 97.12%).

The minimum, average and maximum VaR of the Fund over the year ended 15 January 2025 was 94.33%, 99.89% and 104.02% (15.1.24: 82.94%, 97.75% and 101.24%).

Global Equity Income (Closed 17 March 2023)

Please Note this Fund is currently being wound up and is no longer available for investment.

Investment Objective

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

Investment Policy

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

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

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

Investment Strategy*

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

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

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

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

*The full strategy can be found in the prospectus.

Portfolio Activity

The fund closed on 17 March 2023.

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Basic Materials - 0.00% (0.00%)			
#Severstal PJSC GDR	62,394*	-	-
Total Basic Materials		-	-
Portfolio of investments		-	-
Net other assets		-	-
Net assets		-	-
#unlisted			

The Fund has been closed on 17 March 2023.

*Russian security which is currently valued at nil as Russian securities are suspended.

Comparative Tables

for the year ended 15 January 2025

Institutional Income	15.1.25#	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	N/A	141.00p	148.90p
Return before operating charges*	N/A	(4.00p)	(4.29p)
Operating charges**	N/A	(0.30p)	(0.11p)
Return after operating charges*	N/A	(4.30p)	(4.40p)
Distributions on income shares	N/A	-	(3.50p)
Cancellation price	N/A	(136.70p)	-
Closing net asset value per share	N/A	-	141.00p
*after direct transaction costs of:***	N/A	0.05p	0.21p
Performance			
Return after charges	N/A	(3.05%)	(2.96%)
Other information			
Closing net asset value	N/A	N/A	£4,070,671
Closing number of shares	N/A	N/A	2,888,008
Operating charges - OCF	N/A	N/A	0.07%
Direct transaction costs	N/A	N/A	0.14%
Prices			
Highest share price	N/A	146.00p	149.60p
Lowest share price	N/A	136.50p	129.90p

Institutional Accumulation	15.1.25#	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	N/A	163.40p	168.30p
Return before operating charges*	N/A	(4.55p)	(4.34p)
Operating charges**	N/A	(0.35p)	(0.56p)
Return after operating charges*	N/A	(4.90p)	(4.90p)
Distributions on accumulation shares	N/A	-	(4.00p)
Retained distributions on accumulation shares	N/A	-	4.00p
Cancellation price	N/A	(158.50p)	-
Closing net asset value per share	N/A	-	163.40p
*after direct transaction costs of:***	N/A	0.06p	0.23p
Performance			
Return after charges	N/A	(3.00%)	(2.91%)
Other information			
Closing net asset value	N/A	N/A	£81,685
Closing number of shares	N/A	N/A	50,000
Operating charges - OCF	N/A	N/A	0.36%
Direct transaction costs	N/A	N/A	0.14%
Prices			
Highest share price	N/A	169.10p	169.00p
Lowest share price	N/A	158.30p	148.20p

#The Fund has been terminated on 17 March 2023.

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

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

Comparative Tables

for the year ended 15 January 2025

Income C	15.1.25#	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	N/A	133.50p	142.20p
Return before operating charges*	N/A	(3.74p)	(3.84p)
Operating charges**	N/A	(0.46p)	(1.54p)
Return after operating charges*	N/A	(4.20p)	(5.38p)
Distributions on income shares	N/A	-	(3.32p)
Cancellation price	N/A	(129.30p)	-
Closing net asset value per share	N/A	-	133.50p
*after direct transaction costs of:***	N/A	0.05p	0.19p
Performance			
Return after charges	N/A	(3.15%)	(3.78%)
Other information			
Closing net asset value	N/A	N/A	£73,407
Closing number of shares	N/A	N/A	55,000
Operating charges - OCF	N/A	N/A	1.15%
Direct transaction costs	N/A	N/A	0.14%
Prices			
Highest share price	N/A	138.20p	142.70p
Lowest share price	N/A	129.10p	123.20p

Accumulation C	15.1.25#	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	N/A	155.10p	161.00p
Return before operating charges*	N/A	(4.36p)	(4.13p)
Operating charges**	N/A	(0.54p)	(1.77p)
Return after operating charges*	N/A	(4.90p)	(5.90p)
Distributions on accumulation shares	N/A	-	(3.79p)
Retained distributions on accumulation shares	N/A	-	3.79p
Cancellation price	N/A	(150.20p)	-
Closing net asset value per share	N/A	-	155.10p
*after direct transaction costs of:***	N/A	0.06p	0.22p
Performance			
Return after charges	N/A	(3.16%)	(3.66%)
Other information			
Closing net asset value	N/A	N/A	£77,539
Closing number of shares	N/A	N/A	50,000
Operating charges - OCF	N/A	N/A	1.15%
Direct transaction costs	N/A	N/A	0.14%
Prices			
Highest share price	N/A	160.40p	161.60p
Lowest share price	N/A	150.00p	141.30p

#The Fund has been terminated on 17 March 2023.

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

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

Statement of Total Return

for the year ended 15 January 2025

	Notes	15.1.25#		15.1.24	
		£'000	£'000	£'000	£'000
Income					
Net capital losses	2	-	-		(127)
Revenue	3	-	-	5	
Expenses	4	-	-	(8)	
Net expense before taxation		-	-	(3)	
Taxation	5	-	-	3	
Net revenue after taxation			-		-
Total deficit before distributions			-		(127)
Distributions	6		-		-
Change in net assets attributable to shareholders from investment activities			-		(127)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15 January 2025

	15.1.25#		15.1.24	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		-		4,303
Amounts payable on cancellation of shares	-	-	(4,176)	
		-		(4,176)
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		-		(127)
Closing net assets attributable to shareholders		-		-

#The Fund has been closed on 17 March 2023.

Balance Sheet

as at 15 January 2025

	Notes	15.1.25#		15.1.24	
		£'000	£'000	£'000	£'000
Assets					
Investments			-		-
Current assets					
Cash and bank balances		4		10	
Total current assets			4		10
Total assets			4		10
Liabilities					
Creditors					
Other creditors	9	(4)		(10)	
Total creditors			(4)		(10)
Total liabilities			(4)		(10)
Net assets attributable to shareholders			-		-

#The Fund has been closed on 17 March 2023.

Distribution Tables (pence per share)

for the year ended 15 January 2025

The Fund has been closed on 17 March 2023 hence at the year end, no distributions (15.1.24: nil).

Notes to the Financial Statements

for the year ended 15 January 2025

	15.1.25#	15.1.24
	£'000	£'000
1. Accounting Policies		
The accounting policies are set out on pages 11 and 12.		
2. Net Capital Losses		
The net capital losses during the year comprise:		
Currency losses	-	(1)
Transaction charges	-	(1)
Losses on derivative contracts	-	(3)
Losses on non-derivative securities	-	(122)
Net capital losses	-	(127)
Realised gains/(losses) in the current accounting year include unrealised gains/(losses) arising in previous years.		
3. Revenue		
UK dividends (net)	-	2
Overseas dividends	-	3
Total revenue	-	5
4. Expenses		
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's charge	-	-
Safe custody fee	-	-
	-	-
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	-	-
Other expenses:		
Audit fee	-	3
Legal fee	-	5
	-	8
Total expenses	-	8

#The Fund has been closed on 17 March 2023.

	15.1.25#	15.1.24
	£'000	£'000
5. Taxation		
a) Analysis of charge in year:		
Overseas tax	-	(4)
Adjustments in respect of prior years	-	1
Total tax for the year (note 5b)	-	(3)
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 expense before taxation	-	(3)
Corporation tax at 20%	-	(1)
Effects of:		
Revenue not subject to taxation	-	(1)
Expenses not deductible for tax purposes	-	1
Current year expenses not utilised	-	1
Irrecoverable overseas tax	-	(4)
Adjustments in respect of prior years	-	1
Total tax charge for the year (note 5a)	-	(3)
c) Provision for deferred taxation		
At 15 January 2025, there is no potential deferred tax asset (15.1.24: £662) in relation to surplus management expenses of £nil (15.1.24: £3,112).		
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	-	-
Final dividend distribution	-	-
Add: Amounts deducted on cancellation of shares	-	-
Deduct: Amounts received on issue of shares	-	-
Net distribution for the year	-	-
7. Movement Between Net Revenue and Distributions		
Net revenue after taxation	-	-
ACD's charge charged to capital	-	-
Net distribution for the year	-	-
8. Debtors		
Accrued revenue	-	-
Total debtors	-	-
9. Other creditors		
Accrued expenses	4	10
Total other creditors	4	10

#The Fund has been closed on 17 March 2023.

10. Reconciliation of Shares

The Fund has been closed on 17 March 2023 hence at the year end, no shares in issue (15.1.24: nil).

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.

The Fund has been closed on 17 March 2023, therefore at the year end, the ACD and its associates held none of the Fund's shares.

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 £1,035 (15.1.24: £1,928). Further details of such amounts can be found in notes 8 and 9.

At the year end, the Fund held £nil (15.1.24: £nil) in Authorised Investment Funds managed by HSBC and/or HSBC Holdings, the parent company of the ACD. During the period, transactions in Authorised Investment Funds managed by HSBC and/or HSBC Holdings totalled £nil (15.1.24: £nil).

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 13 and 14.

Foreign Currency Risk

The Fund has been closed on 17 March 2023 hence at the year end, no foreign currency risk (15.1.24: nil).

Interest Rate Risk

The Fund has been closed on 17 March 2023 hence at the year end, no interest rate risk (15.1.24: nil).

13. Shareholders' Funds

The Fund has been closed on 17 March 2023 hence at the year end, no shareholder's funds (15.1.24: nil).

14. Stock Lending Activities

The Fund has been closed on 17 March 2023 hence at the year end, no stock lending transactions (15.1.24: nil).

15. Financial Derivatives

The Fund has been closed on 17 March 2023 hence at the year end, no financial derivatives are present (15.1.24: nil).

16. Contingent Liabilities and Commitments

At the year end, the Fund had no contingent liabilities or commitments (15.1.24: none).

17. Portfolio Transaction Costs

For the year ended 15 January 2025#	<i>Purchases</i>		<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	
Analysis of total purchases costs								
Equity transactions	-	-	-	-	-	-	-	-
Total purchases before transaction costs	-	-	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-	-
Total purchases after commission, tax and fees	-	-	-	-	-	-	-	-
	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>		
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	
Analysis of total sales costs								
Equity transactions	-	-	-	-	-	-	-	-
Total sales before transaction costs	-	-	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-	-
Total sales after commission, tax and fees	-	-	-	-	-	-	-	-

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 15.1.25.

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

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.00%, being the difference between the respective bid and offer prices for the Fund's investments.

#The Fund has been closed on 17 March 2023.

For the year ended 15 January 2024#	<i>Purchases</i>		<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	
Analysis of total purchases costs								
Equity transactions	-	-	-	-	-	-	-	-
Total purchases before transaction costs	-	-	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-	-
Total purchases after commission, tax and fees	-	-	-	-	-	-	-	-
	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>		
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	
Analysis of total sales costs								
Equity transactions	4,007	1	0.02	-	-	-	-	-
Total sales before transaction costs	4,007	1	0.02	-	-	-	-	-
Transaction costs	(1)	-	-	-	-	-	-	-
Total sales after commission, tax and fees	4,006	-	-	-	-	-	-	-

The Fund had paid £8 as commission on purchases and sales derivative transactions for the year ended 15.1.24.

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

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.00%, being the difference between the respective bid and offer prices for the Fund's investments.

#The Fund has been closed on 17 March 2023.

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

The Fund has been closed on 17 March 2023 and holds one of the Russian securities which is currently valued at nil as Russian securities are suspended.

19. Sensitivity Analysis

Price risk sensitivity:

The Fund has been closed on 17 March 2023 hence at the year end, no price risk sensitivity (15.1.24: £nil).

Currency risk sensitivity:

The Fund has been closed on 17 March 2023 hence at the year end, no currency risk sensitivity (15.1.24: £nil).

Interest rate risk:

The Fund has been closed on 17 March 2023 hence at the year end, no interest rate risk sensitivity (15.1.24: £nil).

Europe Ex-UK Equity Fund

Investment Objective

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

Investment Policy

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

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

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

Investment Strategy*

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

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

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

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

* The full strategy can be found in the prospectus.

Portfolio Activity

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

The sector allocation was positive, thanks to the fund's overexposures on softwares and the fund's underexposures on auto, energy and utilities.

These positive contributions were partially offset by the fund's strong positioning on semiconductors and the fund's underweight financials (banks and insurance essentially).

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

SAP outperformed. SAP's shift to a subscription model from on-premise licenses has gained critical mass to support sales and margin growth. Adjusted operating margin could expand 200-400 bps annually over 2025-26, driven by greater adoption and scale in its cloud products as well as restructurings. SAP can be a key beneficiary of corporations' generative-AI investments as it sits on a trove of enterprise transactional data, though revenue contribution might take a few years to materialize.

Schneider Electric outperformed. Schneider is a key player in AI and grid infrastructure build. Data Center core electrical equipment capex is accelerating at a 13% CAGR to 2027 on AI demand, with capacity expansions, new product launches and software & services likely bringing growth closer to 20% for Schneider.

Hermes outperformed. Hermes luxury leather goods and ready-to-wear offerings attract shoppers with high spending power largely insulated from an economic slowdown, supporting its growth and profitability ahead of peers.

Dassault Systemes underperformed. Dassault Systemes, a leader in engineering software, may face sluggish growth this year after aerospace and defense customers in North America and Europe delayed large transactions. Core engineering-software revenue is tracking to 8% sales growth, below the group's 8-11% average.

STMicroelectronics underperformed. STMicroelectronics' 2025 revenue consensus could be overstated as it's likely that the chipmaker's excess shipments were only partially unwound after the pandemic-driven shortage. Following any inventory correction, STMicro nevertheless appears able to resume a sales-growth trajectory given its competitiveness in microcontrollers that are set to benefit from increased digitalization.

Neste underperformed. Neste's return on capital is pressured by renewable diesel-margin headwinds as support from refining crack spreads cools in 2024. Increasing competition underpins higher feedstock costs and reduces renewable-credit prices.

Major purchases during the period included ASMI and Saint Gobain. Major sales during the period included Neste.

The macroeconomic environment and the disinflation cycle that is structuring monetary policies will continue to determine which way the markets will go. The monetary easing cycle seems well underway in developed economies to help stimulate growth. In Europe, recent economic data, coupled with political uncertainty, are putting more pressure on the European Central Bank to implement sharper rate cuts.

In China, the situation is also starting to develop favourably with announcements of major stimulus measures to boost activity via several channels. In Europe, voices are being raised among investors in favour of a European investment plan or a fiscal stimulus in Germany to make Europe more competitive in the face of a more uncertain world, marked by the imminent return of US isolationism.

Despite the end of the US election and a short-term reduction in tensions in the Middle East, many uncertainties remain. Political uncertainty has increased in Europe (new government in France, end of the coalition in Germany) and the outlook for global growth also remains precarious. There is a growing divergence between growth in the US, which seems to be accelerating, and the rest of the world.

The scenario of an economic soft landing is still the base market scenario and nothing seems to be standing in its way at the end of 2024. Nevertheless, numerous possibilities remain for 2025, with global economic recovery still fragile, and the dose of volatility that the new Trump administration could introduce on the international stage.

Finally, the valuation of the US market is once again at all-time highs and many investors are starting to talk about the risk of a speculative bubble in this market.

Investment Performance

During the year under review, the value of the shares in the Fund increased by 3.64% while the value of the MSCI Europe ex-UK NR increased by 7.89%.

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

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

Fund Particulars				
as at 16 January 2025				
	Retail Accumulation	Institutional A Accumulation	Income C	Accumulation C
Price	970.3p	947.8p	791.0p xd	1,060p
Distribution payable (on 14 March 2025) per share net	0.753960p	7.906432p	6.248692p	8.270013p
Current net estimated yield	0.20%	0.91%	0.86%	0.84%
Annual ACD charge	1.50%	0.75%	0.80%	0.80%

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
DENMARK - 5.62% (6.17%)			
Novo Nordisk	55,489	3,767	4.27
Novonesis	26,374	1,194	1.35
Total Denmark		4,961	5.62
FINLAND - 0.00% (2.31%)			
FRANCE - 28.93% (30.14%)			
Air Liquide	26,497	3,484	3.95
Amundi	16,764	908	1.03
Capgemini	15,983	2,111	2.39
Dassault Systèmes	79,489	2,269	2.57
Hermes International	1,679	3,337	3.78
L'Oreal	9,009	2,495	2.83
Legrand Promesses	21,539	1,737	1.97
LVMH	6,230	3,337	3.78
Saint Gobain Nederland	16,431	1,186	1.34
Schneider Electric	19,238	4,075	4.62
Teleperformance	8,342	594	0.67
Total France		25,533	28.93
GERMANY - 18.13% (16.04%)			
Allianz (registered)	12,267	3,112	3.52
Carl Zeiss Meditec	10,841	413	0.47
Deutsche Boerse	11,460	2,215	2.51
Infineon Technologies	77,669	2,197	2.49
SAP	27,206	5,804	6.58
Siemens	13,717	2,264	2.56
Total Germany		16,005	18.13
IRELAND - 2.68% (2.56%)			
Kerry Group 'A'	13,320	1,021	1.16
Kingspan Group	23,770	1,339	1.52
Total Ireland		2,360	2.68
ITALY - 2.32% (2.07%)			
Amplifon	30,518	677	0.77
FinecoBank Banca Fineco	92,253	1,373	1.55
Total Italy		2,050	2.32
NETHERLANDS - 16.83% (15.18%)			
Adyen	2,093	2,579	2.92
ASM International	2,528	1,272	1.44
ASML Holdings	9,164	5,490	6.22
Heineken	22,065	1,190	1.35
STMicroelectronics	54,811	1,108	1.26
Wolters Kluwer certificates	22,910	3,213	3.64
Total Netherlands		14,852	16.83

Portfolio Statement

as at 15 January 2025

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
SPAIN - 4.23% (3.67%)			
Amadeus IT	17,860	1,005	1.14
Industria de Diseño Textil	64,575	2,729	3.09
Total Spain		3,734	4.23
SWEDEN - 1.99% (1.45%)			
Securitas 'B'	176,597	1,753	1.99
Total Sweden		1,753	1.99
SWITZERLAND - 13.68% (13.57%)			
Lonza Group	3,733	1,817	2.06
Nestle (registered)	51,887	3,419	3.87
Novartis (registered)	28,201	2,285	2.59
Roche Holdings	9,807	2,332	2.64
Sonova	8,156	2,221	2.52
Total Switzerland		12,074	13.68
UNITED KINGDOM - 2.85% (2.26%)			
RELX	65,828	2,517	2.85
Total United Kingdom		2,517	2.85
FUTURES - 0.05% ((0.09%))			
EUX Euro Stoxx 50 March 2025	55	41	0.05
Total Futures		41	0.05
Portfolio of investments		85,880	97.31
Net other assets		2,375	2.69
Net assets		88,255	100.00

Figures in bracket denote the comparative percentage holding as at 15 January 2024.

Unless otherwise stated, all investments are listed securities.

The counterparty for futures is HSBC Bank.

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

Comparative Tables

for the year ended 15 January 2025

Retail Accumulation	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	926.70p	900.00p	927.50p
Return before operating charges*	45.50p	40.71p	(14.33p)
Operating charges**	(15.20p)	(14.01p)	(13.17p)
Return after operating charges*	30.30p	26.70p	(27.50p)
Distributions on accumulation shares	(0.75p)	(1.97p)	(2.36p)
Retained distributions on accumulation shares	0.75p	1.97p	2.36p
Closing net asset value per share	957.00p	926.70p	900.00p
*after direct transaction costs of:***	0.08p	0.22p	0.21p
Performance			
Return after charges	3.27%	2.97%	(2.96%)
Other information			
Closing net asset value	£2,792,083	£3,050,953	£3,256,552
Closing number of shares	291,751	329,237	361,852
Operating charges - OCF	1.56%****	1.55%	1.54%
Direct transaction costs	0.01%	0.02%	0.02%
Prices			
Highest share price	1,029.00p	956.80p	934.60p
Lowest share price	902.20p	819.50p	760.10p
Institutional A Accumulation			
Change in net assets per share			
Opening net asset value per share	898.40p	866.00p	885.10p
Return before operating charges*	44.09p	39.34p	(12.64p)
Operating charges**	(7.69p)	(6.94p)	(6.46p)
Return after operating charges*	36.40p	32.40p	(19.10p)
Distributions on accumulation shares	(7.91p)	(8.63p)	(8.94p)
Retained distributions on accumulation shares	7.91p	8.63p	8.94p
Closing net asset value per share	934.80p	898.40p	866.00p
*after direct transaction costs of: ***	0.08p	0.21p	0.20p
Performance			
Return after charges	4.05%	3.74%	(2.16%)
Other information			
Closing net asset value	£3,332,668	£3,712,610	£899,148
Closing number of shares	3,633,277	413,248	103,827
Operating charges - OCF	0.81%****	0.80%	0.81%
Direct transaction costs	0.01%	0.02%	0.02%
Prices			
Highest share price	1,000.00p	922.50p	891.90p
Lowest share price	880.20p	793.10p	730.00p
**The operating charges include all costs borne by the Fund, except for direct transaction costs.			
***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.			
**** With effect from 28 March 2024, Administrator and Electronic Service Fees have been charged to this Share Class.			

Comparative Tables

for the year ended 15 January 2025

Income C	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	756.00p	735.80p	759.90p
Return before operating charges*	37.20p	33.32p	(10.88p)
Operating charges**	(6.85p)	(6.31p)	(5.89p)
Return after operating charges*	30.35p	27.01p	(16.77p)
Distributions on income shares	(6.25p)	(6.81p)	(7.33p)
Closing net asset value per share	780.10p	756.00p	735.80p
*after direct transaction costs of:***	0.06p	0.18p	0.17p
Performance			
Return after charges	4.01%	3.67%	(2.21%)
Other information			
Closing net asset value	£44,153,254	£47,474,245	£49,723,115
Closing number of shares	5,660,197	6,279,445	6,757,685
Operating charges - OCF	0.86%****	0.85%	0.86%
Direct transaction costs	0.01%	0.02%	0.02%
Prices			
Highest share price	841.60p	783.70p	765.80p
Lowest share price	740.50p	673.60p	626.50p

Accumulation C	15.1.25	15.1.24	15.1.23
Change in net assets per share			
Opening net asset value per share	1,005.00p	969.40p	991.30p
Return before operating charges*	49.14p	43.92p	(14.22p)
Operating charges**	(9.14p)	(8.32p)	(7.68p)
Return after operating charges*	40.00p	35.60p	(21.90p)
Distributions on accumulation shares	(8.27p)	(8.95p)	(9.56p)
Retained distributions on accumulation shares	8.27p	8.95p	9.56p
Closing net asset value per share	1,045.00p	1,005.00p	969.40p
*after direct transaction costs of: ***	0.09p	0.24p	0.22p
Performance			
Return after charges	3.98%	3.67%	(2.21%)
Other information			
Closing net asset value	£37,976,762	£40,530,283	£44,747,480
Closing number of shares	3,633,277	4,032,569	4,615,780
Operating charges - OCF	0.86%****	0.85%	0.86%
Direct transaction costs	0.01%	0.02%	0.02%
Prices			
Highest share price	1,119.00p	1,033.00p	999.00p
Lowest share price	984.30p	887.50p	817.30p

**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 15 January 2025

	Notes	15.1.25		15.1.24	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		3,152		2,538
Revenue	3	1,774		1,916	
Expenses	4	(834)		(832)	
Interest payable and similar charges		(3)		-	
Net revenue before taxation		937		1,084	
Taxation	5	(205)		(218)	
Net revenue after taxation			732		866
Total return before distributions			3,884		3,404
Distributions	6		(732)		(867)
Change in net assets attributable to shareholders from investment activities			3,152		2,537

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15 January 2025

	15.1.25		15.1.24	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		94,768		98,626
Amounts receivable on creation of shares	1,329		1,291	
Amounts payable on cancellation of shares	(11,325)		(8,089)	
		(9,996)		(6,798)
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		3,152		2,537
Retained distribution on accumulation shares		331		403
Closing net assets attributable to shareholders		88,255		94,768

Balance Sheet

as at 15 January 2025

	Notes	15.1.25		15.1.24	
		£'000	£'000	£'000	£'000
Assets					
Investments			85,880		90,425
Current assets					
Debtors	8	2,000		2,095	
Cash and bank balances		1,051		2,953	
Total current assets			3,051		5,048
Total assets			88,931		95,473
Liabilities					
Investment liabilities			-		(84)
Creditors					
Distribution payable on income shares		(354)		(428)	
Other creditors	9	(322)		(193)	
Total creditors			(676)		(621)
Total liabilities			(676)		(705)
Net assets attributable to shareholders			88,255		94,768

Distribution Tables (pence per share)

for the year ended 15 January 2025

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 14.3.25</i>	<i>Distribution paid 15.3.24</i>
Group 1: Shares purchased prior to 16 January 2024				
Group 2: Shares purchased from 16 January 2024 to 15 January 2025				
Retail Accumulation				
Group 1	0.753960	-	0.753960	1.965809
Group 2	0.000000	0.753960	0.753960	1.965809
Institutional A Accumulation				
Group 1	7.906432	-	7.906432	8.632020
Group 2	2.797380	5.109052	7.906432	8.632020
Income C				
Group 1	6.248692	-	6.248692	6.810044
Group 2	4.905970	1.342722	6.248692	6.810044
Accumulation C				
Group 1	8.270013	-	8.270013	8.949103
Group 2	3.876209	4.393804	8.270013	8.949103

Notes to the Financial Statements

for the year ended 15 January 2025

	15.1.25	15.1.24
	£'000	£'000
1. Accounting Policies		
The accounting policies are set out on pages 11 and 12.		
2. Net Capital Gains		
The net capital gains during the year comprise:		
Currency losses	(35)	(55)
Transaction charges	2	(6)
Gains on derivative contracts	361	210
Gains on non-derivative securities	2,824	2,389
Net capital gains	3,152	2,538
Realised gains/(losses) in the current accounting year include unrealised gains/(losses) arising in previous years.		
3. Revenue		
UK dividends (net)	39	-
Overseas dividends	1,683	1,863
Deposit interest	10	7
Bank interest	40	44
Stock lending income	2	2
Total revenue	1,774	1,916
4. Expenses		
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's charge	779	789
Safe custody fee	10	9
	789	798
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	10	10
Other expenses:		
Audit fee	10	10
Report and accounts fee	2	1
Administration fee	23	13
	35	24
Total expenses	834	832
Audit fees including VAT for the year were £9,895 (2024: £9,120).		

	15.1.25	15.1.24
	£'000	£'000
5. Taxation		
a) Analysis of charge in year:		
Overseas tax	211	218
Windfall overseas tax recoveries	(6)	-
Total tax for the year (note 5b)	205	218
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is higher (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	937	1,084
Corporation tax at 20%	187	217
Effects of:		
Revenue not subject to taxation	(344)	(364)
Overseas tax	211	218
Windfall overseas tax recoveries	(6)	-
Current year expenses not utilised	157	148
Tax relief on overseas tax suffered	-	(1)
Current tax charge for the year (note 5a)	205	218
c) Provision for deferred taxation		
At 15 January 2025, there is a potential deferred tax asset of £562,664 (15.1.24: £405,443) and £661 (15.1.24: £661) in relation to surplus management expenses of £2,813,318 (15.1.24: £2,027,216) and non-trading deficits of £3,305 (15.1.24: £3,305) respectively. 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	684	831
	684	831
Add: Amounts deducted on cancellation of shares	53	39
Deduct: Amounts received on issue of shares	(5)	(3)
Net distribution for the year	732	867
7. Movement Between Net Revenue and Distributions		
Net revenue after taxation	732	866
Equalisation on conversions	-	1
Net distribution for the year	732	867
8. Debtors		
Amounts receivable for creation of shares	-	1
Accrued revenue	7	-
Overseas tax recoverable	1,993	2,094
Total debtors	2,000	2,095
9. Other creditors		
Amounts payable for cancellation of shares	261	64
Accrued expenses	61	129
Total other creditors	322	193

10. Reconciliation of Shares

	<i>Retail Accumulation</i>	<i>Institutional A Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>
Opening shares issued at 16.1.24	329,237	413,248	6,279,445	4,032,569
Share movements 16.1.24 to 15.1.25				
Shares issued	6,483	61,319	45,860	30,122
Shares cancelled	(43,969)	(118,041)	(665,108)	(429,414)
Closing shares issued at 15.1.25	291,751	356,526	5,660,197	3,633,277

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>Income C</i>	<i>Accumulation C</i>
	<i>%</i>	<i>%</i>
As at 15.1.25	94.04	4.33
As at 15.1.24	94.55	4.36

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 £309,914 (15.1.24: £181,633). Further details of such amounts can be found in notes 8 and 9.

At the year end, the Fund held £nil (15.1.24: £nil) in Authorised Investment Funds managed by HSBC and/or HSBC Holdings, the parent company of the ACD. During the year, transactions in Authorised Investment Funds managed by HSBC and/or HSBC Holdings totalled £nil (15.1.24: £nil).

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 13 and 14.

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</i>		<i>Net assets</i>	
	15.1.25	15.1.24	15.1.25	15.1.24	15.1.25	15.1.24
	£'000	£'000	£'000	£'000	£'000	£'000
Sterling*	-	-	(1,053)	206	(1,053)	206
Danish krone	4,961	5,851	113	201	5,074	6,052
Euro	67,092	70,260	1,687	2,295	68,779	72,555
Swiss franc	12,075	12,859	1,526	1,606	13,601	14,465
Swedish krona	1,752	1,371	49	71	1,801	1,442
United States dollar	-	-	53	48	53	48
Total	85,880	90,341	2,375	4,427	88,255	94,768

*No currency risk as base currency.

Interest Rate Risk

At the year end, 1.19% (15.1.24: 3.12%) 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 a retail share class, an institutional share class and a C share class.

The annual ACD charge on the retail share class is 1.50%, 0.75% on the institutional share class and 0.80% on the C 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 Table on pages 125 and 126. The distribution per share class is given in the Distribution Tables on page 128. 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 £523 (15.1.24: £515) 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.

Details of the individual contracts are shown on the Portfolio Statement on pages 123 and 124, and the total position by the counterparty at the year end is summarised below. The underlying exposure for each category of derivatives were as follows:

Counterparty	<i>Futures</i>		<i>Total</i>	
	<i>£'000</i>		<i>£'000</i>	
	2025	2024	2025	2024
HSBC Bank	41	-	41	-

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 15 January 2025, there was no collateral held in respect of the above derivatives (15.1.24: £nil).

16. Contingent Liabilities and Commitments

At the year end, the Fund had no contingent liabilities or commitments (15.1.24: none).

17. Portfolio Transaction Costs

For the year ended 15 January 2025	<i>Purchases</i>		<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	
Analysis of total purchases costs								
Equity transactions	3,676	1	0.03	3	0.08	-	-	
Total purchases before transaction costs	3,676	1		3		-		
Transaction costs	4							
Total purchases after commission, tax and fees	3,680							
	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>		
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	
Analysis of total sales costs								
Equity transactions	11,094	3	0.03	-	-	-	-	
Total sales before transaction costs	11,094	3		-		-		
Transaction costs	(3)							
Total sales after commission, tax and fees	11,091							

The Fund had paid £672 as commission on purchases and sales derivative transactions for the year ended 15.1.25.

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

Commissions	0.01%
Taxes	0.00%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.16%, being the difference between the respective bid and offer prices for the Fund's investments.

For the year ended 15 January 2024	<i>Purchases</i>		<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	
Analysis of total purchases costs								
Equity transactions	12,594	5	0.04	13	0.10	-	-	
Total purchases before transaction costs	12,594	5		13		-		
Transaction costs	18							
Total purchases after commission, tax and fees	12,612							
	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>		
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	
Analysis of total sales costs								
Equity transactions	16,782	5	0.03	-	-	-	-	
Total sales before transaction costs	16,782	5		-		-		
Transaction costs	(5)							
Total sales after commission, tax and fees	16,777							

The Fund had paid £590 as commission on purchases and sales derivative transactions for the year ended 15.1.24.

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

Commissions	0.01%
Taxes	0.01%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.10%, 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 15 January 2025

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	85,839	-	-	85,839
Derivatives	41	-	-	41
	85,880	-	-	85,880

For the year ended 15 January 2024

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	90,425	-	-	90,425
	90,425	-	-	90,425
Investment Liabilities				
Derivatives	(84)	-	-	(84)
	(84)	-	-	(84)

19. Sensitivity Analysis

Price risk sensitivity:

If the price of investments at 15 January 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 £8,588,042 (15.1.24: £9,034,140).

Currency risk sensitivity:

If the exchange rate at 15 January 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 £8,930,765 (15.1.24: £9,456,245).

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 (15.1.24: no significant exposure).

Securities Financing Transactions (SFTs) (unaudited)

Balanced

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	0.76%

Amount of assets engaged in each type of SFT

Amount of assets	<i>% of AUM</i>
£2,477,935	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

Top ten collateral issuers (across all SFT)

Issuer	<i>Holding</i>	<i>Collateral Fair value £'000</i>
Diageo	6,429	150
RELX	3,992	150
ACCOR	3,748	150
Microsoft	441	150
Nvidia	1,391	150
Amazon	841	149
Tyson Foods	2,203	100
Government of Japan 0.4% 20/3/2050	26,800,000	92
Government of Japan 1.9% 20/3/2031	16,550,000	92
Government of Japan 2.2% 20/9/2039	16,350,000	92

All counterparties

Counterparty	<i>Gross volume of outstanding transactions Fair value £'000</i>
HSBC Bank	935
Goldman Sachs International	579
Bank of Nova Scotia	519
BNP Paribas Arbitrage London/Paris	303
Merrill Lynch	142
	2,478

Aggregate Data**Type and quality of collateral**

Type	Quality*	<i>Fair Value</i> £'000
Equities	n/a	1,848
Bonds	Investment grade	751
		2,599

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

Maturity tenor of collateral

Maturity	<i>Fair Value</i> £'000
Rolling Maturity	2,599
	2,599

Currency of collateral

Currency	<i>Fair Value</i> £'000
Euro	220
Hong Kong dollar	129
Japanese Yen	660
Sterling	330
Swiss Franc	55
US dollar	1,205
	2,599

Maturity tenor of SFTs

Maturity	<i>Fair Value</i> £'000
Rolling Maturity	2,478
	2,478

Country in which counterparties are established

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

Return and cost

	£'000	<i>% of overall</i> returns
Fund gross return	18	
Payment to ACD	(2)	10.00%
Agents fee	(3)	15.00%
Fund net return	13	75.00%

UK Growth & Income

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 13.

Global Data

Amount of securities and commodities on loan

	<i>% of total lendable assets*</i>
Securities	4.20%

Amount of assets engaged in each type of SFT

Amount of assets	<i>% of AUM</i>
£10,097,147	4.16%

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

Concentration Data

Top ten collateral issuers (across all SFT)

Issuer	<i> Holding</i>	<i> Collateral Fair value £'000</i>
Government of Japan 1.7% 20/12/2032	187,250,000	1,027
Government of Japan 2.1% 20/12/2026	191,100,000	1,027
Government of Japan 1.9% 20/3/2031	184,100,000	1,024
UK Treasury 1% 22/1/2060	1,307,822	1,021
UK Treasury 0.625% 22/11/2042	685,178	1,021
UK Treasury 0.75% 22/11/2047	719,997	1,020
Tesla	1,608	520
Nvidia	4,837	520
Alphabet	3,360	520
Apple	2,731	520

All counterparties

Counterparty	<i> Gross volume of outstanding transactions Fair value £'000</i>
Goldman Sachs International	6,460
Bank of Nova Scotia	3,403
Merrill Lynch	234
	10,097

Aggregate Data**Type and quality of collateral**

Type	Quality*	<i>Fair Value</i> £'000
Equities	n/a	3,468
Bonds	Investment grade	6,960
		10,428

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

Maturity tenor of collateral

Maturity	<i>Fair Value</i> £'000
Rolling Maturity	10,428
10,428	

Currency of collateral

Currency	<i>Fair Value</i> £'000
Sterling	3,110
Euro	115
Japanese Yen	3,735
Swiss Franc	351
US dollar	3,117
10,428	

Maturity tenor of SFTs

Maturity	<i>Fair Value</i> £'000
Rolling Maturity	10,097
10,097	

Country in which counterparties are established

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

Return and cost

	£'000	<i>% of overall</i> <i>returns</i>
Fund gross return	11	
Agents fee	(3)	25.00%
Fund net return	8	75.00%

Income

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 14.

Global Data

Amount of securities and commodities on loan

	<i>% of total lendable assets*</i>
Securities	4.01%

Amount of assets engaged in each type of SFT

Amount of assets	<i>% of AUM</i>
£4,167,573	3.98%

*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>
Cellulosa	35,056	374
Intesa Sanpaolo	104,796	367
Poste Italiane	30,484	367
Fincobank	24,646	367
Mediobanca	29,041	367
Elisa	10,196	367
Government of Japan 0.6% 20/12/2033	61,250,000	315
Government of Japan 0.8% 20/9/2033	59,850,000	315
Government of Japan 1.4% 20/12/2042	63,100,000	315
Government of Japan 1.4% 20/9/2052	71,000,000	315

All counterparties

Counterparty	<i>Gross volume of outstanding transactions Fair value £'000</i>
Bank of Nova Scotia	2,346
Merrill Lynch	1,822
	4,168

Aggregate Data**Type and quality of collateral**

Type	Quality*	Fair Value £'000
Equities	n/a	2,439
Bonds	Investment grade	3,635
		6,074

*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	6,074
	6,074

Currency of collateral

Currency	Fair Value £'000
Euro	1,835
Japanese Yen	2,890
Sterling	745
Swedish krona	374
US dollar	230
	6,074

Maturity tenor of SFTs

Maturity	Fair Value £'000
Rolling Maturity	4,168
	4,168

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	4	
Payment to ACD	-	10%
Agent Fees	(1)	15%
Fund net return	3	75%

Monthly Income

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 13.

Global Data

Amount of securities and commodities on loan

	<i>% of total lendable assets*</i>
Securities	1.05%

Amount of assets engaged in each type of SFT

Amount of assets	<i>% of AUM</i>
£760,744	1.04%

*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>
Amazon	675	120
Diageo	27	1
Accor	3,006	120
Microsoft	353	120
Nvidia	1,115	120
Vinci	1,440	120
Relx	3,199	120
Auto Trader Group	10,449	80

All counterparties

Counterparty	<i> Gross volume of outstanding transactions Fair value £'000</i>
HSBC Bank	761
	761

Aggregate Data**Type and quality of collateral**

Type	Quality*	<i>Fair Value</i> £'000
Equities	n/a	801
		801

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

Maturity tenor of collateral

Maturity	<i>Fair Value</i> £'000	
Rolling Maturity	801	
		801

Currency of collateral

Currency	<i>Fair Value</i> £'000	
Sterling	201	
Euro	240	
US dollar	360	
		801

Maturity tenor of SFTs

Maturity	<i>Fair Value</i> £'000	
Rolling Maturity	761	
		761

Country in which counterparties are established

Counterparty	<i>Fair Value</i> £'000
Counterparty	761
All counterparties are UK based	761

Return and cost

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

Corporate Bond

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 14.

Global Data

Amount of securities and commodities on loan

	<i>% of total lendable assets*</i>
Securities	3.08%

Amount of assets engaged in each type of SFT

Amount of assets	<i>% of AUM</i>
£4,898,585	2.98%

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

Concentration Data

Top ten collateral issuers (across all SFT)

Issuer	<i>Holding</i>	<i>Collateral Fair value £'000</i>
Government of Japan 0.4% 20/9/2028	75,600,000	390
Government of Japan 0.7% 20/12/2050	106,250,000	390
Government of Japan 1.4% 20/9/2052	90,500,000	390
Government of Japan 0.7% 20/6/2048	101,050,000	390
UK Treasury 1.25% 22/11/2055	237,032	387
US Treasury 2.5% 28/2/2026	475,900	384
US Treasury 0% 29/5/2025	259,800	209
US Treasury 0% 1/4/2025	258,000	209

All counterparties

Counterparty	<i>Gross volume of outstanding transactions Fair value £'000</i>
Goldman Sachs International	2,395
Banco Santander	1,234
Morgan Stanley & Co International	895
JPMorgan Securities	375
	4,899

Aggregate Data**Type and quality of collateral**

Type	Quality*	<i>Fair Value</i> £'000
Bonds	Investment grade	5,193
		5,193

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

Maturity tenor of collateral

Maturity	<i>Fair Value</i> £'000	
Rolling Maturity	5,193	
		5,193

Currency of collateral

Currency	<i>Fair Value</i> £'000	
Sterling	784	
Japanese yen	2,234	
US dollar	2,175	
		5,193

Maturity tenor of SFTs

Maturity	<i>Fair Value</i> £'000	
Rolling Maturity	4,899	
		4,899

Country in which counterparties are established

Counterparty	<i>Fair Value</i> £'000
All counterparties are UK based	4,899

Return and cost

	£'000	<i>% of overall returns</i>
Fund gross return	13	
Payment to ACD	(1)	10.00%
Agents fee	(2)	15.00%
Fund net return	10	75.00%

Europe Ex-UK Equity Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 14.

Global Data

Amount of securities and commodities on loan

	<i>% of total lendable assets*</i>
Securities	0.75%

Amount of assets engaged in each type of SFT

Amount of assets	<i>% of AUM</i>
£643,049	0.73%

*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>
Nvidia	943	102
Apple	533	102
Alphabet	655	101
Tesla	313	101
Microsoft	298	101
Meta	209	101
Givaudan	20	69

All counterparties

Counterparty	<i> Gross volume of outstanding transactions Fair value £'000</i>
Bank of Nova Scotia	643
	643

Aggregate Data**Type and quality of collateral**

Type	Quality*	Fair Value £'000
Equities	n/a	677
		677

*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	677
	677

Currency of collateral

Currency	Fair Value £'000
Swiss franc	69
US dollar	608
	677

Maturity tenor of SFTs

Maturity	Fair Value £'000
Rolling Maturity	643
	643

Country in which counterparties are established

Counterparty	Fair Value £'000
All counterparties are UK based	643

Return and cost

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

Employee Remuneration Disclosure (unaudited)

Remuneration Policy

HSBC 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 our 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 (<http://www.global.assetmanagement.hsbc.com/about-us/governance-structure>).

Remuneration Disclosures

The following table shows 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 2023. 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 Global Asset Management (UK) Ltd Employees	443	60,475	31,977
HSBC Investment Funds - material risk takers	22	7,216	7,194
of which executive and non-executive members of the management body of the management company	11	2,479	2,793
Senior management	11	1,664	1,092
Control functions	5	572	352
Staff responsible for heading the portfolio management, administration, marketing, HR and other risk takers	6	2,500	2,957

Note: Material Risk Takers may be aligned to more than one sub-category.

** With effect from 29 July 2024, the ACD has transferred from HSBC Global Asset Management (UK) Ltd to HSBC Asset Management (Fund Services UK) Limited.*

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 period which give a true and fair view of the financial position of the Company and of the net revenue and net capital gains/(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 applying 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. For reasons stated in the Director's Report and as disclosed in note a, the financial statements of the Global Equity Income Fund have not been prepared on a going concern basis;
- 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 and its sub-funds 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 Investment Funds OEIC ("the Company")

For the Year 16 January 2024 to 15 January 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 the Company is managed in accordance with the Regulations and Scheme documents 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 in accordance with the Regulations and the Scheme documents of the Company.

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

13 May 2025



Ewan Gillies (Officer)



Faron Jackson (Assistant Vice President)

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

Opinion

We have audited the financial statements of the Company for the year ended 15 January 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 each of the Company's sub-funds listed on page 3 and the accounting policies set out on pages 11 and 12.

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 15 January 2025 and of the net revenue and the net capital gains/(losses) 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.

Emphasis of matter in respect of Global Equity Income Fund - non-going concern basis of preparation

In respect of Global Equity Income Fund, we draw attention to the disclosure made in accounting policy a. 'Basis of accounting' which explains that the financial statements of this sub-fund have not been prepared on a going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

Going concern in respect of the financial statements of the Company and its going concern sub funds

The Authorised Corporate Director ('ACD') has prepared the financial statements in respect of the Company and Balanced Fund, UK Growth and Income Fund, Income Fund, Monthly Income Fund, Corporate Bond Fund and Europe Ex-UK Equity Fund (together the "going concern sub-funds") on the going concern basis as they do not intend to liquidate the Company or its going concern sub-funds or to cease their operations, and as they have concluded that the Company and its going concern sub-funds, financial positions 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 going concern sub-funds' business models and analysed how those risks might affect the Company's and its going concern 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 in respect of the Company and its going concern sub-funds' is appropriate;
- we have not identified, in respect of the company and its going concern sub-funds, 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 going concern 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 going concern 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 ACD and the Administrator, no further high-risk journal entries or other adjustments were identified.

Identifying and responding to risks of material misstatement related to 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 and bribery and corruption legislation recognising the nature of 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 fraud 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.

Authorised Corporate Director's (HSBC Asset Management (Fund Services UK) Limited) responsibilities

As explained more fully in their statement set out on page 149 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.



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

www.assetmanagement.hsbc.co.uk/en/individual-investor/about-us/our-governance

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 Asset Management website,

www.assetmanagement.hsbc.co.uk/en/individual-investor/funds (Documents tab within each fund), 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 from July 2024 as stated in the comparative tables for relevant funds.

Where applicable, with effect from 28 March 2024, Administrator and Electronic Service Fees have been included in the ongoing charges figure.

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

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

Important Notes

The Annual Report covers the year 16 January 2024 to 15 January 2025.

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

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

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

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

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

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

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

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

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

The information in this report is based on our understanding of current law and HM Revenue and Customs practice as at 15 January 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. The Authorised Corporate Director is HSBC Asset Management (Fund Services UK) Limited and the Investment Manager is HSBC Global Asset Management (UK) Limited.

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

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

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Important Changes to the Company and/or Fund Documentation

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

Amendments to the Company Prospectus

The Company Prospectus was updated on 28 March 2024 to reflect the following:

- In definitions, the "stewardship" definition has been updated;
- In Management and Administration, the Director's table has been updated to reflect the resignation of Viswanath Nayar. The significant activities of each Director have been updated where required;
- In Fees and Expenses, the Table of Charges have been updated to remove the previous AMC and OCF prior to the changes made on 28 March 2024. The estimated dilution adjustment rates have been updated;
- In General Information, the 'Stewardship' section has been updated;
- In Appendix 1, the SRRRI has been updated for the Balanced Fund from 4 to 5. The 'Impact of Brexit on the rolling out of BMR in the UK' section has been updated to reflect the current position;
- In Appendix 2, the Historical Fund Performance has been updated;
- In Appendix 3, Part E (Leverage) has been updated;

The Company Prospectus was updated on 26 April 2024 to reflect the following:

- In Dealing in Shares, in the Share Dealing Restrictions section, we have amended the section regarding the distribution of Shares in Canada. In the Buying Shares section, we have clarified the ACD's position that email instructions for the buying of Shares are not currently accepted and that instructions to buy Shares, in respect of unrestricted Share Classes, from Electronic Instruction Routing service providers that the ACD has contracted with are accepted. In the Selling Shares section, we have clarified the ACD's position that email instructions for the sale of Shares are not currently accepted and that instructions to sell Shares, in respect of unrestricted Share Classes, from Electronic Instruction Routing service providers that the ACD has contracted with are accepted. In the Treatment of Client Money when Buying or Selling Shares section, we have clarified the treatment of Client Money if the ACD is terminated and a replacement ACD is appointed;
- In Management and Administration, we have updated the table of directors' information where necessary to reflect changes to the significant activities undertaken;
- The Taxation section has been updated for the 2024/2025 tax year.

The Company Prospectus was updated on 31 May 2024 to reflect the following:

- In Introduction, we have advised that a mailing has been issued to Shareholders to provide notice that HSBC Global Asset Management (UK) Limited is transferring its ACD business to HSBC Asset Management (Fund Services UK) Limited with effect from 29 July 2024;
- In Definitions, for the definition of 'ACD' we have advised that a mailing has been issued to Shareholders to provide notice that HSBC Global Asset Management (UK) Limited is transferring its ACD business to HSBC Asset Management (Fund Services UK) Limited with effect from 29 July 2024. The definition for 'Stewardship' has been amended;
- In Directory, we have advised that a mailing has been issued to Shareholders to provide notice that HSBC Global Asset Management (UK) Limited is transferring its ACD business to HSBC Asset Management (Fund Services UK) Limited with effect from 29 July 2024. HSBC Asset Management (Fund Services UK) Limited will also be appointed as Administrator and Registrar;
- In Risks, the 'Sustainable Funds and Environment, Social and Governance (ESG) data' risk wording has been updated;
- In Integration of Sustainability Risks into Investment Decisions, the Integration of Sustainability Risks into Investment Decisions section has been updated;
- In Management and Administration, we have advised that a mailing has been issued to Shareholders to provide notice that HSBC Global Asset Management (UK) Limited is transferring its ACD business to HSBC Asset Management (Fund Services UK) Limited with effect from 29 July 2024. The Director's table has been updated to reflect the resignation of Joanna Munro and the appointment of Jonathan Curry and Michelle Hilliman-Hopkinson. The significant activities of each Director have been updated where required;

- In Fees and expenses, the estimated dilution adjustment rates have been updated;
- In General Information, we have advised that a mailing has been issued to Shareholders to provide notice that HSBC Global Asset Management (UK) Limited is transferring its ACD business to HSBC Asset Management (Fund Services UK) Limited with effect from 29 July 2024;
- In Appendix 1, the Investment Strategy for the Europe ex-UK Equity Fund has been amended;
- In Appendix 2, the Historical Fund Performance has been updated.

The Company Prospectus was updated on 29 July 2024 to reflect the following:

- In Introduction, the ACD has been amended from HSBC Global Asset Management (UK) Limited to HSBC Asset Management (Fund Services UK) Limited;
- In Definitions, the definition of 'ACD' has been amended to refer to HSBC Asset Management (Fund Services UK) Limited;
- In Directory, the Authorised Corporate Director, Administrator and Registrar have been amended to HSBC Asset Management (Fund Services UK) Limited;
- In Dealing in Shares, we have updated the website references to confirm that information on our Funds is available on the HSBC Global Asset Management (UK) Limited website. The Treatment of Client Money when Buying or Selling Shares section has been updated to confirm the treatment of monthly direct debit payments. In the event that Client Money is transferred to a new ACD, we have advised that Shareholders will be entitled to request the return of any Client Money from the new ACD if they so wish;
- In Valuation, we have updated the website reference to confirm that information on our Funds is available on the HSBC Global Asset Management (UK) Limited website;
- In Integration of Sustainability Risks into Investment Decisions, this section has been updated to confirm that HSBC Global Asset Management (UK) Limited has been appointed as investment manager for the funds;
- In Management and Administration, we have amended references to the ACD to HSBC Asset Management (Fund Services UK) Limited. The issued share capital of the ACD has been updated following the change of ACD to HSBC Asset Management (Fund Services UK) Limited. The date of the ACD Agreement between the ACD and the Company has been updated. 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 replaced following the change of ACD to HSBC Asset Management (Fund Services UK) Limited. The Investment Management section has been updated to confirm that the ACD has appointed HSBC Global Asset Management (UK) Limited as the discretionary investment manager for the funds. The Other delegated functions section has been updated to advise that the ACD has appointed HSBC Global Asset Management (UK) Limited as a distributor for the Funds. The ACD's Conflicts of Interest Policy has been updated;
- In Fees and expenses, we have updated the website references to confirm that information on our Funds is available on the HSBC Global Asset Management (UK) Limited website. The estimated dilution adjustment rates have been updated;
- In General Information, we have updated the website references to confirm that information on our Funds is available on the HSBC Global Asset Management (UK) Limited website. The Documents of the Company section has been updated to amend the name of the ACD to HSBC Asset Management (Fund Services UK) Limited. The Material Contracts section has been updated to remove reference to the agreement between the ACD and HSBC Global Asset Management (France) and to add reference to new agreements between the ACD and HSBC Global Asset Management (UK) Limited for discretionary investment management and distribution. The Complaints section has been updated to amend the name of the ACD to HSBC Asset Management (Fund Services UK) Limited;
- In Appendix 2, the Historical Fund Performance has been updated;
- In Appendix 6, we have amended the reference to the ACD to HSBC Asset Management (Fund Services UK) Limited.

Other Information

Equalisation

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

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

Corporate Shareholders

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

Fund	Date payable/paid	Share class	Investment income	
			Franked	Unfranked
Balanced Fund	14.3.25	Income C	100.00%	0.00%
	14.3.25	Institutional Accumulation	100.00%	0.00%
	14.3.25	Accumulation C	100.00%	0.00%
Corporate Bond Fund	14.3.25	Retail Income	0.00%	100.00%
	14.3.25	Retail Accumulation	0.00%	100.00%
	14.3.25	Institutional Income	0.00%	100.00%
	14.3.25	Institutional Accumulation	0.00%	100.00%
	14.3.25	Income C	0.00%	100.00%
	14.3.25	Accumulation C	0.00%	100.00%
UK Growth & Income Fund	14.3.25	Retail Income	100.00%	0.00%
	14.3.25	Retail Accumulation	100.00%	0.00%
	14.3.25	Institutional Income	100.00%	0.00%
	14.3.25	Institutional A Accumulation	100.00%	0.00%
	14.3.25	Income C	100.00%	0.00%
	14.3.25	Accumulation C	100.00%	0.00%
	14.3.25	Retail B Income	100.00%	0.00%
	14.3.25	Retail B Accumulation	100.00%	0.00%
Income Fund	14.3.25	Retail Income	100.00%	0.00%
	14.3.25	Retail Accumulation	100.00%	0.00%
	14.3.25	Income C	100.00%	0.00%
	14.3.25	Accumulation C	100.00%	0.00%
Europe Ex-UK Equity Fund	14.3.25	Retail Accumulation	100.00%	0.00%
	14.3.25	Institutional A Accumulation	100.00%	0.00%
	14.3.25	Income C	100.00%	0.00%
	14.3.25	Accumulation C	100.00%	0.00%
Monthly Income Fund	14.2.25	Retail Income	73.05%	26.95%
	14.2.25	Income C	40.07%	59.93%
	14.2.25	Accumulation C	40.08%	59.92%

Risk and Reward Profile

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

**Fund closed on 17 March 2023
 ***Rating changed from 5 to 4 on 13 June 2024

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

*More About this Rating

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

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

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