

# HSBC Investment Funds

Interim Report and Accounts

**15 July 2022**

## Company Information

### Company

HSBC Investment Funds  
Registered in England with  
Company Number IC000073

### Registered Office

8 Canada Square  
London E14 5HQ

### Directors

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

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

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### HSBC Global Asset Management (UK) Limited - Directors

R.E.W. Apenbrink

S.Y.C. Chow

P.G.P. Dew

J.M. Munro (appointed 31 January 2022)

T.J. Palmer

J.R. Paterson

S.K. White

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# Market Review

**Welcome to the Interim Report for the HSBC Investment Funds Open-Ended Investment Company (OEIC).  
The report covers the period 16 January 2022 to 15 July 2022.**

**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).**

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## Economic Overview

Inflation dominated the economic backdrop as it continued to soar to decade-high levels in many countries, exacerbated by the situation in the Ukraine. In the US, consumer inflation rose to 9.1% in June. Meanwhile, in the UK, it rose to 9.4% in the same month. In both cases, this was the highest level for over 40 years. Eurozone inflation reached a record level of 8.6%, also in June. Japan was an exception among developed economies, with its inflation remaining relatively subdued at 2.5% in both April and May. In emerging markets, the picture was mixed. As China tentatively emerged from lockdowns, its consumer inflation was only 2.5% in June. In India, however, inflation rose to 7.8% in April, before falling back to around 7.0% in May and June. Meanwhile, in Brazil, it rose above 12% in April and was slightly below 12% in May and June.

Russia's foray into Ukraine compounded the inflationary pressures around the world. Russia is one of the world's main producers of oil and gas. The West began to place embargoes on the shipments of oil from Russia in March, causing the price to spike higher. Additionally, both Russia and Ukraine are major suppliers of grain, and recent events have disrupted shipments from both countries. Meanwhile, European countries' efforts to reduce their reliance on Russian gas added to the upward pressure on fuel prices, which were already rising steeply before the outbreak of hostilities. The stringent Covid lockdowns enforced in several Chinese cities, most notably Shanghai, put further pressure on global supply chains, thus exacerbating inflation.

Regarding economic growth, expectations at the start of the year were that the global economy would continue to recover from Covid-related restrictions. However, developments in Ukraine and the cost-of-living pressures on consumers meant that the outlook for economic growth deteriorated. Economic growth was lacklustre over the quarter and in some cases negative. In the US, first-quarter GDP contracted by 1.6% from the previous quarter. Fears grew that the country might fall into recession (a situation which came to pass with the confirmation of a further fall in GDP in the second quarter, after the end of the period). Growth remained meagre in the UK, the eurozone, Japan and China, with the risk of materially slower growth, and potentially recession, a growing threat.

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## Global Equities

Bond and equity markets fell heavily during the period, with many major indices suffering double-digit declines. Overall, the first six months of 2022 represented the worst first half for both bonds and equities for at least 50 years. The factors driving the downturn included surging inflation, monetary tightening by central banks, Covid lockdowns in China and Russia's activities in Ukraine. The market rotated away from growth stocks towards value. Technology stocks, which had led markets throughout much of the Covid period in 2020 and 2021, sold off heavily. Risk tolerance declined, with investors selling off equities and bonds over the period. By the end of the period, markets had recovered a little from the lows, encouraged by growing belief that inflation was close to a peak and that a global recession, if it occurred, could be relatively shallow and short.

Developed markets performed better in aggregate than emerging markets. Latin American markets were the exception, as many are resource-rich nations that benefited from spiralling commodity prices. The US market, which had been a leader in the bull market, fell back markedly, and both the bellwether S&P 500 and Nasdaq indices fell into bear market territory (a fall in excess of 20% from the peak). In Europe, the UK outperformed Continental Europe, largely due to the former's material exposure to oil and gas companies in its index.

Soaring inflation prompted central banks to take action. The US Federal Reserve (Fed) raised its benchmark interest rate three times over the period, with an eye-catching 75-basis-point hike in June. This took the federal funds rate to a target range of 1.5–1.75%, up from 0–0.25% at the start of the year. In the UK, the Bank of England (BoE) had already begun to raise rates at the end of 2021; it raised rates four times more in the first half of 2022, taking the base rate to 1.25%. Meanwhile, the European Central Bank indicated that it would raise interest rates in July, which it duly did just after the period ended, for the first time in 11 years.

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## UK Equities

The UK outperformed most major markets over the period. Although both the FTSE 100 and FTSE All-Share indices declined, their losses were much slighter than those endured by most other developed markets. While the market fell along with other world markets from late February as the situation in Ukraine deteriorated, the index held up better than others owing to the relatively high concentration in energy and commodity stocks that benefited from the developments in Ukraine.

The UK managed to maintain positive first-quarter growth, with the economy growing by 0.8% quarter on quarter in the first quarter of the year and edging above its pre-pandemic level. However, the economic outlook deteriorated in the second quarter and GDP, measured on a monthly basis, began to fall. Consumer and business confidence indicators generally weakened. Unemployment initially fell before rising slightly in the three months to the end of April, but it remained low at just 3.8%, despite the ending of the furlough scheme. Annual inflation rose sharply, reaching 9.4% in June, the highest level for over 40 years, prompting the BoE to take action. As inflation rose and appeared to become more entrenched, as opposed to transitory, the BoE became more hawkish. The central bank had raised rates in December for the first time in over three years; it raised rates again at the next four policy meetings, taking the base rate from 0.1% to 1.25%. The central bank suggested that inflation could rise to double-digit levels by the autumn and forecast an economic recession in 2023.

Much political and economic focus in the UK was upon the growing cost-of-living crisis, with substantial increases expected in home energy prices along with the proposed national insurance hike. This produced huge uncertainty and concern among consumers and unsettled the market. Prime Minister Boris Johnson was forced to resign despite surviving a no-confidence vote among Tory MPs. Either ex-Chancellor Rishi Sunak or Foreign Secretary Liz Truss will succeed him.

## UK Bonds

UK bond prices fell materially as yields rose, reflecting the much higher actual, as well as expected, inflation prevailing in the UK. Yields on gilts, which move inversely to prices, rose substantially, soaring above 2.5% in June, up from just over 1% in mid-January. They had fallen back towards 2.0% by the end of the period as fears of slowing economic growth began to trump concerns over inflation. Short-dated index-linked gilts were the only sector of the bond market to produce positive returns.

Base effects, rising economic growth, huge fiscal spending, supply-chain bottlenecks and surging energy prices all combined to send inflation much higher. Annual consumer price inflation hit 9.4% in June, the highest level since the early eighties. Governor Andrew Bailey admitted that inflation was at risk of becoming more entrenched and the central bank became increasingly hawkish over the period. The BoE's Monetary Policy Committee, which had started to raise interest rates in November 2021 – for the first time in over three years – voted to raise rates a further four times, by 25 basis points (bps) each time, taking the benchmark rate to 1.25%. By May, the BoE's official inflation forecast had risen further, with the central bank expecting inflation to reach double-digit levels later in 2022, as energy costs continued to rise. The central bank also forecast that the UK would head into a recession in 2023.

The UK managed to maintain positive first-quarter growth, with the economy growing by 0.8% quarter on quarter in the first quarter of 2022 and edging above its pre-pandemic level. However, the economic outlook deteriorated in the second quarter and GDP, measured on a monthly basis, began to fall. Consumer and business confidence indicators generally weakened. Unemployment initially fell before rising slightly in the three months to the end of April, but it remained low at just 3.8%, despite the ending of the furlough scheme.

## US Equities

As inflation and interest rate rises began to bite, US equities fell. The S&P 500 index slumped into bear-market territory (a fall in excess of 20% from peak) in US dollar terms, and experienced its steepest first-half decline since 1970. As with other global markets, the US market fell in the early months of 2022 as inflation soared and tensions between Russia and Ukraine escalated, followed by a steeper drop as Russia advanced into Ukraine's territory in late February. The US moved quickly to implement sanctions against Russia and soon had banned all imports of Russian oil. US relations with Mainland China were also tense, given the latter's support for Russia.

Almost all sectors of the stock market produced negative returns for the period. The exception was the energy sector, which was boosted by steep rises in the prices of oil and gas. Growth-oriented sectors, such as technology, were notably weak. The sharp sell-off in stocks reflected growing fears that the US economy was headed for recession. The US yield curve inverted several times over the period, with yields on short-dated Treasury bonds rising above the yields on longer-dated bonds. An inverted yield curve is traditionally seen as a reliable indicator of recession.

Inflationary pressures prompted the Fed to raise interest rates three times over the six-month period, most recently by an unexpectedly large 75bps, to a range of 1.5–1.75%, on 15 June. Fed officials indicated that they expected rates to rise to a range of 3.25–3.5% before the end of the year. Over the period, the Fed became much more aggressive in its efforts to tackle inflation, which it had previously viewed as transitory.

In the first quarter of the year, the US economy contracted by 1.6% on a quarter-on-quarter basis. (After the end of the period, a recession was confirmed in the US as GDP fell a further 0.9% quarter on quarter, in the second quarter.) The trade deficit grew sharply as exports shrank. Job creation remained strong, however, and the unemployment rate was subdued at a steady 3.6% in April–June, down from 4% in January.

## Japan Equities

The Japanese market fell over the period. Returns in yen terms significantly exceeded returns in sterling and particularly US dollar terms, owing to the pronounced weakness in the yen, which fell to a 24-year low against the dollar of over 138 at the end of the period.

Japan continued to be plagued by Covid-related lockdowns in the early months of 2022, although these had eased by the summer months. Large parts of Tokyo and other metropolitan areas were placed under tight restrictions at the turn of the year as Covid flared up again. Russia's foray into Ukraine saw the market drop further, especially as commodity prices surged, with Japan being heavily dependent on imported commodities. As Japan is a large importer of energy, the huge rise in wholesale energy costs, notably of oil, combined with the weakness in the yen caused the trade surplus to fall markedly. Consumer inflation picked up but remained only a little above the Bank of Japan's (BoJ) mid-term target of 2%, at 2.5% in both April and May. The BoJ maintained its loose monetary policy through the period. It announced that it would begin to wind down its emergency pandemic bond-purchasing scheme, aiming to end it by March 2022. However, while allowing the upper limit of its previously targeted 0% for 10-year government bonds rise to 0.25%, the BoJ continued to try to limit any unwelcome rise in bond yields above that level, aggressively purchasing bonds when the yield rose above the 0.25% level.

The economy remained fragile and was quite volatile quarter by quarter. GDP grew by 4.0% in the final quarter on an annualised basis but, in the first quarter of 2022, the economy contracted again, by 0.5%. Ongoing Covid-related restrictions, soaring imported energy costs and global supply-chain issues hindered growth. The much-followed BoJ Tankan survey – a quarterly indicator of economic sentiment across the economy – showed a mild decline in the headline large manufacturers' diffusion index in both the final quarter of 2021 and the first quarter of 2022, from the recent peak set in the third quarter of 2021.

### Asia Ex-Japan Equities

Asian ex-Japan equities were weak over the period, although they outperformed Western markets. The Mainland Chinese market continued to be weak, despite a pronounced recovery through May and early June on renewed hopes of economic recovery as Covid restrictions were eased a little. South Korea and Taiwan were also notably weak, underperforming other Asian markets in aggregate owing to a deterioration in the global economic outlook and, in South Korea's case, a renewed surge in Covid cases. Indonesia was a notable exception, producing strong returns as its economy recovered from Covid, with a recovery in consumer spending and tourism.

Mainland China pursued a 'zero Covid' strategy for much of the period, cracking down severely on Covid outbreaks. The harsh lockdowns in cities such as Shanghai and Shenzhen took their toll on the economy, although the authorities began to unwind the toughest restrictions in the spring and early summer months as mass testing programmes allowed many restrictions to be lifted. Annual GDP growth came in at 4.8% in the first quarter – low by its pre-pandemic norms but ahead of expectations. However, at the end of the period, growth slowed markedly to just 0.4%, the lowest rate since the first quarter of 2020 when coronavirus first struck. Both domestic and external demand slowed sharply, while continuing disruption of supply chains weighed on growth.

Early in the year, Hong Kong was badly affected by outbreaks of Covid's Omicron variant, leading to rigorous lockdowns. The territory's GDP declined by 3.9% year on year in the first quarter. India's GDP growth slowed to 4.1% year on year in the first quarter, the weakest growth rate for four quarters as higher prices and deteriorating economic conditions had an impact. Investors have been concerned about the impact that soaring oil prices would have on the economy; India is a net importer of oil. Inflation rose above 7% during the period, and the Reserve Bank of India raised rates twice. The Bank of Korea raised rates three times to combat inflation, which had risen to a 23-year high.

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### Emerging Markets Equities

Emerging markets weakened over the period as worries about still-high levels of Covid-19, stalling economic recovery and higher inflation unsettled investors. Rising inflation expectations and the gradual tightening in monetary policy caused market volatility. The Fed's pronounced tightening of monetary policy was accompanied by tightening from many major emerging market central banks, notably Brazil, South Korea and India, which unnerved investors.

The Mainland Chinese market continued to be weak, despite a pronounced recovery through May and early June on renewed hopes of economic recovery as Covid restrictions were eased. South Korea and Taiwan were also notably weak, underperforming other Asian markets in aggregate owing to a deterioration in the global economic outlook and, in South Korea's case, a renewed surge in Covid cases. Indonesia was a notable exception, producing strong returns as its economy recovered from Covid, with a recovery in consumer spending and tourism.

However, while Asian ex Japan and European emerging markets weakened, Latin American markets were very strong. This reflected the benefits to the commodity-rich countries such as Brazil and Chile from soaring commodity prices, following Russia's activities in Ukraine and Western sanctions against Russia.

Eastern European markets fell, unsettled by the developments in Ukraine, with Hungary and Poland notably weak. Meanwhile, Russia was suspended from the MSCI in March and Russian stock prices written down to zero.

Regarding economic growth, annual GDP growth in Mainland China came in at 4.8% in the first quarter but slowed markedly to just 0.4% in the second quarter, below expectations and at the lowest rate since the first quarter of 2020, when coronavirus first struck. India's GDP growth slowed to 4.1% year on year in the first quarter, the weakest growth rate for four quarters, as higher prices and deteriorating economic conditions had an impact. The Brazilian economy grew by 1% quarter on quarter in the first quarter, the highest rate for four quarters, as Covid restrictions were eased and household consumption recovered. Argentina's economy grew marginally in the first quarter of the year, although the economy remains plagued by an annual inflation rate of 64% (in June) and a peso which was at its lowest-ever levels against the US dollar at the end of the period.

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*The above information refers to past performance and should not be seen as a reliable indication of future returns. Information provided by HSBC Global Asset Management (UK) Limited, 15 July 2022.*

# 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

In the first half of 2022 markets delivered negative returns, as concerns around slowing growth, rising inflation and faster than expected monetary policy tightening weighed on risk sentiment.

As asset markets delivered negative returns across the board, the net asset value (NAV) of the HSBC Balanced fund fell. However, the active positioning of the portfolio contributed strongly over the period. Notably, the Fund's overweight position to Commodities (held throughout the period) and decision to move underweight equity markets early in Q2, have added value.

### Key trades:

#### January

- Increase allocation to Commodities
- Introduce allocation to China A shares versus Emerging Market Equity
- Close Canadian equity overweight
- Reduce headline equity exposure

#### February

- Close UK equity underweight
- Increase Investment Grade Credit
- Reduce 10Y US Treasury

**March**

- Buy Swiss equity funded from European Small Caps
- Introduce Developed Markets (DM) bond replacements: China Government Bonds Gold and defensive FX (CHF and USD)
- Take profits from Commodities trade and reduce equity
- Add to Investment Grade bonds and emerging markets debt (EMD) in hard currency

**April**

- Reduce exposure to Global Equity, resulting in underweight position
- Increasing exposure to cash and 2Y US Treasury
- Sell China Government Bonds, buy EMD in Local Currency

**May**

- Sell World Financials, return to World equity
- Increase Global Government Bonds
- Add to real estate investment trusts (REITs), funded from Global Equity

**June**

- Reduce equities, moving further underweight
- Increase allocation to Global High Yield and cash

Largest Net Sales: HSBC FTSE All-World Index Fund, HSBC MSCI Canada and iShares Bloomberg Roll Select ETF.

Largest Net Purchases: HSBC Corporate Bond Fund, HSBC UK Gilt Fund and HSBC GIF Global Corporate Bond Fund.

**Investment Performance**

During the period under review, the value of the shares in the Fund decreased by 6.00% while the value of the IA Mixed Investment 40-85% Shares sector fell by 9.04%.

(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 18 July 2022 (unaudited)

	Retail Accumulation	Income C	Accumulation C	Institutional Accumulation
Price	238.3p	151.5p xd	259.0p	266.2p
Distribution payable (on 15 September 2022) per share net	1.430000p	1.660000p	2.810000p	3.710000p
Current net estimated yield	0.60%	1.49%	1.48%	2.10%
Annual ACD charge	1.55%	0.55%	0.55%	0.00%

## Portfolio Statement

as at 15 July 2022 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>UNITED KINGDOM - 46.58% (46.49%)</b>			
Antofagasta	61,114	607	0.18
AstraZeneca	17,062	1,896	0.57
BAE Systems	102,736	814	0.24
Barclays	908,323	1,365	0.41
Barratt Developments	69,422	327	0.10
BP	559,554	2,088	0.62
Bunzl	17,260	504	0.15
Coats Group	548,549	347	0.10
Compass Group	52,820	974	0.29
Diageo	15,543	570	0.17
Drax Group	83,360	606	0.18
FDM Group	27,901	242	0.07
GlaxoSmithKline	87,317	1,501	0.45
Hays	293,223	355	0.11
Hikma Pharmaceuticals	18,624	316	0.09
+HSBC American Index Fund	2,978,513	25,806	7.70
+HSBC Corporate Bond Fund	4,530,075	9,164	2.74
+HSBC European Index Fund	696,187	6,659	1.99
+HSBC FTSE All-Share Index Fund	7,109,567	23,909	7.14
+HSBC FTSE All World Index Fund	7,105,933	13,963	4.17
+HSBC Holdings (London listed)	286,482	1,472	0.44
+HSBC Japan Index Fund	5,025,723	7,137	2.13
+HSBC Pacific Index Fund	928,073	3,174	0.95
+HSBC UK Gilt Index Fund	13,651,442	13,679	4.08
+HSBC US Multi Factor Equity Fund	3,632,198	18,822	5.62
Ibstock	276,297	469	0.14
IG Group	102,688	726	0.22
Imperial Brands	71,101	1,320	0.39
Intertek Group	16,723	730	0.22
Moneysupermarket	181,593	329	0.10
NatWest Group	546,802	1,184	0.35
Next	11,765	749	0.22
Persimmon	18,727	330	0.10
Phoenix Group Holdings	143,415	844	0.25
Prudential	110,671	1,083	0.32
QinetiQ	277,430	1,065	0.32
Rightmove	62,058	368	0.11
Rio Tinto	19,213	880	0.26
Sage Group	49,201	329	0.10
Shell	159,500	3,173	0.95
SSE	60,892	1,067	0.32
Tate & Lyle	78,631	612	0.18
Tesco	368,959	955	0.29
Unilever	29,027	1,134	0.34
Victrex	33,253	603	0.18
Vodafone Group	1,077,367	1,390	0.42
Volusion Group	110,422	383	0.11
<b>Total United Kingdom</b>		<b>156,020</b>	<b>46.58</b>

## Portfolio Statement

as at 15 July 2022 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>UNITED STATES - 0.00% (0.00%)</b>			
#Marriott International	96,061	-	0.00
<b>Total United States</b>		<b>-</b>	<b>0.00</b>
<b>AUSTRALIA - 0.26% (0.00%)</b>			
BHP Group	42,180	873	0.26
<b>Total Australia</b>		<b>873</b>	<b>0.26</b>
<b>CHANNEL ISLANDS - 0.27% (0.37%)</b>			
Ferguson NewCo	9,658	916	0.27
<b>Total Channel Islands</b>		<b>916</b>	<b>0.27</b>
<b>IRELAND - 21.06% (25.94%)</b>			
^*Amundi Physical Gold ETC	59,699	3,419	1.02
DCC (London listed)	9,668	502	0.15
*+HSBC Global Funds ICAV - Global Emerging Market Government Bond Index Fund	524,621	3,376	1.01
+^HSBC Global Sterling Liquidity Fund	6,352,268	6,352	1.90
+^HSBC MSCI Emerging Markets UCITIS ETF	872,955	7,208	2.15
+^HSBC Multi Factor Worldwide Equity Fund	2,413,816	23,858	7.12
^*iShares Bloomberg Enhanced Roll Yield Commodity Swap UCITS ETF	817,666	4,746	1.42
^*iShares Edge MSCI USA Quality Factor UCITS ETF	11,924	13,785	4.12
^*Passim Structured Funds Cross Asset Trend Strategy B Acc	64,340	6,641	1.98
Smurfit Kappa Group	23,178	642	0.19
<b>Total Ireland</b>		<b>70,529</b>	<b>21.06</b>
<b>LUXEMBOURG - 29.20% (24.07%)</b>			
+^HSBC GIF Asia High Yield Bond Fund	750,532	4,310	1.29
+^HSBC GIF Frontier Markets Fund	192,185	3,283	0.98
*+HSBC GIF Global Emerging Markets Bond Fund	1,035,434	5,956	1.78
*+HSBC GIF Global Emerging Markets Local Debt Fund	2,548,374	15,900	4.75
+^HSBC GIF Global Government Bond	1,114,516	10,335	3.09
*+HSBC GIF Global High Yield Bond Fund	707,936	5,089	1.52
*+HSBC GIF Global Investment Grade Securitised Credit Bond Fund	326,017	2,634	0.79
*+HSBC GIF Global Real Estate Equity Fund	3,417,691	27,404	8.18
*+HSBC Global Corporate Bond Fund	724,654	6,196	1.85
+^HSBC Global Investment Fund	554,451	3,898	1.16
*+HSBC Multi-Asset Style Factors Fund	375,661	3,461	1.03
*Structured Investments Goldman Sachs - Cross Asset Trend Portfolio	698,816	6,514	1.95
^*Xtrackers CSI300 Swap UCITS ETF	207,648	2,795	0.83
<b>Total Luxembourg</b>		<b>97,775</b>	<b>29.20</b>

**Portfolio Statement**

as at 15 July 2022 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Forward Foreign Exchange Contracts - (0.34)% (0.33%)</b>			
#GBP Forward Currency Contract 21/07/2022	GBP 55,120,379	(1,370)	(0.41)
#USD Forward Currency Contract 21/07/2022	(USD 66,951,858)		
#CHF Forward Currency Contract 21/07/2022	CHF 8,001,380	241	0.07
#GBP Forward Currency Contract 21/07/2022	(GBP 6,659,442)		
#GBP Forward Currency Contract 21/07/2022	GBP 3,589,780	46	0.01
#EUR Forward Currency Contract 21/07/2022	(EUR 4,164,840)		
#GBP Forward Currency Contract 21/07/2022	GBP 2,011,057	(27)	(0.01)
#USD Forward Currency Contract 21/07/2022	(USD 2,415,833)		
<b>Total Forward Foreign Exchange Contracts</b>		<b>(1,110)</b>	<b>(0.34)</b>
<b>FUTURES - 0.04% (0.00%)</b>			
EUX Swiss Market IX Future September 2022	74	132	0.04
FTSE 100 Index Future September 2022	8	2	0.00
<b>Total Futures</b>		<b>134</b>	<b>0.04</b>
<b>Portfolio of investments</b>		<b>325,137</b>	<b>97.07</b>
<b>Net other assets</b>		<b>9,809</b>	<b>2.93</b>
<b>Net assets</b>		<b>334,946</b>	<b>100.00</b>

+related party

#unlisted

^investment scheme registered outside the UK

\*offshore fund

Figures in brackets denote the comparative percentage holdings as at 15 January 2022.

Unless otherwise stated, all investments are listed securities.

The counterparty for futures is HSBC.

The counterparties for the Forward Foreign Exchange Contracts are HSBC, Merrill Lynch and UBS.

## Comparative Tables

<b>Retail Income#</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	N/A	N/A	152.30p	136.40p
Return before operating charges*	N/A	N/A	(0.07p)	20.46p
Operating charges**	N/A	N/A	(0.23p)	(2.39p)
Return after operating charges*	N/A	N/A	(0.30p)	18.07p
Distributions on income shares	N/A	N/A	0.00p	(2.17p)
Cancellation price	N/A	N/A	(152.00p)	-
Closing net asset value per share	N/A	N/A	0.00p	152.30p
*after direct transaction costs of:***	N/A	N/A	0.03p	0.09p
<b>Performance</b>				
Return after charges	N/A	N/A	(0.20%)	13.25%
<b>Other information</b>				
Closing net asset value	N/A	N/A	N/A	£2,186,658
Closing number of shares	N/A	N/A	N/A	1,435,407
Operating charges - OCF	N/A	N/A	N/A	1.74%
Direct transaction costs	N/A	N/A	N/A	0.06%
<b>Prices</b>				
Highest share price	N/A	N/A	153.30p	153.00p
Lowest share price	N/A	N/A	148.60p	135.60p

<b>Retail Accumulation</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	251.60p	231.10p	235.00p	207.30p
Return before operating charges*	(12.47p)	24.41p	1.20p	31.35p
Operating charges**	(1.93p)	(3.91p)	(5.10p)	(3.65p)
Return after operating charges*	(14.40p)	20.50p	(3.90p)	27.70p
Distributions on accumulation shares	(1.43p)	(1.34p)	0.00p	(3.31p)
Retained distributions on accumulation shares	1.43p	1.34p	0.00p	3.31p
Closing net asset value per share	237.20p	251.60p	231.10p	235.00p
*after direct transaction costs of:***	0.01p	0.03p	0.05p	0.14p
<b>Performance</b>				
Return after charges	(5.72%)	8.87%	(1.66%)	13.36%
<b>Other information</b>				
Closing net asset value	£307,451	£325,484	£44,191	£42,995,208
Closing number of shares	129,611	129,363	19,123	18,293,781
Operating charges - OCF	1.65%	1.68%	1.68%†	1.74%
Direct transaction costs	0.00%	0.01%	0.02%	0.06%
<b>Prices</b>				
Highest share price	254.20p	257.50p	236.40p	235.10p
Lowest share price	233.40p	225.80p	180.90p	206.30p

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

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

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

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

## Comparative Tables

<b>Income C</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	160.90p	148.30p	152.10p	136.10p
Return before operating charges*	(7.95p)	15.66p	(0.36p)	20.56p
Operating charges**	(0.49p)	(0.99p)	(0.90p)	(0.97p)
Return after operating charges*	(8.44p)	14.67p	(1.26p)	19.59p
Distributions on income shares	(1.66p)	(2.07p)	(2.54p)	(3.59p)
Closing net asset value per share	150.80p	160.90p	148.30p	152.10p
*after direct transaction costs of:***	0.01p	0.02p	0.03p	0.09p
<b>Performance</b>				
Return after charges	(5.25%)	9.89%	(0.83%)	14.39%
<b>Other information</b>				
Closing net asset value	£15,486,718	£17,432,024	£16,641,718	£15,805,968
Closing number of shares	10,271,296	10,832,704	11,220,098	10,392,143
Operating charges - OCF	0.65%	0.73%	0.74%†	0.77%
Direct transaction costs	0.00%	0.01%	0.02%	0.06%
<b>Prices</b>				
Highest share price	162.90p	165.10p	153.00p	153.40p
Lowest share price	149.90p	145.00p	117.30p	135.30p

<b>Accumulation C</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	272.20p	247.60p	249.40p	217.90p
Return before operating charges*	(13.57p)	26.26p	(0.31p)	33.08p
Operating charges**	(0.83p)	(1.66p)	(1.49p)	(1.58p)
Return after operating charges*	(14.40p)	24.60p	(1.80p)	31.50p
Distributions on accumulation shares	(2.81p)	(3.47p)	(4.19p)	(5.76p)
Retained distributions on accumulation shares	2.81p	3.47p	4.19p	5.76p
Closing net asset value per share	257.80p	272.20p	247.60p	249.40p
*after direct transaction costs of:***	0.01p	0.03p	0.05p	0.15p
<b>Performance</b>				
Return after charges	(5.29%)	9.94%	(0.72%)	14.46%
<b>Other information</b>				
Closing net asset value	£47,504,326	£52,666,831	£45,880,221	£3,576,568
Closing number of shares	18,425,108	19,350,140	18,530,696	1,433,894
Operating charges - OCF	0.65%	0.73%	0.74%†	0.77%
Direct transaction costs	0.00%	0.01%	0.02%	0.06%
<b>Prices</b>				
Highest share price	275.50p	278.30p	250.80p	249.50p
Lowest share price	253.50p	242.00p	192.30p	217.00p

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

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

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

## Comparative Tables

<b>Institutional Accumulation</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
Change in net assets per share				
Opening net asset value per share	278.90p	252.20p	252.40p	219.10p
Return before operating charges*	(13.87p)	26.75p	(0.15p)	33.35p
Operating charges**	(0.03p)	(0.05p)	(0.05p)	(0.05p)
Return after operating charges*	(13.90p)	26.70p	(0.20p)	33.30p
Distributions on accumulation shares	(3.71p)	(5.19p)	(5.71p)	(7.35p)
Retained distributions on accumulation shares	3.71p	5.19p	5.71p	7.35p
Closing net asset value per share	265.00p	278.90p	252.20p	252.40p
*after direct transaction costs of:***	0.01p	0.03p	0.05p	0.15p
<b>Performance</b>				
Return after charges	(4.98%)	10.59%	(0.08%)	15.20%
<b>Other information</b>				
Closing net asset value	£271,647,559	£297,167,459	£287,182,458	£306,131,975
Closing number of shares	102,513,613	106,550,972	113,893,973	121,297,705
Operating charges - OCF	0.09%	0.11%	0.10%	0.12%
Direct transaction costs	0.00%	0.01%	0.02%	0.06%
<b>Prices</b>				
Highest share price	283.00p	285.00p	254.40p	252.40p
Lowest share price	260.00p	246.50p	194.80p	218.00p
**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.				

## Statement of Total Return

for the six months ended 15 July 2022 (unaudited)

	15.7.22		15.7.21	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		<b>(22,867)</b>		17,256
Revenue	<b>5,016</b>		4,546	
Expenses	<b>(237)</b>		(227)	
Interest payable and similar charges	<b>(7)</b>		-	
Net revenue before taxation	<b>4,772</b>		4,319	
Taxation	<b>(69)</b>		-	
Net revenue after taxation		<b>4,703</b>		4,319
Total (deficit)/return before distributions		<b>(18,164)</b>		21,575
Distributions		<b>(4,563)</b>		(4,312)
Change in net assets attributable to shareholders from investment activities		<b>(22,727)</b>		17,263

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2022 (unaudited)

	15.7.22		15.7.21	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		<b>367,592</b>		349,749
Amounts receivable on creation of shares	<b>3,036</b>		1,902	
Amounts payable on cancellation of shares	<b>(17,278)</b>		(11,156)	
		<b>(14,242)</b>		(9,254)
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		<b>(22,727)</b>		17,263
Retained distribution on accumulation shares		<b>4,323</b>		4,109
Closing net assets attributable to shareholders		<b>334,946</b>		361,867

## Balance Sheet

as at 15 July 2022 (unaudited)

	15.7.22		15.1.22	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		<b>326,534</b>		357,352
Current assets				
Debtors	<b>3,574</b>		1,589	
Cash and bank balances	<b>6,892</b>		9,504	
Total current assets		<b>10,466</b>		11,093
Total assets		<b>337,000</b>		368,445
<b>Liabilities</b>				
Investment liabilities		<b>(1,397)</b>		(43)
Creditors				
Distribution payable on income shares	<b>(171)</b>		(65)	
Other creditors	<b>(486)</b>		(745)	
Total creditors		<b>(657)</b>		(810)
Total liabilities		<b>(2,054)</b>		(853)
Net assets attributable to shareholders		<b>334,946</b>		367,592

**Distribution Table (pence per share)**

for the six months ended 15 July 2022 (unaudited)

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.9.22</i>	<i>Distribution paid 15.9.21</i>
Group 1: Shares purchased prior to 16 January 2022				
Group 2: Shares purchased from 16 January 2022 to 15 July 2022				
<b>Retail Accumulation</b>				
Group 1	1.430000	-	1.430000	1.340000
Group 2	1.410000	0.020000	1.430000	1.340000
<b>Income C</b>				
Group 1	1.660000	-	1.660000	1.470000
Group 2	1.440000	0.220000	1.660000	1.470000
<b>Accumulation C</b>				
Group 1	2.810000	-	2.810000	2.460000
Group 2	2.260000	0.550000	2.810000	2.460000
<b>Institutional Accumulation</b>				
Group 1	3.710000	-	3.710000	3.310000
Group 2	3.710000	0.000000	3.710000	3.310000

## 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.

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### 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.

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### 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.

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### Portfolio Activity

Contributors to relative performance included Astrazeneca plc (Health Care) with a total effect of 1.06%. Additionally, Qinetiq Group plc (Industrials) was in the top two contributors with a total effect of 0.77%.

Detractors included Barclays plc (Financials) with a total effect of -1.36% and Prudential (Financials) with a total effect of -0.91%.

During this period, positions were initiated in Tate & Lyle, Hikma Pharmaceuticals and Haleon and closed in Associated British Foods and WH Smith.

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

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### Investment Performance

During the period under review, the value of the shares in the Fund decreased by 5.87% while the value of the FTSE All-Share Index fell by 5.61%.

(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.*

<b>Fund Particulars</b> as at 18 July 2022 (unaudited)				
	Retail Income	Retail Accumulation	Retail B Income	Retail B Accumulation
Price	61.26p xd	136.2p	69.45p xd	154.5p
Distribution payable (on 15 September 2022) per share net	1.460000p	3.170000p	1.660000p	3.610000p
Current net estimated yield	4.45%	4.31%	4.45%	4.31%
Annual ACD charge	1.50%	1.50%	0.60%	0.60%

  

	Institutional Income	Institutional A Accumulation	Income C	Accumulation C
Price	68.15p xd	146.3p	66.43p xd	145.6p
Distribution payable (on 15 September 2022) per share net	1.620000p	3.400000p	1.580000p	3.390000p
Current net estimated yield	4.44%	4.29%	4.43%	4.29%
Annual ACD charge	0.00%	0.75%	0.80%	0.80%

## Portfolio Statement

as at 15 July 2022 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Oil &amp; Gas - 13.73% (11.70%)</b>			
BP	3,757,622	14,020	5.55
Shell	1,038,938	20,669	8.18
<b>Total Oil &amp; Gas</b>		<b>34,689</b>	<b>13.73</b>
<b>Basic Materials - 7.64% (10.81%)</b>			
Antofagasta	433,590	4,303	1.70
BHP Group	255,409	5,287	2.09
Rio Tinto	122,687	5,618	2.23
Victrex	225,913	4,098	1.62
<b>Total Basic Materials</b>		<b>19,306</b>	<b>7.64</b>
<b>Industrials - 17.92% (18.74%)</b>			
BAE Systems	679,783	5,388	2.13
Bunzl	115,473	3,369	1.33
Coats Group	3,436,462	2,175	0.86
DCC (London listed)	65,122	3,380	1.34
Ferguson	67,377	6,389	2.53
Hays	1,970,281	2,388	0.95
Ibstock	1,839,136	3,125	1.24
Intertek Group	115,370	5,036	1.99
QinetiQ	1,810,713	6,950	2.75
Smurfit Kappa Group	159,912	4,431	1.75
Volution Group	761,868	2,640	1.05
<b>Total Industrials</b>		<b>45,271</b>	<b>17.92</b>
<b>Consumer Goods - 11.43% (11.88%)</b>			
Barratt Developments	465,240	2,190	0.87
Diageo	105,359	3,860	1.53
Imperial Brands	476,281	8,842	3.50
Persimmon	124,193	2,188	0.86
Tate & Lyle	530,751	4,133	1.64
Unilever	195,923	7,654	3.03
<b>Total Consumer Goods</b>		<b>28,867</b>	<b>11.43</b>
<b>Healthcare - 9.88% (6.74%)</b>			
AstraZeneca	113,749	12,637	5.00
GlaxoSmithKline	591,897	10,175	4.03
Hikma Pharmaceuticals	125,706	2,135	0.85
<b>Total Healthcare</b>		<b>24,947</b>	<b>9.88</b>

## Portfolio Statement

as at 15 July 2022 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Consumer Services - 7.84% (9.72%)</b>			
Compass Group	329,932	6,084	2.41
Moneysupermarket	1,267,672	2,297	0.91
Next	78,965	5,030	1.99
Tesco	2,472,314	6,401	2.53
<b>Total Consumer Services</b>		<b>19,812</b>	<b>7.84</b>
<b>Telecommunications - 3.56% (2.78%)</b>			
Vodafone Group	6,968,965	8,991	3.56
<b>Total Telecommunications</b>		<b>8,991</b>	<b>3.56</b>
<b>Utilities - 4.52% (3.46%)</b>			
Drax Group	573,105	4,164	1.65
SSE	412,993	7,238	2.87
<b>Total Utilities</b>		<b>11,402</b>	<b>4.52</b>
<b>Financials - 17.56% (19.76%)</b>			
Barclays	6,017,993	9,045	3.58
+HSBC Holdings (London listed)	1,779,377	9,144	3.62
IG Group	696,448	4,920	1.95
NatWest Group	3,726,262	8,067	3.19
Phoenix Group Holdings	986,728	5,804	2.30
Prudential	752,248	7,361	2.92
<b>Total Financials</b>		<b>44,341</b>	<b>17.56</b>
<b>Technology - 3.80% (4.68%)</b>			
FDM Group	187,746	1,626	0.64
Microsoft	14,357	3,110	1.23
Rightmove	420,671	2,494	0.99
Sage Group	354,688	2,374	0.94
<b>Total Technology</b>		<b>9,604</b>	<b>3.80</b>
<b>Futures - 0.01% (0.05%)</b>			
FTSE 100 Index Future September 2022	78	19	0.01
<b>Total Futures</b>		<b>19</b>	<b>0.01</b>
<b>Portfolio of investments</b>		<b>247,249</b>	<b>97.89</b>
<b>Net other assets</b>		<b>5,337</b>	<b>2.11</b>
<b>Net assets</b>		<b>252,586</b>	<b>100.00</b>

+related party

Figures in brackets denote the comparative percentage holdings as at 15 January 2022.

Unless otherwise stated, all investments are listed equities.

The counterparty for future is HSBC.

Total purchases for the period, including transaction charges, were £17,546,677.

Total sales for the period, net of transaction charges, were £36,922,186.

## Comparative Tables

<b>Retail Income</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
Change in net assets per share				
Opening net asset value per share	65.27p	59.51p	71.46p	64.03p
Return before operating charges*	(2.84p)	8.94p	(9.52p)	11.31p
Operating charges**	(0.48p)	(0.96p)	(0.89p)	(1.13p)
Return after operating charges*	(3.32p)	7.98p	(10.41p)	10.18p
Distributions on income shares	(1.46p)	(2.22p)	(1.54p)	(2.75p)
Closing net asset value per share	60.49p	65.27p	59.51p	71.46p
*after direct transaction costs of:***	0.03p	0.06p	0.06p	0.15p
<b>Performance</b>				
Return after charges	(5.09%)	13.41%	(14.57%)	15.90%
<b>Other information</b>				
Closing net asset value	£3,447,472	£3,816,308	£3,562,098	£10,350,155
Closing number of shares	5,698,999	5,846,696	5,985,568	14,484,455
Operating charges - OCF	1.52%	1.53%	1.53%†	1.64%
Direct transaction costs	0.03%	0.09%	0.11%	0.22%
<b>Prices</b>				
Highest share price	66.16p	66.80p	71.76p	73.08p
Lowest share price	59.80p	56.45p	43.57p	63.28p

<b>Retail Accumulation</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
Change in net assets per share				
Opening net asset value per share	141.60p	124.70p	145.90p	125.80p
Return before operating charges*	(6.15p)	18.92p	(19.27p)	22.34p
Operating charges**	(1.05p)	(2.02p)	(1.93p)	(2.24p)
Return after operating charges*	(7.20p)	16.90p	(21.20p)	20.10p
Distributions on accumulation shares	(3.17p)	(4.69p)	(3.16p)	(5.45p)
Retained distributions on accumulation shares	3.17p	4.69p	3.16p	5.45p
Closing net asset value per share	134.40p	141.60p	124.70p	145.90p
*after direct transaction costs of:***	0.03p	0.12p	0.12p	0.30p
<b>Performance</b>				
Return after charges	(5.08%)	13.55%	(14.53%)	15.98%
<b>Other information</b>				
Closing net asset value	£1,720,581	£1,828,845	£1,856,877	£57,455,525
Closing number of shares	1,279,952	1,291,187	1,488,569	39,377,983
Operating charges - OCF	1.54%	1.53%	1.53%†	1.64%
Direct transaction costs	0.03%	0.09%	0.11%	0.22%
<b>Prices</b>				
Highest share price	143.60p	142.20p	146.60p	146.70p
Lowest share price	129.70p	118.30p	89.00p	124.30p

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

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

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

## Comparative Tables

<b>Retail B Income</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
Change in net assets per share				
Opening net asset value per share	73.66p	66.55p	79.10p	70.15p
Return before operating charges*	(3.20p)	10.03p	(10.46p)	12.43p
Operating charges**	(0.23p)	(0.42p)	(0.37p)	(0.45p)
Return after operating charges*	(3.43p)	9.61p	(10.83p)	11.98p
Distributions on income shares	(1.66p)	(2.50p)	(1.72p)	(3.03p)
Closing net asset value per share	68.57p	73.66p	66.55p	79.10p
*after direct transaction costs of:***	0.03p	0.07p	0.07p	0.16p
<b>Performance</b>				
Return after charges	(4.66%)	14.44%	(13.69%)	17.08%
<b>Other information</b>				
Closing net asset value	£62,500,323	£71,193,163	£74,392,634	£94,532,535
Closing number of shares	91,145,399	96,650,371	111,781,750	119,514,746
Operating charges - OCF	0.60%	0.60%	0.60%†	0.60%
Direct transaction costs	0.03%	0.09%	0.11%	0.22%
<b>Prices</b>				
Highest share price	74.93p	75.38p	79.43p	80.85p
Lowest share price	67.57p	63.15p	48.32p	69.35p

<b>Retail B Accumulation</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
Change in net assets per share				
Opening net asset value per share	160.00p	139.70p	161.60p	137.90p
Return before operating charges*	(6.91p)	21.19p	(21.14p)	24.60p
Operating charges**	(0.49p)	(0.89p)	(0.76p)	(0.90p)
Return after operating charges*	(7.40p)	20.30p	(21.90p)	23.70p
Distributions on accumulation shares	(3.61p)	(5.29p)	(3.53p)	(6.01p)
Retained distributions on accumulation shares	3.61p	5.29p	3.53p	6.01p
Closing net asset value per share	152.60p	160.00p	139.70p	161.60p
*after direct transaction costs of:***	0.03p	0.14p	0.13p	0.33p
<b>Performance</b>				
Return after charges	(4.63%)	14.53%	(13.55%)	17.19%
<b>Other information</b>				
Closing net asset value	£2,812,784	£3,096,322	£2,887,838	£3,673,204
Closing number of shares	1,843,768	1,935,019	2,067,967	2,273,034
Operating charges - OCF	0.60%	0.60%	0.60%†	0.60%
Direct transaction costs	0.03%	0.09%	0.11%	0.22%
<b>Prices</b>				
Highest share price	162.80p	160.60p	162.40p	162.40p
Lowest share price	146.80p	132.50p	98.71p	136.30p

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

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

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

## Comparative Tables

<b>CTF Accumulation#</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	N/A	N/A	149.10p	127.90p
Return before operating charges*	N/A	N/A	(21.79p)	22.80p
Operating charges**	N/A	N/A	(0.21p)	(1.60p)
Return after operating charges*	N/A	N/A	(22.00p)	21.20p
Distributions on accumulation shares	N/A	N/A	-	(5.57p)
Retained distributions on accumulation shares	N/A	N/A	-	5.57p
Cancellation price	N/A	N/A	(127.10p)	-
Closing net asset value per share	N/A	N/A	0.00p	149.10p
*after direct transaction costs of:***	N/A	N/A	0.15p	0.30p
<b>Performance</b>				
Return after charges	N/A	N/A	(14.76%)	16.58%
<b>Other information</b>				
Closing net asset value	N/A	N/A	N/A	£656,288,806
Closing number of shares	N/A	N/A	N/A	440,210,913
Operating charges - OCF	N/A	N/A	N/A	1.15%
Direct transaction costs	N/A	N/A	N/A	0.22%
<b>Prices</b>				
Highest share price	N/A	N/A	149.80p	149.90p
Lowest share price	N/A	N/A	127.70p	126.40p

<b>Institutional Income##</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	72.05p	64.73p	61.95p
Return before operating charges*	(3.14p)	9.77p	2.85p
Operating charges**	(0.01p)	(0.01p)	0.00p
Return after operating charges*	(3.15p)	9.76p	2.85p
Distributions on income shares	(1.62p)	(2.44p)	(0.07p)
Closing net asset value per share	67.28p	72.05p	64.73p
*after direct transaction costs of:***	0.03p	0.06p	0.07p
<b>Performance</b>			
Return after charges	(4.37%)	15.08%	4.60%
<b>Other information</b>			
Closing net asset value	£820,302	£1,028,127	£41,792
Closing number of shares	1,219,157	1,426,867	64,568
Operating charges - OCF	0.01%	0.02%	0.01%
Direct transaction costs	0.03%	0.09%	0.11%
<b>Prices</b>			
Highest share price	73.46p	73.74p	65.74p
Lowest share price	66.15p	61.42p	60.74p

#The CTF Accumulation share class closed on 28 February 2020.

##The Institutional Income share class launched on 15 December 2020.

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

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

## Comparative Tables

<b>Institutional Accumulation#</b>	<b>15.7.22</b>	<b>15.1.22</b>
Change in net assets per share		
Opening net asset value per share	74.61p	68.62p
Return before operating charges*	(0.48p)	6.00p
Operating charges**	-	(0.01p)
Return after operating charges*	(0.48p)	5.99p
Distributions on accumulation shares	-	(1.70p)
Retained distributions on accumulation shares	-	1.70p
Cancellation price	(74.13p)	-
Closing net asset value per share	0.00p	74.61p
*after direct transaction costs of:***	0.03p	0.07p
<b>Performance</b>		
Return after charges	(0.64%)	8.73%
<b>Other information</b>		
Closing net asset value	N/A	£64,111
Closing number of shares	N/A	85,931
Operating charges - OCF	N/A	0.02%
Direct transaction costs	N/A	0.09%
<b>Prices</b>		
Highest share price	75.40p	74.90p
Lowest share price	68.49p	66.05p

<b>Institutional A Accumulation</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
Change in net assets per share				
Opening net asset value per share	151.60p	132.50p	153.60p	146.00p
Return before operating charges*	(6.63p)	20.20p	(20.17p)	7.79p
Operating charges**	(0.57p)	(1.10p)	(0.93p)	(0.19p)
Return after operating charges*	(7.20p)	19.10p	(21.10p)	7.60p
Distributions on accumulation shares	(3.40p)	(5.01p)	(3.34p)	(0.12p)
Retained distributions on accumulation shares	3.40p	5.01p	3.34p	0.12p
Closing net asset value per share	144.40p	151.60p	132.50p	153.60p
*after direct transaction costs of:***	0.03p	0.13p	0.13p	0.33p
<b>Performance</b>				
Return after charges	(4.75%)	14.42%	(13.74%)	5.21%
<b>Other information</b>				
Closing net asset value	£2,265,529	£2,428,401	£4,688,267	£3,153,727
Closing number of shares	1,568,516	1,601,571	3,537,285	2,052,753
Operating charges - OCF	0.79%	0.78%	0.79%†	0.76%
Direct transaction costs	0.03%	0.09%	0.11%	0.22%
<b>Prices</b>				
Highest share price	154.10p	152.20p	154.40p	154.40p
Lowest share price	139.00p	125.70p	93.82p	144.80p

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

#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.

## Comparative Tables

<b>Income C</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	70.51p	63.84p	76.09p	67.69p
Return before operating charges*	(3.07p)	9.61p	(10.09p)	11.98p
Operating charges**	(0.28p)	(0.56p)	(0.52p)	(0.67p)
Return after operating charges*	(3.35p)	9.05p	(10.61p)	11.31p
Distributions on income shares	(1.58p)	(2.38p)	(1.64p)	(2.91p)
Closing net asset value per share	65.58p	70.51p	63.84p	76.09p
*after direct transaction costs of:***	0.03p	0.06p	0.06p	0.16p
<b>Performance</b>				
Return after charges	(4.75%)	14.18%	(13.94%)	16.71%
<b>Other information</b>				
Closing net asset value	£128,484,487	£145,470,165	£149,089,742	£186,278,482
Closing number of shares	195,929,853	206,306,269	233,520,036	244,809,234
Operating charges - OCF	0.82%	0.83%	0.83%†	0.91%
Direct transaction costs	0.03%	0.09%	0.11%	0.22%
<b>Prices</b>				
Highest share price	71.68p	72.17p	76.41p	77.79p
Lowest share price	64.67p	60.58p	46.46p	66.91p

<b>Accumulation C</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	150.90p	132.00p	153.60p	131.50p
Return before operating charges*	(6.59p)	20.07p	(20.54p)	23.40p
Operating charges**	(0.61p)	(1.17p)	(1.06p)	(1.30p)
Return after operating charges*	(7.20p)	18.90p	(21.60p)	22.10p
Distributions on accumulation shares	(3.39p)	(4.97p)	(3.33p)	(5.71p)
Retained distributions on accumulation shares	3.39p	4.97p	3.33p	5.71p
Closing net asset value per share	143.70p	150.90p	132.00p	153.60p
*after direct transaction costs of:***	0.03p	0.13p	0.13p	0.31p
<b>Performance</b>				
Return after charges	(4.77%)	14.32%	(14.06%)	16.81%
<b>Other information</b>				
Closing net asset value	£50,534,080	£55,575,456	£52,249,885	£25,190,757
Closing number of shares	35,160,412	36,825,950	39,587,039	16,401,231
Operating charges - OCF	0.84%	0.83%	0.83%†	0.91%
Direct transaction costs	0.03%	0.09%	0.11%	0.22%
<b>Prices</b>				
Highest share price	153.40p	151.50p	154.40p	154.40p
Lowest share price	138.40p	125.20p	93.52p	130.00p

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

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

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

## Statement of Total Return

for the six months ended 15 July 2022 (unaudited)

	15.7.22		15.7.21	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(18,297)		8,504
Revenue	6,280		4,669	
Expenses	(1,058)		(1,156)	
Interest payable and similar charges	-		(1)	
Net revenue before taxation	5,222		3,512	
Taxation	(3)		(29)	
Net revenue after taxation		5,219		3,483
Total (deficit)/return before distributions		(13,078)		11,987
Distributions		(6,223)		(4,579)
Change in net assets attributable to shareholders from investment activities		(19,301)		7,408

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2022 (unaudited)

	15.7.22		15.7.21	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		284,501		288,769
Amounts receivable on creation of shares	192		3,267	
Amounts receivable on in-specie transfer*	-		3,298	
Amounts payable on cancellation of shares	(14,166)		(14,816)	
		(13,974)		(8,251)
Dilution adjustment		8		-
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		(19,301)		7,408
Retained distribution on accumulation shares		1,352		928
Closing net assets attributable to shareholders		252,586		288,854

\*The in-specie creation was on account of merger with the UK Focus Fund on the 30th April 2021.

## Balance Sheet

as at 15 July 2022 (unaudited)

	15.7.22		15.1.22	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		247,249		285,405
Current assets				
Debtors	6,082		1,396	
Cash and bank balances	4,200		2,855	
Total current assets		10,282		4,251
Total assets		257,531		289,656
<b>Liabilities</b>				
Creditors				
Distribution payable on income shares	(4,712)		(4,291)	
Other creditors	(233)		(864)	
Total liabilities		(4,945)		(5,155)
Net assets attributable to shareholders		252,586		284,501

**Distribution Table (pence per share)**

for the six months ended 15 July 2022 (unaudited)

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.9.22</i>	<i>Distribution paid 15.9.21</i>
Group 1: Shares purchased prior to 16 January 2022				
Group 2: Shares purchased from 16 January 2022 to 15 July 2022				
<b>Retail Income</b>				
Group 1	1.460000	-	1.460000	0.950000
Group 2	0.590000	0.870000	1.460000	0.950000
<b>Retail Accumulation</b>				
Group 1	3.170000	-	3.170000	1.990000
Group 2	0.190000	2.980000	3.170000	1.990000
<b>Retail B Income</b>				
Group 1	1.660000	-	1.660000	1.070000
Group 2	0.000000	1.660000	1.660000	1.070000
<b>Retail B Accumulation</b>				
Group 1	3.610000	-	3.610000	2.240000
Group 2	2.180000	1.430000	3.610000	2.240000
<b>Institutional Income</b>				
Group 1	1.620000	-	1.620000	1.040000
Group 2	1.550000	0.070000	1.620000	1.040000
<b>Institutional Accumulation†</b>				
Group 1	N/A	N/A	N/A	0.280000
Group 2	N/A	N/A	N/A	0.280000
<b>Institutional A Accumulation</b>				
Group 1	3.400000	-	3.400000	2.130000
Group 2	1.820000	1.580000	3.400000	2.130000
<b>Income C</b>				
Group 1	1.580000	-	1.580000	1.020000
Group 2	0.770000	0.810000	1.580000	1.020000
<b>Accumulation C</b>				
Group 1	3.390000	-	3.390000	2.110000
Group 2	1.870000	1.520000	3.390000	2.110000

†The Institutional Accumulation share class closed on 14 April 2022.

# Income

## Investment Objective

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

## Investment Policy

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

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

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

## Investment Strategy\*

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

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

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

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

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

\*The full strategy can be found in the prospectus.

## Portfolio Activity

Contributors to relative performance included Astrazeneca plc (Health Care) with a total effect of 1.22%. Additionally, BAE Systems plc (Industrials) was in the top two contributors with a total effect of 1.00%.

Detractors included Barclays plc (Financials) with a total effect of -1.35% and Prudential (Financials) with a total effect of -0.87%.

During this period, positions were initiated in Tate & Lyle and Hikma Pharmaceuticals and closed in Associated British Foods and WH Smith.

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

### Investment Performance

During the period under review, the value of the shares in the Fund decreased by 5.22% while the value of the FTSE All-Share Index fell by 5.61%. 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 18 July 2022 (unaudited)

	Retail Income	Retail Accumulation	Income C	Accumulation C
Price	277.2p xd	662.7p	302.0p xd	710.3p
Distribution payable (on 15 September 2022) per share net	6.920000p	16.150000p	7.530000p	17.270000p
Current net estimated yield	4.61%	4.46%	4.60%	4.44%
Annual ACD charge	1.50%	1.50%	0.80%	0.80%

## Portfolio Statement

as at 15 July 2022 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Oil &amp; Gas - 14.32% (12.38%)</b>			
BP	1,801,373	6,721	5.77
Royal Dutch Shell A	500,296	9,953	8.55
<b>Total Oil &amp; Gas</b>		<b>16,674</b>	<b>14.32</b>
<b>Basic Materials - 8.27% (11.57%)</b>			
Antofagasta	206,639	2,051	1.76
BHP Group	135,874	2,813	2.42
Rio Tinto	63,155	2,892	2.48
Victrex	103,386	1,875	1.61
<b>Total Basic Materials</b>		<b>9,631</b>	<b>8.27</b>
<b>Industrials - 15.97% (17.00%)</b>			
BAE Systems	545,634	4,325	3.72
Bunzl	52,333	1,527	1.31
Coats Group	1,613,183	1,021	0.88
DCC (London listed)	30,808	1,599	1.37
Ferguson	30,342	2,877	2.47
Hays	903,363	1,095	0.94
Ibstock	856,363	1,455	1.25
Intertek Group	51,992	2,269	1.95
Smurfit Kappa Group	72,064	1,997	1.72
Volution Group	121,795	422	0.36
<b>Total Industrials</b>		<b>18,587</b>	<b>15.97</b>
<b>Consumer Goods - 11.77% (12.23%)</b>			
Barratt Developments	213,246	1,004	0.86
Diageo	50,311	1,843	1.58
Imperial Brands	236,135	4,384	3.77
Persimmon	57,546	1,014	0.87
Tate & Lyle	245,868	1,915	1.64
Unilever	90,760	3,546	3.05
<b>Total Consumer Goods</b>		<b>13,706</b>	<b>11.77</b>
<b>Healthcare - 11.20% (7.76%)</b>			
AstraZeneca	60,561	6,728	5.78
GlaxoSmithKline	309,741	5,324	4.57
Hikma Pharmaceuticals	58,232	989	0.85
<b>Total Healthcare</b>		<b>13,041</b>	<b>11.20</b>
<b>Consumer Services - 7.69% (9.60%)</b>			
Compass Group	160,690	2,963	2.54
Moneysupermarket.com	390,219	707	0.61
Next	36,223	2,307	1.98
Tesco	1,151,413	2,981	2.56
<b>Total Consumer Services</b>		<b>8,958</b>	<b>7.69</b>

## Portfolio Statement

as at 15 July 2022 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Telecommunications - 3.79% (2.98%)</b>			
Vodafone Group	3,416,939	4,408	3.79
<b>Total Telecommunications</b>		<b>4,408</b>	<b>3.79</b>
<b>Utilities - 4.43% (3.41%)</b>			
Drax Group	259,225	1,883	1.62
SSE	187,023	3,278	2.81
<b>Total Utilities</b>		<b>5,161</b>	<b>4.43</b>
<b>Financials - 17.84% (20.04%)</b>			
Barclays	2,771,899	4,166	3.58
+HSBC Holdings (London listed)	968,873	4,979	4.28
IG Group	311,926	2,204	1.89
NatWest Group	1,650,892	3,574	3.07
Phoenix Group Holdings	446,143	2,624	2.25
Prudential	329,102	3,221	2.77
<b>Total Financials</b>		<b>20,768</b>	<b>17.84</b>
<b>Technology - 2.83% (3.61%)</b>			
FDM Group	87,099	754	0.65
Microsoft	6,976	1,511	1.30
Sage Group	153,408	1,027	0.88
<b>Total Technology</b>		<b>3,292</b>	<b>2.83</b>
<b>Futures - 0.01% (0.04%)</b>			
ICF FTSE 100 Index Future September 2022	31	8	0.01
<b>Total Futures</b>		<b>8</b>	<b>0.01</b>
<b>Portfolio of investments</b>		<b>114,234</b>	<b>98.12</b>
<b>Net other assets</b>		<b>2,189</b>	<b>1.88</b>
<b>Net assets</b>		<b>116,423</b>	<b>100.00</b>
+related party			

Figures in brackets denote the comparative percentage holdings as at 15 January 2022.

Unless otherwise stated, all investments are listed securities.

The counterparty for future is HSBC.

Total purchases for the period, including transaction charges, were £8,408,521.

Total sales for the period, net of transaction charges, were £21,854,676.

## Comparative Tables

<b>Retail Income</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
Change in net assets per share				
Opening net asset value per share	294.20p	267.30p	322.10p	288.40p
Return before operating charges*	(11.28p)	41.69p	(42.25p)	51.59p
Operating charges**	(2.20p)	(4.30p)	(4.48p)	(5.09p)
Return after operating charges*	(13.48p)	37.39p	(46.73p)	46.50p
Distributions on income shares	(6.92p)	(10.49p)	(8.07p)	(12.80p)
Closing net asset value per share	273.80p	294.20p	267.30p	322.10p
*after direct transaction costs of:***	0.11p	0.26p	0.24p	0.57p
<b>Performance</b>				
Return after charges	(4.58%)	13.99%	(14.51%)	16.12%
<b>Other information</b>				
Closing net asset value	£712,252	£845,142	£823,057	£24,145,071
Closing number of shares	260,129	287,295	307,952	7,496,952
Operating charges - OCF	1.53%	1.54%	1.53%†	1.64%
Direct transaction costs	0.04%	0.09%	0.09%	0.18%
<b>Prices</b>				
Highest share price	300.30p	300.90p	323.40p	329.20p
Lowest share price	270.70p	253.40p	196.60p	285.40p

<b>Retail Accumulation</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
Change in net assets per share				
Opening net asset value per share	686.00p	600.90p	701.30p	603.20p
Return before operating charges*	(26.27p)	94.87p	(85.33p)	108.87p
Operating charges**	(5.13p)	(9.77p)	(15.07p)	(10.77p)
Return after operating charges*	(31.40p)	85.10p	(100.40p)	98.10p
Distributions on accumulation shares	(16.15p)	(23.80p)	(17.77p)	(27.04p)
Retained distributions on accumulation shares	16.15p	23.80p	17.77p	27.04p
Closing net asset value per share	654.60p	686.00p	600.90p	701.30p
*after direct transaction costs of:***	0.26p	0.59p	0.63p	1.20p
<b>Performance</b>				
Return after charges	(4.58%)	14.16%	(14.32%)	16.26%
<b>Other information</b>				
Closing net asset value	£18,611	£21,508	£20,771	£25,044,026
Closing number of shares	2,843	3,135	3,456	3,571,266
Operating charges - OCF	1.53%	1.54%	1.53%†	1.64%
Direct transaction costs	0.04%	0.09%	0.09%	0.18%
<b>Prices</b>				
Highest share price	700.30p	687.90p	704.70p	704.30p
Lowest share price	631.20p	569.80p	428.20p	597.10p

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

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

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

## Comparative Tables

<b>Income C</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	319.40p	288.10p	344.40p	306.10p
Return before operating charges*	(12.27p)	45.18p	(45.26p)	54.95p
Operating charges**	(1.30p)	(2.54p)	(2.38p)	(3.03p)
Return after operating charges*	(13.57p)	42.64p	(47.64p)	51.92p
Distributions on income shares	(7.53p)	(11.34p)	(8.66p)	(13.62p)
Closing net asset value per share	298.30p	319.40p	288.10p	344.40p
*after direct transaction costs of:***	0.12p	0.28p	0.25p	0.61p
<b>Performance</b>				
Return after charges	(4.25%)	14.80%	(13.83%)	16.96%
<b>Other information</b>				
Closing net asset value	£92,578,729	£104,166,753	£106,204,769	£114,739,310
Closing number of shares	31,036,582	32,617,851	36,863,262	33,313,034
Operating charges - OCF	0.83%	0.84%	0.84%†	0.92%
Direct transaction costs	0.04%	0.09%	0.09%	0.18%
<b>Prices</b>				
Highest share price	326.90p	326.60p	345.90p	351.90p
Lowest share price	294.20p	273.30p	210.60p	303.00p

<b>Accumulation C</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	732.80p	637.40p	738.60p	630.70p
Return before operating charges*	(28.12p)	101.07p	(96.08p)	114.22p
Operating charges**	(2.98p)	(5.67p)	(5.12p)	(6.32p)
Return after operating charges*	(31.10p)	95.40p	(101.20p)	107.90p
Distributions on accumulation shares	(17.27p)	(25.33p)	(18.73p)	(28.36p)
Retained distributions on accumulation shares	17.27p	25.33p	18.73p	28.36p
Closing net asset value per share	701.70p	732.80p	637.40p	738.60p
*after direct transaction costs of:***	0.28p	0.63p	0.53p	1.26p
<b>Performance</b>				
Return after charges	(4.24%)	14.97%	(13.70%)	17.11%
<b>Other information</b>				
Closing net asset value	£23,113,506	£30,025,768	£22,987,891	£3,243,122
Closing number of shares	3,294,076	4,097,527	3,606,421	439,097
Operating charges - OCF	0.83%	0.84%	0.84%†	0.92%
Direct transaction costs	0.04%	0.09%	0.09%	0.18%
<b>Prices</b>				
Highest share price	750.00p	734.80p	742.20p	741.40p
Lowest share price	674.90p	604.50p	451.50p	624.50p
†Estimated value following a change to the charging structure on 1 October 2020.				
**The operating charges include all costs borne by the Fund, except for direct transaction costs.				
***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.				

## Statement of Total Return

for the six months ended 15 July 2022 (unaudited)

	15.7.22		15.7.21	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(7,917)		3,006
Revenue	3,101		2,257	
Expenses	(530)		(554)	
Net revenue before taxation	2,571		1,703	
Taxation	(1)		(14)	
Net revenue after taxation		2,570		1,689
Total (deficit)/return before distributions		(5,347)		4,695
Distributions		(3,078)		(2,213)
Change in net assets attributable to shareholders from investment activities		(8,425)		2,482

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2022 (unaudited)

	15.7.22		15.7.21	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		135,059		130,036
Amounts receivable on creation of shares	1,336		1,292	
Amounts payable on cancellation of shares	(12,128)		(6,177)	
		(10,792)		(4,885)
Dilution adjustment		12		-
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		(8,425)		2,482
Retained distribution on accumulation shares		569		381
Closing net assets attributable to shareholders		116,423		128,014

## Balance Sheet

as at 15 July 2022 (unaudited)

	15.7.22		15.1.22	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		114,234		135,901
Current assets				
Debtors	2,802		384	
Cash and bank balances	1,869		1,314	
Total current assets		4,671		1,698
Total assets		118,905		137,599
<b>Liabilities</b>				
Creditors				
Distribution payable on income shares	(2,355)		(2,092)	
Other creditors	(127)		(448)	
Total liabilities		(2,482)		(2,540)
Net assets attributable to shareholders		116,423		135,059

**Distribution Table (pence per share)**

for the six months ended 15 July 2022 (unaudited)

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.9.22</i>	<i>Distribution paid 15.9.21</i>
Group 1: Shares purchased prior to 16 January 2022				
Group 2: Shares purchased from 16 January 2022 to 15 July 2022				
<b>Retail Income</b>				
Group 1	6.920000	-	6.920000	4.620000
Group 2	6.270000	0.650000	6.920000	4.620000
<b>Retail Accumulation</b>				
Group 1	16.150000	-	16.150000	10.380000
Group 2	7.860000	8.290000	16.150000	10.380000
<b>Income C</b>				
Group 1	7.530000	-	7.530000	4.980000
Group 2	1.790000	5.740000	7.530000	4.980000
<b>Accumulation C</b>				
Group 1	17.270000	-	17.270000	11.030000
Group 2	14.820000	2.450000	17.270000	11.030000

# 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

Contributors to relative performance included Astrazeneca plc (Health Care) with a total effect of 1.22%. Additionally, BAE Systems (Industrials) was in the top two contributors with a total effect of 1.00%.

Detractors included Barclays (Financials) with a total effect of -1.35% and Prudential (Financials) with a total effect of -0.87%.

During this period, positions were initiated in Tate & Lyle and Hikma Pharmaceuticals and closed in Associated British Foods and WH Smith.

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

**Investment Performance**

During the period under review, the value of the shares in the Fund decreased by 6.76% while the value of the 70% FTSE-All Share Index 30% / iBoxx GBP Corporates Index fell by 7.49%. 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 18 July 2022 (unaudited)

	Retail Income	Income C	Accumulation C
Price	127.2p xd	134.8p xd	318.6p
Distribution payable (on 15 August 2022) per share net	0.430000p	0.460000p	1.060000p
Current net estimated yield	3.85%	3.82%	3.74%
Annual ACD charge	1.30%	0.60%	0.60%

## Portfolio Statement

as at 15 July 2022 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>UNITED KINGDOM - 73.22% (80.04%)</b>			
<b>Government Bonds - 4.04% (7.88%)</b>			
Treasury 0.25% 31/7/2031	£700,000	595	0.67
Treasury 1.25% 22/10/2041	£1,470,000	1,167	1.31
Treasury 1.25% 31/7/2051	£100,000	73	0.08
Treasury 1.75% 7/9/2037	£950,000	853	0.96
Treasury 3.75% 22/7/2052	£440,000	546	0.61
Treasury 4.25% 7/9/2039	£300,000	367	0.41
<b>Total Government Bonds</b>		<b>3,601</b>	<b>4.04</b>
<b>Corporate Bonds - 8.64% (7.19%)</b>			
BAT International 7.25% 12/3/2024	£500,000	521	0.58
Centrica 4.375% 13/3/2029	£281,000	287	0.32
Diageo Finance 2.75% 8/6/2038	£150,000	130	0.15
GSK Consumer Healthcare 3.375% 29/3/2038	£100,000	90	0.10
Hammerson 6% 23/2/2026	£500,000	460	0.52
Imperial Brands 8.125% 15/3/2024	£500,000	528	0.59
Imperial Tobacco Finance 4.875% 7/6/2032	£112,000	103	0.12
Legal and General Group 5.5% variable rate 27/6/2064	£221,000	200	0.22
Lloyds Banking Group 2% VRN 12/4/2028	£500,000	450	0.50
M&G 5.7% variable rate 19/12/2063	£300,000	275	0.31
Manchester Airport Group Funding 4.75% 31/3/2034	£317,000	327	0.37
Motability Operations Group 1.5% 20/1/2041	£182,000	128	0.14
NatWest Group 3.619% variable rate 29/3/2029	£326,000	307	0.34
Northern Powergrid Northeast 3.25% 1/4/2052	£100,000	85	0.10
Peabody Capital No.2 2.75% 2/3/2034	£200,000	180	0.20
RL Finance No.2 6.125% variable rate 30/11/2043	£250,000	254	0.29
Royal Bank of Scotland 3.125% variable rate 28/3/2027	£100,000	95	0.11
Royal Bank of Scotland 3.622% variable rate 14/8/2030	£300,000	282	0.32
Santander UK Group Holdings 2.421% variable rate 17/1/2029	£249,000	223	0.25
Severn Trent Water Utilities 3.625% 16/1/2026	£233,000	236	0.26
Society of Lloyds 4.75% 30/10/2024	£100,000	99	0.11
Tesco Property Finance 5.4111% 13/7/2044	£500,000	465	0.52
Unilever 2.125% 28/2/2028	£250,000	238	0.27
United Utilities 5.625% 20/12/2027	£430,000	481	0.54
Western Power Distribution 3.875% 17/10/2024	£505,000	509	0.57
WPP Finance 2.875% 14/9/2046	£100,000	66	0.07
Yorkshire Building Society 3.511% variable rate 11/10/2030	£100,000	92	0.10
Zurich Finance 6.625% variable rate perpetual	£600,000	596	0.67
<b>Total Corporate Bonds</b>		<b>7,707</b>	<b>8.64</b>
<b>Oil &amp; Gas - 9.77% (8.78%)</b>			
BP	935,590	3,491	3.91
Shell	262,512	5,222	5.86
<b>Total Oil &amp; Gas</b>		<b>8,713</b>	<b>9.77</b>

**Portfolio Statement**

as at 15 July 2022 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Basic Materials - 3.87% (7.99%)</b>			
Antofagasta	101,969	1,012	1.13
Rio Tinto	31,884	1,460	1.64
Victrex	53,895	978	1.10
<b>Total Basic Materials</b>		<b>3,450</b>	<b>3.87</b>
<b>Industrials - 7.14% (7.15%)</b>			
BAE Systems	278,493	2,207	2.47
Bunzl	27,084	790	0.89
Coats Group	964,926	611	0.69
Hays	484,650	587	0.66
Ibstock	453,536	771	0.86
Intertek Group	27,066	1,181	1.32
Volusion Group	63,757	221	0.25
<b>Total Industrials</b>		<b>6,368</b>	<b>7.14</b>
<b>Consumer Goods - 7.99% (8.60%)</b>			
Barratt Developments	116,578	549	0.61
Diageo	25,730	943	1.06
Imperial Brands	120,695	2,241	2.51
Persimmon	30,699	541	0.61
Tate & Lyle	129,588	1,009	1.13
Unilever	47,244	1,846	2.07
<b>Total Consumer Goods</b>		<b>7,129</b>	<b>7.99</b>
<b>Healthcare - 7.62% (5.46%)</b>			
AstraZeneca	31,527	3,503	3.93
GlaxoSmithKline	161,245	2,772	3.11
Hikma Pharmaceuticals	30,852	524	0.58
<b>Total Healthcare</b>		<b>6,799</b>	<b>7.62</b>
<b>Consumer Services - 5.34% (6.91%)</b>			
Compass Group	83,651	1,542	1.73
Moneysupermarket.com	229,698	416	0.47
Next	19,247	1,226	1.37
Tesco	610,064	1,579	1.77
<b>Total Consumer Services</b>		<b>4,763</b>	<b>5.34</b>
<b>Telecommunications - 2.61% (2.18%)</b>			
Vodafone Group	1,802,704	2,326	2.61
<b>Total Telecommunications</b>		<b>2,326</b>	<b>2.61</b>

## Portfolio Statement

as at 15 July 2022 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Utilities - 3.01% (2.42%)</b>			
Drax Group	135,017	981	1.10
SSE	97,212	1,704	1.91
<b>Total Utilities</b>		<b>2,685</b>	<b>3.01</b>
<b>Financials - 12.10% (14.15%)</b>			
Barclays	1,454,806	2,187	2.45
+HSBC Holdings (London listed)	510,900	2,625	2.95
IG Group	164,547	1,162	1.30
NatWest Group	843,842	1,827	2.05
Phoenix Group Holdings	232,231	1,366	1.53
Prudential	165,677	1,621	1.82
<b>Total Financials</b>		<b>10,788</b>	<b>12.10</b>
<b>Technology - 1.09% (1.33%)</b>			
FDM Group	45,326	392	0.44
Sage Group	86,892	581	0.65
<b>Total Technology</b>		<b>973</b>	<b>1.09</b>
<b>Total United Kingdom</b>		<b>65,302</b>	<b>73.22</b>
<b>UNITED STATES - 4.84% (3.65%)</b>			
<b>Corporate Bonds - 3.96% (2.41%)</b>			
AT&T 4.25% 1/6/2043	£600,000	557	0.62
AT&T 5.2% 18/11/2033	£200,000	214	0.24
Bank of America 3.584% variable rate 27/4/2031	£286,000	275	0.31
Goldman Sachs 1.5% 7/12/2027	£600,000	524	0.59
Goldman Sachs 3.625% variable rate 29/10/2029	£364,000	351	0.39
MPT Operating Partnership LP 3.375% 24/4/2030	£300,000	240	0.27
Nestle Holdings 2.125% 4/4/2027	£218,000	211	0.24
Nestle Holdings 2.5% 4/4/2032	£240,000	225	0.25
Time Warner Cable 5.25% 15/7/2042	£300,000	273	0.31
Wells Fargo & Co 3.473% variable rate 26/4/2028	£285,000	277	0.31
Wells Fargo & Co 4.875% 29/11/2035	£400,000	384	0.43
<b>Total Corporate Bonds</b>		<b>3,531</b>	<b>3.96</b>
<b>Technology - 0.88% (1.24%)</b>			
Microsoft	3,637	788	0.88
<b>Total Technology</b>		<b>788</b>	<b>0.88</b>
<b>Total United States</b>		<b>4,319</b>	<b>4.84</b>
<b>AUSTRALIA - 1.96% (0.87%)</b>			
<b>Corporate Bonds - 0.35% (0.87%)</b>			
BHP Billiton Finance 6.5% variable rate 22/10/2077	£117,000	117	0.13
Macquarie Group 4.08% 31/5/2029	£200,000	193	0.22
<b>Total Corporate Bonds</b>		<b>310</b>	<b>0.35</b>

**Portfolio Statement**

as at 15 July 2022 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Basic Materials - 1.61% (0.00%)</b>			
BHP Group	69,537	1,439	1.61
<b>Total Basic Materials</b>		<b>1,439</b>	<b>1.61</b>
<b>Total Australia</b>		<b>1,749</b>	<b>1.96</b>
<b>CANADA - 0.86% (0.00%)</b>			
<b>Corporate Bonds - 0.86% (0.00%)</b>			
Bank of Nova Scotia 2.875% 3/5/2027	£250,000	238	0.27
Royal Bank of Canada 3.625% 14/6/2027	£254,000	252	0.28
TorontoDominion Bank 2.875% 5/4/2027	£291,000	279	0.31
<b>Total Corporate Bonds</b>		<b>769</b>	<b>0.86</b>
<b>Total Canada</b>		<b>769</b>	<b>0.86</b>
<b>CAYMAN ISLANDS - 1.08% (1.03%)</b>			
<b>Corporate Bonds - 1.08% (1.03%)</b>			
Yorkshire Power 7.25% 4/8/2028	£800,000	963	1.08
<b>Total Corporate Bonds</b>		<b>963</b>	<b>1.08</b>
<b>Total Cayman Islands</b>		<b>963</b>	<b>1.08</b>
<b>CHANNEL ISLANDS - 2.91% (3.26%)</b>			
<b>Corporate Bonds - 1.23% (1.08%)</b>			
CPUK Finance 7.239% 28/2/2042	£100,000	105	0.12
Gatwick Funding Limited 6.5% 2/3/2043	£209,000	242	0.27
Heathrow Funding 4.625% 31/10/2046	£500,000	477	0.54
Heathrow Funding 7.125% 14/2/2024	£260,000	269	0.30
<b>Total Corporate Bonds</b>		<b>1,093</b>	<b>1.23</b>
<b>Industrials - 1.68% (2.18%)</b>			
Ferguson	15,790	1,497	1.68
<b>Total Industrials</b>		<b>1,497</b>	<b>1.68</b>
<b>Total Channel Islands</b>		<b>2,590</b>	<b>2.91</b>
<b>FRANCE - 3.32% (3.47%)</b>			
<b>Corporate Bonds - 3.32% (3.47%)</b>			
AXA 5.625% variable rate 16/1/2054	£700,000	675	0.76
BNP Paribas 2.875% 24/2/2029	£300,000	277	0.31
BPCE 5.25% 16/4/2029	£500,000	500	0.56
Electricite de France 5.5% 17/10/2041	£400,000	440	0.50
Electricite de France 5.875% variable rate perpetual	£200,000	175	0.20
Electricite de France 6% variable rate perpetual	£600,000	558	0.62
Electricite de France 6% 23/1/2114	£300,000	330	0.37
<b>Total Corporate Bonds</b>		<b>2,955</b>	<b>3.32</b>
<b>Total France</b>		<b>2,955</b>	<b>3.32</b>

## Portfolio Statement

as at 15 July 2022 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>GERMANY - 0.43% (0.00%)</b>			
<b>Corporate Bonds - 0.43% (0.00%)</b>			
Deutsche Bank 4% variable rate 24/6/2026	£400,000	385	0.43
<b>Total Corporate Bonds</b>		<b>385</b>	<b>0.43</b>
<b>Total Germany</b>		<b>385</b>	<b>0.43</b>
<b>IRELAND - 2.07% (2.76%)</b>			
<b>Industrials - 2.07% (2.76%)</b>			
DCC (London listed)	15,483	804	0.90
Smurfit Kappa Group	37,516	1,040	1.17
<b>Total Industrials</b>		<b>1,844</b>	<b>2.07</b>
<b>Total Ireland</b>		<b>1,844</b>	<b>2.07</b>
<b>ITALY - 0.28% (0.25%)</b>			
<b>Corporate Bonds - 0.28% (0.25%)</b>			
Telecom Italia 5.875% 19/5/2023	£250,000	252	0.28
<b>Total Corporate Bonds</b>		<b>252</b>	<b>0.28</b>
<b>Total Italy</b>		<b>252</b>	<b>0.28</b>
<b>LUXEMBOURG - 0.32% (0.00%)</b>			
<b>Corporate Bonds - 0.32% (0.00%)</b>			
Blackstone Property Partners Europe 4.875% 29/4/2032	£182,000	171	0.19
Prologis International Funding 2.75% 22/2/2032	£127,000	114	0.13
<b>Total Corporate Bonds</b>		<b>285</b>	<b>0.32</b>
<b>Total Luxembourg</b>		<b>285</b>	<b>0.32</b>
<b>NETHERLANDS - 1.25% (0.76%)</b>			
<b>Corporate Bonds - 1.25% (0.76%)</b>			
Deutsche Telekom 8.875% 27/11/2028	£250,000	325	0.37
Enel Finance International 2.875% 11/4/2029	£263,000	243	0.27
Petrobras Global Finance 6.625% 16/1/2034	£200,000	182	0.20
Volkswagen Financial Services 2.125% 18/1/2028	£200,000	177	0.20
Volkswagen Financial Services 3.25% 13/4/2027	£200,000	189	0.21
<b>Total Corporate Bonds</b>		<b>1,116</b>	<b>1.25</b>
<b>Total Netherlands</b>		<b>1,116</b>	<b>1.25</b>
<b>SPAIN - 0.21% (0.00%)</b>			
<b>Corporate Bonds - 0.21% (0.00%)</b>			
CaixaBank 3.5% variable rate 6/4/2028	£200,000	188	0.21
<b>Total Corporate Bonds</b>		<b>188</b>	<b>0.21</b>
<b>Total Spain</b>		<b>188</b>	<b>0.21</b>

**Portfolio Statement**

as at 15 July 2022 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>SWITZERLAND - 0.20% (0.00%)</b>			
<b>Corporate Bonds - 0.20% (0.00%)</b>			
Credit Suisse Group 1.125% 15/12/2025	£200,000	180	0.20
<b>Total Corporate Bonds</b>		<b>180</b>	<b>0.20</b>
<b>Total Switzerland</b>		<b>180</b>	<b>0.20</b>
<b>FUTURES - 0.00% (0.02%)</b>			
ICF FTSE 100 Index Future September 2022	13	4	0.00
<b>Total Futures</b>		<b>4</b>	<b>0.00</b>
<b>Portfolio of investments</b>		<b>82,901</b>	<b>92.95</b>
<b>Net other assets</b>		<b>6,287</b>	<b>7.05</b>
<b>Net assets</b>		<b>89,188</b>	<b>100.00</b>
+related party			
Figures in brackets denote the comparative percentage holdings as at 15 January 2022.			
Unless otherwise stated, all investments are listed securities.			
The counterparty for future is HSBC.			
Total purchases for the period, including transaction charges, were £14,413,984.			
Total sales for the period, including transaction charges, were £21,409,290.			
The bond ratings for the portfolio at 15 July 2022 were:			
		<b>Bid value £'000</b>	<b>Total net assets %</b>
Bond credit ratings			
Investment grade		21,886	24.55
Below Investment grade		1,449	1.62
<b>Total Bonds</b>		<b>23,335</b>	<b>26.17</b>

## Comparative Tables

<b>Retail Income</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
Change in net assets per share				
Opening net asset value per share	136.90p	130.00p	147.50p	133.40p
Return before operating charges*	(7.79p)	13.34p	(11.03p)	21.55p
Operating charges**	(0.88p)	(1.78p)	(2.48p)	(1.98p)
Return after operating charges*	(8.67p)	11.56p	(13.51p)	19.57p
Distributions on income shares	(2.23p)	(4.66p)	(3.99p)	(5.47p)
Closing net asset value per share	126.00p	136.90p	130.00p	147.50p
*after direct transaction costs of:***	0.04p	0.08p	0.11p	0.19p
<b>Performance</b>				
Return after charges	(6.33%)	8.89%	(9.16%)	14.67%
<b>Other information</b>				
Closing net asset value	£37,306	£49,776	£58,597	£18,980,430
Closing number of shares	29,615	36,365	45,091	12,872,389
Operating charges - OCF	1.34%	1.34%	1.34%†	1.40%
Direct transaction costs	0.03%	0.06%	0.08%	0.13%
<b>Prices</b>				
Highest share price	137.60p	137.90p	148.10p	148.40p
Lowest share price	125.10p	125.10p	100.20p	132.70p

<b>Retail Accumulation#</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
Change in net assets per share				
Opening net asset value per share	N/A	294.20p	323.10p	281.20p
Return before operating charges*	N/A	22.98p	(23.45p)	46.15p
Operating charges**	N/A	(3.78p)	(5.45p)	(4.25p)
Return after operating charges*	N/A	19.20p	(28.90p)	41.90p
Distributions on accumulation shares	N/A	(9.44p)	(8.86p)	(11.69p)
Retained distributions on accumulation shares	N/A	9.44p	8.86p	11.69p
Cancellation price	N/A	(313.40p)	-	-
Closing net asset value per share	N/A	-	294.20p	323.10p
*after direct transaction costs of:***	N/A	0.17p	0.25p	0.41p
<b>Performance</b>				
Return after charges	N/A	6.53%	(8.94%)	14.90%
<b>Other information</b>				
Closing net asset value	N/A	N/A	£24,852	£8,646,558
Closing number of shares	N/A	N/A	8,449	2,676,403
Operating charges - OCF	N/A	N/A	1.34%†	1.40%
Direct transaction costs	N/A	N/A	0.08%	0.13%
<b>Prices</b>				
Highest share price	N/A	316.20p	324.60p	323.40p
Lowest share price	N/A	283.10p	220.70p	279.80p

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

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

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

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

## Comparative Tables

<b>Income C</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	144.70p	136.50p	155.00p	139.40p
Return before operating charges*	(8.30p)	14.00p	(13.51p)	22.33p
Operating charges**	(0.45p)	(0.89p)	(0.84p)	(1.00p)
Return after operating charges*	(8.75p)	13.11p	(14.35p)	21.33p
Distributions on income shares	(2.35p)	(4.91p)	(4.15p)	(5.73p)
Closing net asset value per share	133.60p	144.70p	136.50p	155.00p
*after direct transaction costs of:***	0.04p	0.08p	0.10p	0.20p
<b>Performance</b>				
Return after charges	(6.05%)	9.60%	(9.26%)	15.30%
<b>Other information</b>				
Closing net asset value	£75,372,746	£86,431,913	£92,541,871	£97,781,832
Closing number of shares	56,404,721	59,737,694	67,789,664	63,066,694
Operating charges - OCF	0.64%	0.64%	0.64%†	0.67%
Direct transaction costs	0.03%	0.06%	0.08%	0.13%
<b>Prices</b>				
Highest share price	145.50p	145.80p	155.70p	156.00p
Lowest share price	132.60p	131.40p	105.40p	138.70p

<b>Accumulation C</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	336.10p	306.30p	336.50p	291.30p
Return before operating charges*	(19.36p)	31.84p	(28.34p)	47.32p
Operating charges**	(1.04p)	(2.04p)	(1.86p)	(2.12p)
Return after operating charges*	(20.40p)	29.80p	(30.20p)	45.20p
Distributions on accumulation shares	(5.49p)	(11.17p)	(9.13p)	(12.14p)
Retained distributions on accumulation shares	5.49p	11.17p	9.13p	12.14p
Closing net asset value per share	315.70p	336.10p	306.30p	336.50p
*after direct transaction costs of:***	0.09p	0.18p	0.23p	0.43p
<b>Performance</b>				
Return after charges	(6.07%)	9.73%	(8.97%)	15.52%
<b>Other information</b>				
Closing net asset value	£13,777,775	£15,231,669	£17,182,025	£9,792,150
Closing number of shares	4,363,618	4,531,988	5,610,518	2,909,842
Operating charges - OCF	0.64%	0.64%	0.64%†	0.67%
Direct transaction costs	0.03%	0.06%	0.08%	0.13%
<b>Prices</b>				
Highest share price	337.90p	337.30p	338.20p	336.90p
Lowest share price	312.30p	294.80p	230.00p	289.80p

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

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

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

## Statement of Total Return

for the six months ended 15 July 2022 (unaudited)

	15.7.22		15.7.21	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		<b>(7,636)</b>		1,206
Revenue	<b>2,021</b>		1,792	
Expenses	<b>(304)</b>		(346)	
Net revenue before taxation	<b>1,717</b>		1,446	
Taxation	<b>(25)</b>		(39)	
Net revenue after taxation		<b>1,692</b>		1,407
Total (deficit)/return before distributions		<b>(5,944)</b>		2,613
Distributions		<b>(1,620)</b>		(1,659)
Change in net assets attributable to shareholders from investment activities		<b>(7,564)</b>		954

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2022 (unaudited)

	15.7.22		15.7.21	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		<b>101,713</b>		109,807
Amounts receivable on creation of shares	<b>287</b>		4,317	
Amounts payable on cancellation of shares	<b>(5,490)</b>		(11,612)	
		<b>(5,203)</b>		(7,295)
Dilution adjustment		-		19
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		<b>(7,564)</b>		954
Retained distribution on accumulation shares		<b>242</b>		247
Closing net assets attributable to shareholders		<b>89,188</b>		103,732

## Balance Sheet

as at 15 July 2022 (unaudited)

	15.7.22		15.1.22	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		<b>82,901</b>		97,761
Current assets				
Debtors	<b>1,637</b>		620	
Cash and bank balances	<b>5,184</b>		4,381	
Total current assets		<b>6,821</b>		5,001
Total assets		<b>89,722</b>		102,762
<b>Liabilities</b>				
Creditors				
Distribution payable on income shares	<b>(260)</b>		(341)	
Other creditors	<b>(274)</b>		(708)	
Total creditors		<b>(534)</b>		(1,049)
Total liabilities		<b>(534)</b>		(1,049)
Net assets attributable to shareholders		<b>89,188</b>		101,713

**Distribution Tables (pence per share)**

for the six months ended 15 July 2022 (unaudited)

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.8.22</i>	<i>Distribution paid 15.8.21</i>
Group 1: Shares purchased prior to 16 June 2022				
Group 2: Shares purchased from 16 June 2022 to 15 July 2022				
<b>Retail Income</b>				
Group 1	0.430000	-	0.430000	0.330000
Group 2	0.000000	0.430000	0.430000	0.330000
<b>Retail Accumulation†</b>				
Group 1	N/A	-	N/A	0.760000
Group 2	N/A	N/A	N/A	0.760000
<b>Income C</b>				
Group 1	0.460000	-	0.460000	0.350000
Group 2	0.000000	0.460000	0.460000	0.350000
<b>Accumulation C</b>				
Group 1	1.060000	-	1.060000	0.790000
Group 2	0.000000	1.060000	1.060000	0.790000

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

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.7.22</i>	<i>Distribution paid 15.7.21</i>
Group 1: Shares purchased prior to 16 May 2022				
Group 2: Shares purchased from 16 May 2022 to 15 June 2022				
<b>Retail Income</b>				
Group 1	0.430000	-	0.430000	0.340000
Group 2	0.000000	0.430000	0.430000	0.340000
<b>Retail Accumulation†</b>				
Group 1	N/A	-	N/A	0.770000
Group 2	N/A	N/A	N/A	0.770000
<b>Income C</b>				
Group 1	0.450000	-	0.450000	0.360000
Group 2	0.000000	0.450000	0.450000	0.360000
<b>Accumulation C</b>				
Group 1	1.060000	-	1.060000	0.810000
Group 2	0.000000	1.060000	1.060000	0.810000

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

**Distribution Tables (pence per share)**

for the six months ended 15 July 2022 (unaudited)

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.6.22</i>	<i>Distribution paid 15.6.21</i>
Group 1: Shares purchased prior to 16 April 2022				
Group 2: Shares purchased from 16 April 2022 to 15 May 2022				
<b>Retail Income</b>				
Group 1	0.410000	-	0.410000	0.330000
Group 2	0.000000	0.410000	0.410000	0.330000
<b>Retail Accumulation†</b>				
Group 1	N/A	-	N/A	0.770000
Group 2	N/A	N/A	N/A	0.770000
<b>Income C</b>				
Group 1	0.430000	-	0.430000	0.350000
Group 2	0.000000	0.430000	0.430000	0.350000
<b>Accumulation C</b>				
Group 1	1.010000	-	1.010000	0.800000
Group 2	0.000000	1.010000	1.010000	0.800000
†The Retail Accumulation share class closed on 17 December 2021.				

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 13.5.22</i>	<i>Distribution paid 15.5.21</i>
Group 1: Shares purchased prior to 16 March 2022				
Group 2: Shares purchased from 16 March 2022 to 15 April 2022				
<b>Retail Income</b>				
Group 1	0.410000	-	0.410000	0.340000
Group 2	0.000000	0.410000	0.410000	0.340000
<b>Retail Accumulation†</b>				
Group 1	N/A	-	N/A	0.760000
Group 2	N/A	N/A	N/A	0.760000
<b>Income C</b>				
Group 1	0.430000	-	0.430000	0.350000
Group 2	0.000000	0.430000	0.430000	0.350000
<b>Accumulation C</b>				
Group 1	0.990000	-	0.990000	0.790000
Group 2	0.000000	0.990000	0.990000	0.790000
†The Retail Accumulation share class closed on 17 December 2021.				

**Distribution Tables (pence per share)**

for the six months ended 15 July 2022 (unaudited)

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.4.22</i>	<i>Distribution paid 15.4.21</i>
Group 1: Shares purchased prior to 16 February 2022				
Group 2: Shares purchased from 16 February 2022 to 15 March 2022				
<b>Retail Income</b>				
Group 1	0.340000	-	0.340000	0.330000
Group 2	0.280000	0.060000	0.340000	0.330000
<b>Retail Accumulation†</b>				
Group 1	N/A	-	N/A	0.750000
Group 2	N/A	N/A	N/A	0.750000
<b>Income C</b>				
Group 1	0.360000	-	0.360000	0.350000
Group 2	0.000000	0.360000	0.360000	0.350000
<b>Accumulation C</b>				
Group 1	0.850000	-	0.850000	0.780000
Group 2	0.000000	0.850000	0.850000	0.780000
†The Retail Accumulation share class closed on 17 December 2021.				

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.3.22</i>	<i>Distribution paid 15.3.21</i>
Group 1: Shares purchased prior to 16 January 2022				
Group 2: Shares purchased from 16 January 2022 to 15 February 2022				
<b>Retail Income</b>				
Group 1	0.210000	-	0.210000	0.330000
Group 2	0.180000	0.030000	0.210000	0.330000
<b>Retail Accumulation†</b>				
Group 1	N/A	-	N/A	0.750000
Group 2	N/A	N/A	N/A	0.750000
<b>Income C</b>				
Group 1	0.220000	-	0.220000	0.350000
Group 2	0.140000	0.080000	0.220000	0.350000
<b>Accumulation C</b>				
Group 1	0.520000	-	0.520000	0.780000
Group 2	0.150000	0.370000	0.520000	0.780000
†The Retail Accumulation share class closed on 17 December 2021.				

# 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 NAV decreased over the period, but it outperformed the benchmark by a significant 40bps. Sterling corporate bonds value fell during the period as gilt yields soared and corporate bond spreads widened in the first half of 2022, with inflation continuing to break record highs and central banks turning increasingly hawkish. Nonetheless, driving relative outperformance came primarily from rates and yield curve positioning as our 'steepener' trade outperformed and we were for the most part slightly underweight duration. Whilst asset allocation contributed positively to performance as a result of our allocations to securitised, utilities and consumer services, it was directly offset by underperformance from security selection in these sectors.

The portfolio's weight to credit was increased to slightly above neutral over the quarter. We continued to take advantage of attractive new financial issues to rotate out of secondary holdings and marginally increased off benchmark euro corporates where valuations look particularly attractive. We would look to increase credit beta and reinstate a duration underweight should there be more certainty over the resumption of Russian gas supplies. Duration positioning was moved from underweight at the beginning of the year to neutral near the end of Q2. The fund held a 'steepener' position which we subsequently took profits on. We retained the off-benchmark exposure to securitised credit and USD and EUR denominated holdings on relative valuations, hedged back into sterling. The UK gilt exposure was also maintained for duration management purposes. We largely maintained all other sector exposures.

**Activity****Purchases**

UK Treasury 0.625% 31/7/35

Natwest Group 3.619% variable rate 29/3/2029

Heathrow Funding 7.125% 14/2/2024

**Sales**

SSE 4.75% variable rate 16/9/2077

Manchester Airport Group Funding 4.125% 2/4/2024

HSBC Holdings 3% variable rate 22/7/2028

**Investment Performance**

During the period under review, the value of the shares in the Fund decreased by 12.10% while the value of the Market iBoxx GBP Corporates Index +1% fell by 12.64%.

(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 18 July 2022 (unaudited)

	Retail Income	Retail Accumulation	Institutional Income
Price	108.6p xd	275.1p	199.7p xd
Distribution payable (on 15 September 2022) per share net	0.820000p	2.060000p	2.060000p
Current net estimated yield	3.04%	2.98%	4.26%
Annual ACD charge	1.05%	1.05%	0.00%

	Institutional Accumulation	Income C	Accumulation C
Price	337.0p	109.1p xd	293.1p
Distribution payable (on 15 September 2022) per share net	3.440000p	1.020000p	2.720000p
Current net estimated yield	4.15%	3.84%	3.75%
Annual ACD charge	0.00%	0.35%	0.35%

## Portfolio Statement

as at 15 July 2022 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>United Kingdom - 49.29% (48.21%)</b>			
<b>Government Bonds - 7.03% (1.84%)</b>			
Treasury 0.625% 31/7/2035	£7,450,000	5,904	2.68
Treasury 1.25% 31/7/2051	£3,850,000	2,807	1.27
Treasury 1.625% 22/10/2071	£450,000	342	0.16
Treasury 4.5% 7/12/2042	£5,000,000	6,445	2.92
<b>Total Government Bonds</b>		<b>15,498</b>	<b>7.03</b>
<b>Corporate Bonds - 42.26% (46.37%)</b>			
Affinity Water Programme Finance 3.625% 30/9/2022	£800,000	801	0.36
Annington Funding 2.308% 6/10/2032	£930,000	762	0.35
Annington Funding 3.184% 12/7/2029	£2,820,000	2,602	1.18
Aviva 6.125% variable rate perpetual	£1,360,000	1,360	0.62
Aviva 6.125% 14/11/2036	£3,500,000	3,604	1.64
Barclays 3.75% variable rate 22/11/2030	£1,140,000	1,073	0.49
Barclays 7.25% variable rate perpetual	£1,000,000	985	0.45
Barclays 8.875% variable rate perpetual	£248,000	248	0.11
Bellis Acquisition 3.25% 16/2/2026	£854,000	676	0.31
Bellis Finco 4% 16/2/2027	£500,000	336	0.15
Berkeley Group 2.5% 11/8/2031	£953,000	691	0.31
BP Capital Markets 4.25% variable rate perpetual	£2,143,000	1,921	0.87
BUPA Finance 5% 8/12/2026	£1,412,000	1,403	0.64
Centrica 5.25% variable rate 10/4/2075	£1,500,000	1,365	0.62
Centrica 7% 19/9/2033	£1,330,000	1,593	0.72
Church Commissioners for England 3.625% 14/7/2052	£1,111,000	1,093	0.50
Direct Line Insurance Group 4.75% variable rate perpetual	£1,300,000	990	0.45
GKN 3.375% 12/5/2032	£1,424,000	1,265	0.57
GKN 5.375% 19/9/2022	£650,000	651	0.29
Glaxosmithkline 5.25% 19/12/2033	£2,342,000	2,744	1.24
GSK Consumer Healthcare 2.875% 29/10/2028	£500,000	483	0.22
Hammerson 3.5% 27/10/2025	£1,800,000	1,555	0.71
Hammerson 6% 23/2/2026	£900,000	828	0.38
Heathrow Finance 6.25% 3/3/2025	£1,100,000	1,035	0.47
+HSBC Holdings 3% variable rate 22/7/2028	£3,500,000	3,276	1.49
+HSBC Holdings 5.875% variable rate perpetual	£1,405,000	1,275	0.58
+HSBC Holdings 6.75% 11/9/2028	£1,500,000	1,595	0.72
+HSBC Holdings 7% 7/4/2038	£1,000,000	1,064	0.48
Lloyds Banking Group 2% variable rate 12/4/2028	£2,000,000	1,799	0.82
Lloyds Banking Group 2.707% variable rate 3/12/2035	£1,474,000	1,177	0.53
Lloyds Banking Group 7.625% variable rate perpetual	£3,000,000	2,978	1.35
M&G 3.875% variable rate 20/7/2049	£2,000,000	1,955	0.89
M&G 5% variable rate 20/7/2055	£1,500,000	1,358	0.62
M&G 5.7% variable rate 19/12/2063	£1,000,000	917	0.42
Manchester Airport Group Funding 2.875% 30/9/2044	£1,000,000	744	0.34
Marks & Spencer 4.5% 10/7/2027	£1,200,000	1,014	0.46
Marstons Issuer 5.1774% variable rate 15/7/2032	£700,000	673	0.31

## Portfolio Statement

as at 15 July 2022 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Motability Operations Group 3.625% 10/3/2036	£1,932,000	1,923	0.87
National Grid 2.949% 30/3/2030	€500,000	419	0.19
National Grid 3.245% 30/3/2034	€467,000	388	0.18
National Grid Electricity Transmission 4% 8/6/2027	£1,590,000	1,622	0.74
National Grid Gas 1.625% 14/1/2043	£1,000,000	599	0.27
Nationwide Building Society 5.875% variable rate perpetual	£600,000	566	0.26
Natwest Group 3.619% variable rate 29/3/2029	£2,609,000	2,454	1.11
Natwest Group 5.125% variable rate perpetual	£1,025,000	852	0.39
NGG Finance 5.625% variable rate 18/6/2073	£500,000	474	0.21
Northern Powergrid Northeast 3.25% 1/4/2052	£736,000	622	0.28
Northern Powergrid Yorkshire 2.25% 9/10/2059	£643,000	420	0.19
Rentokil Initial 5% 27/6/2032	£647,000	668	0.30
RL Finance Bonds No.4 4.875% variable rate 7/10/2049	£750,000	602	0.27
Rothsay Life 5% variable rate perpetual	£1,500,000	1,095	0.50
Rothsay Life 5.5% variable rate 17/9/2029	£1,000,000	1,001	0.45
Royal Bank of Scotland Group 2.875% variable rate 19/9/2026	£2,000,000	1,902	0.86
Royal Bank of Scotland Group 3.125% variable rate 28/3/2027	£2,561,000	2,432	1.10
Royal Bank of Scotland Group 3.622% variable rate 14/8/2030	£1,000,000	939	0.43
Saga 3.375% 12/5/2024	£389,000	342	0.15
Santander UK Group Holdings 2.421% variable rate 17/1/2029	£1,000,000	894	0.41
Santander UK Group Holdings 2.92% variable rate 8/5/2026	£2,700,000	2,579	1.17
Santander UK Group Holdings 6.75% variable rate perpetual	£1,500,000	1,431	0.65
Scottish Hydro Electric Transmission 1.5% 24/3/2028	£2,000,000	1,795	0.81
Scottish Hydro Electric Transmission 2.125% 24/3/2036	£200,000	155	0.07
Scottish Hydro Electric Transmission 2.25% 27/9/2035	£350,000	278	0.13
Society of Lloyds 4.875% variable rate 7/2/2047	£500,000	488	0.22
Southern Gas Networks 1.25% 2/12/2031	£1,093,000	869	0.39
SSE 8.375% 20/11/2028	£2,300,000	2,881	1.31
Thames Water Utilities Cayman Finance 5.75% 13/9/2030	£2,500,000	2,507	1.14
Thames Water Utilities Cayman Finance 7.738% 9/4/2058	£200,000	309	0.14
Virgin Money UK 4% variable rate 25/9/2026	£2,485,000	2,401	1.09
Vodafone Group 3% 12/8/2056	£952,000	682	0.31
Vodafone Group 3.375% 8/8/2049	£500,000	401	0.18
Western Power Distribution 3.5% 16/10/2026	£1,000,000	998	0.45
Western Power Distribution 3.625% 6/11/2023	£2,800,000	2,801	1.27
Zurich Finance 6.625% variable rate perpetual	£2,453,000	2,438	1.11
<b>Total Corporate Bonds</b>		<b>93,116</b>	<b>42.26</b>
<b>Total United Kingdom</b>		<b>108,614</b>	<b>49.29</b>

### UNITED STATES - 8.11% (7.84%)

#### Corporate Bonds - 8.11% (7.84%)

AT&T 4.25% 1/6/2043	£2,000,000	1,856	0.84
Bank of America 1.667% Variable rate 2/6/2029	£1,487,000	1,312	0.60
Bank of America 3.584% variable rate 27/4/2031	£1,000,000	963	0.44
Berkshire Hathaway Finance 2.375% 19/6/2039	£1,500,000	1,224	0.56
Celanese US Holdings 5.337% 19/1/2029	€900,000	763	0.35

## Portfolio Statement

as at 15 July 2022 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Ford Motor Credit 2.748% 14/6/2024	£2,000,000	1,840	0.83
General Motors Financial 2.35% 3/9/2025	£1,000,000	936	0.42
Goldman Sachs 3.625% variable rate 29/10/2029	£582,000	561	0.25
GSK Consumer Healthcare 3.625% 24/3/2032	\$669,000	533	0.24
MPT Operating Partnership 2.55% 5/12/2023	£2,000,000	1,909	0.87
MPT Operating Partnership 3.692% 5/6/2028	£900,000	777	0.35
PepsiCo 3.55% 22/7/2034	£877,000	874	0.40
Time Warner Cable 5.25% 15/7/2042	£500,000	455	0.21
Time Warner Cable 5.75% 2/6/2031	£1,000,000	1,032	0.47
Verizon Communications 3.375% 27/10/2036	£1,400,000	1,263	0.57
Wells Fargo 2% 28/7/2025	£1,648,000	1,563	0.71
<b>Total Corporate Bonds</b>		<b>17,861</b>	<b>8.11</b>
<b>Total United States</b>		<b>17,861</b>	<b>8.11</b>
<b>AUSTRALIA - 2.57% (2.54%)</b>			
<b>Corporate Bonds - 2.57% (2.54%)</b>			
Macquarie Group 4.08% 31/5/2029	£750,000	724	0.33
QBE Insurance Group 2.5% variable rate 13/9/2038	£1,333,000	1,090	0.49
Scentre Group Trust 2 4.75% variable rate 24/9/2080	\$1,917,000	1,427	0.65
Toyota Finance Australia 3.92% 28/6/2027	£1,250,000	1,269	0.57
Westfield America Management 2.625% 30/3/2029	£1,400,000	1,164	0.53
<b>Total Corporate Bonds</b>		<b>5,674</b>	<b>2.57</b>
<b>Total Australia</b>		<b>5,674</b>	<b>2.57</b>
<b>CANADA - 1.53% (0.00%)</b>			
<b>Corporate Bonds - 1.53% (0.00%)</b>			
Bank of Nova Scotia 2.875% 3/5/2027	£2,000,000	1,905	0.86
Royal Bank of Canada 3.625% 14/6/2027	£1,483,000	1,472	0.67
<b>Total Corporate Bonds</b>		<b>3,377</b>	<b>1.53</b>
<b>Total Canada</b>		<b>3,377</b>	<b>1.53</b>
<b>CAYMAN ISLANDS - 0.50% (0.95%)</b>			
<b>Corporate Bonds - 0.50% (0.95%)</b>			
Phoenix Group Holdings 5.625% 28/4/2031	£1,147,000	1,092	0.50
<b>Total Corporate Bonds</b>		<b>1,092</b>	<b>0.50</b>
<b>Total Cayman Islands</b>		<b>1,092</b>	<b>0.50</b>
<b>CHANNEL ISLANDS - 6.43% (5.58%)</b>			
<b>Corporate Bonds - 6.43% (5.58%)</b>			
AA Bond 6.269% 2/7/2043	£1,000,000	1,033	0.47
AA Bond 7.375% 31/7/2050	£321,000	323	0.15
Gatwick Funding Limited 2.875% 5/7/2051	£500,000	348	0.16
Gatwick Funding Limited 6.5% 2/3/2043	£1,961,000	2,267	1.03
+^HSBC Bank Fund 5.844% variable rate perpetual	£650,000	753	0.34
Heathrow Funding 4.625% 31/10/2046	£2,300,000	2,192	0.99
Heathrow Funding 6.75% 3/12/2028	£1,700,000	1,882	0.85
Heathrow Funding 7.125% 14/2/2024	£5,200,000	5,377	2.44
<b>Total Corporate Bonds</b>		<b>14,175</b>	<b>6.43</b>
<b>Total Channel Islands</b>		<b>14,175</b>	<b>6.43</b>

## Portfolio Statement

as at 15 July 2022 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>FINLAND - 0.00% (0.30%)</b>			
<b>Corporate Bonds - 0.00% (0.30%)</b>			
<b>FRANCE - 7.38% (8.46%)</b>			
<b>Corporate Bonds - 7.38% (8.46%)</b>			
AXA 5.625% variable rate 16/1/2054	£600,000	579	0.26
BNP Paribas 1.25% 13/7/2031	£1,000,000	781	0.35
BNP Paribas 1.875% 14/12/2027	£1,000,000	892	0.41
BNP Paribas 2.10% 7/4/2032	€1,100,000	834	0.38
BPCE 2.125% variable rate 13/10/2046	€1,000,000	627	0.28
BPCE 5.748% variable rate 19/7/2033	\$682,000	577	0.26
Electricite de France 5.5% 27/3/2037	£1,000,000	1,098	0.50
Electricite de France 5.875% variable rate perpetual	£1,600,000	1,400	0.64
Electricite de France 6% 23/1/2114	£1,200,000	1,322	0.60
Electricite de France 6% variable rate perpetual	£1,500,000	1,395	0.63
Electricite de France 6.125% 2/6/2034	£1,000,000	1,164	0.53
GDF Suez 5.95% 16/3/2111	€850,000	817	0.37
Orange 5.375% 22/11/2050	£1,000,000	1,182	0.54
Orange 5.75% variable rate perpetual	£2,024,000	2,032	0.92
Societe Generale 1.25% 7/12/2027	£1,000,000	849	0.39
Total 2.125% variable rate perpetual	€1,100,000	712	0.32
<b>Total Corporate Bonds</b>		<b>16,261</b>	<b>7.38</b>
<b>Total France</b>		<b>16,261</b>	<b>7.38</b>
<b>GERMANY - 1.97% (1.84%)</b>			
<b>Corporate Bonds - 1.97% (1.84%)</b>			
Commerzbank 1.75% 22/1/2025	£1,500,000	1,396	0.63
Deutsche Bank 1.875% variable rate 22/12/2028	£1,800,000	1,507	0.68
Deutsche Bank 4% variable rate 24/6/2026	£1,500,000	1,446	0.66
<b>Total Corporate Bonds</b>		<b>4,349</b>	<b>1.97</b>
<b>Total Germany</b>		<b>4,349</b>	<b>1.97</b>
<b>IRELAND - 1.45% (1.16%)</b>			
<b>Corporate Bonds - 1.21% (0.00%)</b>			
Hammerson Ireland Finance 1.75% 3/6/2027	€1,000,000	660	0.30
PGH Capital 4.125% 20/7/2022	£2,000,000	2,000	0.91
<b>Total Corporate Bonds</b>		<b>2,660</b>	<b>1.21</b>
<b>Financials - 0.24% (1.16%)</b>			
+^HSBC Global Sterling Liquidity Fund	523,425	523	0.24
<b>Total Financials</b>		<b>523</b>	<b>0.24</b>
<b>Total Ireland</b>		<b>3,183</b>	<b>1.45</b>

## Portfolio Statement

as at 15 July 2022 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>ITALY - 0.66% (1.27%)</b>			
<b>Corporate Bonds - 0.66% (1.27%)</b>			
Telecom Italia 5.875% 19/5/2023	£1,450,000	1,459	0.66
<b>Total Corporate Bonds</b>		<b>1,459</b>	<b>0.66</b>
<b>Total Italy</b>		<b>1,459</b>	<b>0.66</b>
<b>LUXEMBOURG - 5.51% (6.33%)</b>			
<b>Corporate Bonds - 1.71% (1.26%)</b>			
Aroundtown 4.75% variable rate perpetual	£1,300,000	1,096	0.50
Blackstone Property Partners Europe 4.875% 29/4/2032	£453,000	426	0.19
CK Hutchison Holdings 2% 17/10/2027	£2,000,000	1,766	0.80
Prologis International Funding I 2.75% 22/2/2032	£534,000	478	0.22
*Virgolino De Oliveira Finance 6.75% 29/1/2018	\$243,000	-	0.00
<b>Total Corporate Bonds</b>		<b>3,766</b>	<b>1.71</b>
<b>Financials - 3.80% (5.07%)</b>			
+^HSBC Global Investment Grade Securitised Credit Bond Fund	1,702	16	0.01
+^HSBC Global Securitised Credit Bond Fund	913,359	8,361	3.79
<b>Total Financials</b>		<b>8,377</b>	<b>3.80</b>
<b>Total Luxembourg</b>		<b>12,143</b>	<b>5.51</b>
<b>MEXICO - 1.23% (2.37%)</b>			
<b>Corporate Bonds - 1.23% (2.37%)</b>			
America Movil 4.948% 22/7/2033	£2,300,000	2,472	1.12
Cemex SAB de CV 5.125% variable rate perpetual	\$372,000	247	0.11
<b>Total Corporate Bonds</b>		<b>2,719</b>	<b>1.23</b>
<b>Total Mexico</b>		<b>2,719</b>	<b>1.23</b>
<b>NETHERLANDS - 7.26% (5.82%)</b>			
<b>Corporate Bonds - 7.26% (5.82%)</b>			
AT Securities 5.25% variable rate perpetual	\$2,000,000	1,545	0.70
Digital Dutch Finco 1% 15/1/2032	€1,500,000	959	0.43
E.ON International Finance 4.75% 31/1/2034	€1,000,000	1,030	0.47
E.ON International Finance 6.125% 6/7/2039	€1,750,000	2,017	0.91
Enel Finance 5.75% 14/9/2040	€2,250,000	2,486	1.13
Enel Finance International 2.875% 11/4/2029	€790,000	729	0.33
GSK Consumer Healthcare 1.75% 29/3/2030	€364,000	291	0.13
Petrobras International Finance 6.25% 14/12/2026	€1,200,000	1,162	0.53
Rentokil Initial Finance 4.375% 27/6/2030	€500,000	454	0.21
Royal KPN 5% 18/11/2026	€1,900,000	1,973	0.89
Volkswagen International Finance 3.375% 16/11/2026	€1,600,000	1,534	0.70
Volkswagen International Finance 4.375% variable rate perpetual	€2,500,000	1,820	0.83
<b>Total Corporate Bonds</b>		<b>16,000</b>	<b>7.26</b>
<b>Total Netherlands</b>		<b>16,000</b>	<b>7.26</b>

**Portfolio Statement**

as at 15 July 2022 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>SPAIN - 1.77% (1.60%)</b>			
<b>Corporate Bonds - 1.77% (1.60%)</b>			
Abertis Infraestructuras 3.375% 27/11/2026	£1,900,000	1,794	0.81
CaixaBank 1.5% variable rate 3/12/2026	£1,400,000	1,259	0.57
CaixaBank 3.5% variable rate 6/4/2028	£900,000	847	0.39
<b>Total Corporate Bonds</b>		<b>3,900</b>	<b>1.77</b>
<b>Total Spain</b>		<b>3,900</b>	<b>1.77</b>
<b>Sweden - 0.18% (0.18%)</b>			
<b>Corporate Bonds - 0.18% (0.18%)</b>			
Vattenfall 2.5% variable rate 29/6/2083	£500,000	399	0.18
<b>Total Corporate Bonds</b>		<b>399</b>	<b>0.18</b>
<b>Total Sweden</b>		<b>399</b>	<b>0.18</b>
<b>SWITZERLAND - 2.76% (2.68%)</b>			
<b>Corporate Bonds - 2.76% (2.68%)</b>			
Credit Suisse Group 2.125% variable rate 12/9/2025	£3,400,000	3,203	1.45
Credit Suisse Group 2.25% variable rate 9/6/2028	£3,300,000	2,875	1.31
<b>Total Corporate Bonds</b>		<b>6,078</b>	<b>2.76</b>
<b>Total Switzerland</b>		<b>6,078</b>	<b>2.76</b>
<b>FORWARD FOREIGN EXCHANGE CONTRACTS - (0.07%) (0.10%)</b>			
#GBP Forward Currency Contract 05/08/2022	GBP 4,664,997	33	0.02
#EUR Forward Currency Contract 05/08/2022	(EUR 5,440,000)		
#GBP Forward Currency Contract 08/08/2022	GBP 3,638,157	(200)	(0.09)
#USD Forward Currency Contract 08/08/2022	(USD 4,550,000)		
#EUR Forward Currency Contract 05/08/2022	EUR 640,000	(6)	0.00
#GBP Forward Currency Contract 05/08/2022	(GBP 551,055)		
#GBP Forward Currency Contract 05/08/2022	GBP 258,633	3	0.00
#EUR Forward Currency Contract 05/08/2022	(EUR 300,000)		
#GBP Forward Currency Contract 05/08/2022	GBP 154,908	2	0.00
#EUR Forward Currency Contract 05/08/2022	(EUR 180,000)		
#GBP Forward Currency Contract 05/08/2022	GBP 664,157	8	0.00
#EUR Forward Currency Contract 05/08/2022	(EUR 770,000)		
#USD Forward Currency Contract 08/08/2022	USD 400,000	2	0.00
#GBP Forward Currency Contract 08/08/2022	(GBP 335,487)		
#GBP Forward Currency Contract 08/08/2022	GBP 548,996	1	0.00
#USD Forward Currency Contract 08/08/2022	(USD 650,000)		
#GBP Forward Currency Contract 05/08/2022	GBP 765,055	(1)	0.00
#EUR Forward Currency Contract 05/08/2022	(EUR 900,000)		
<b>Total Forward Foreign Exchange Contracts</b>		<b>(158)</b>	<b>(0.07)</b>

## Portfolio Statement

as at 15 July 2022 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>FUTURES - (0.35%) ((0.13%))</b>			
CBT US Ultra Bond September 2022	(8)	11	0.01
CBT US 10 Year Note September 2022	(9)	4	0.00
EUX Euro Bobl Future September 2022	(8)	2	0.00
EUX Euro Bund Future September 2022	(8)	(11)	0.00
EUX Euro Buxl 30 Year Bond Future September 2022	(9)	(6)	0.00
EUX Euro BTP Future September 2022	(30)	(191)	(0.09)
ICF ICE Long Gilt Future September 2022	278	(589)	(0.27)
<b>Total Futures</b>		<b>(780)</b>	<b>(0.35)</b>
<b>Credit Default Swaps - 0.48% (0.00%)</b>			
Goldman Sachs 1% 20/6/2027	€1,000,000	1,063	0.48
<b>Total Credit Default Swaps</b>		<b>1,063</b>	<b>0.48</b>
<b>Portfolio of investments</b>		<b>217,409</b>	<b>98.66</b>
<b>Net other assets</b>		<b>2,960</b>	<b>1.34</b>
<b>Net assets</b>		<b>220,369</b>	<b>100.00</b>
*suspended			
+related party			
#unlisted			
^investment scheme registered outside the UK			
Figures in brackets denote the comparative percentage holdings as at 15 January 2022.			
Unless otherwise stated, all investments are listed securities.			
The counterparty for the futures is HSBC.			
The counterparties for the forward foreign exchange contracts are Credit Agricole London, Royal Bank of Scotland and UBS.			
The counterparty for the credit default swap is Goldman Sachs.			
Total purchases for the period, including transaction charges, were £79,178,507.			
Total sales for the period, net of transaction charges, were £85,997,955.			
The bond ratings for the portfolio at 15 July 2022 were:			
		<i>Bid value £'000</i>	<i>Total net assets %</i>
Bond credit ratings			
Investment grade		178,174	80.85
Non-investment grade		24,331	11.04
Non rated		6,942	3.15
<b>Total bonds</b>		<b>209,447</b>	<b>95.04</b>

## Comparative Tables

<b>Retail Income</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	125.70p	132.80p	128.50p	117.50p
Return before operating charges*	(14.96p)	(2.46p)	8.71p	15.40p
Operating charges**	(0.63p)	(1.40p)	(1.46p)	(1.43p)
Return after operating charges*	(15.59p)	(3.86p)	7.25p	13.97p
Distributions on income shares	(1.61p)	(3.24p)	(2.95p)	(2.97p)
Closing net asset value per share	108.50p	125.70p	132.80p	128.50p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	(12.40%)	(2.91%)	5.64%	11.89%
<b>Other information</b>				
Closing net asset value	£10,376,601	£6,656,838	£7,312,745	£15,893,060
Closing number of shares	9,566,738	5,297,797	5,507,065	12,372,588
Operating charges - OCF	1.09%	1.07%	1.09%†	1.15%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	125.70p	133.60p	135.50p	129.60p
Lowest share price	107.60p	126.20p	111.40p	117.90p

<b>Retail Accumulation</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	313.90p	323.40p	305.70p	273.10p
Return before operating charges*	(37.42p)	(6.06p)	21.19p	35.96p
Operating charges**	(1.58p)	(3.44p)	(3.49p)	(3.36p)
Return after operating charges*	(39.00p)	(9.50p)	17.70p	32.60p
Distributions on accumulation shares	(4.03p)	(7.96p)	(7.11p)	(6.98p)
Retained distributions on accumulation shares	4.03p	7.96p	7.11p	6.98p
Closing net asset value per share	274.90p	313.90p	323.40p	305.70p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	(12.42%)	(2.94%)	5.79%	11.94%
<b>Other information</b>				
Closing net asset value	£8,138,773	£27,931,027	£124,260,156	£161,839,184
Closing number of shares	2,961,121	8,899,347	38,419,689	52,932,255
Operating charges - OCF	1.09%	1.08%	1.09%†	1.15%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	313.90p	326.90p	328.10p	306.70p
Lowest share price	270.60p	311.90p	265.20p	274.10p

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

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

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

## Comparative Tables

<b>Institutional Income</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
Change in net assets per share				
Opening net asset value per share	231.10p	244.30p	236.20p	216.00p
Return before operating charges*	(27.47p)	(4.66p)	16.24p	28.31p
Operating charges**	(0.03p)	(0.01p)	(0.06p)	(0.05p)
Return after operating charges*	(27.50p)	(4.67p)	16.18p	28.26p
Distributions on income shares	(4.10p)	(8.53p)	(8.08p)	(8.06p)
Closing net asset value per share	199.50p	231.10p	244.30p	236.20p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	(11.90%)	(1.91%)	6.85%	13.08%
<b>Other information</b>				
Closing net asset value	£37,551,278	£27,599,460	£314,854,787	£533,316,337
Closing number of shares	18,822,683	11,940,907	128,901,450	225,777,255
Operating charges - OCF	0.03%	0.00%	0.02%	0.02%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	231.20p	245.90p	249.90p	238.90p
Lowest share price	198.30p	232.60p	205.30p	216.80p

<b>Institutional Accumulation</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
Change in net assets per share				
Opening net asset value per share	382.30p	389.80p	364.50p	321.90p
Return before operating charges*	(45.64p)	(7.44p)	25.39p	42.68p
Operating charges**	(0.06p)	(0.06p)	(0.09p)	(0.08p)
Return after operating charges*	(45.70p)	(7.50p)	25.30p	42.60p
Distributions on accumulation shares	(6.81p)	(13.79p)	(12.63p)	(12.17p)
Retained distributions on accumulation shares	6.81p	13.79p	12.63p	12.17p
Closing net asset value per share	336.60p	382.30p	389.80p	364.50p
*after direct transaction costs of:***	0.00p	0.01p	0.00p	0.00p
<b>Performance</b>				
Return after charges	(11.95%)	(1.92%)	6.94%	13.23%
<b>Other information</b>				
Closing net asset value	£27,770,885	£25,154,870	£25,411,104	£38,276,739
Closing number of shares	8,250,568	6,579,155	6,518,514	10,501,532
Operating charges - OCF	0.03%	0.02%	0.02%	0.02%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	382.40p	396.30p	395.40p	365.60p
Lowest share price	331.10p	376.50p	316.80p	323.10p
**The operating charges include all costs borne by the Fund, except for direct transaction costs.				
***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.				

## Comparative Tables

<b>Income C</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	126.20p	133.40p	129.00p	118.00p
Return before operating charges*	(14.95p)	(2.52p)	8.84p	15.43p
Operating charges**	(0.23p)	(0.50p)	(0.53p)	(0.53p)
Return after operating charges*	(15.18p)	(3.02p)	8.31p	14.90p
Distributions on income shares	(2.02p)	(4.18p)	(3.91p)	(3.90p)
Closing net asset value per share	109.00p	126.20p	133.40p	129.00p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	(12.03%)	(2.26%)	6.44%	12.63%
<b>Other information</b>				
Closing net asset value	£89,231,686	£110,053,050	£126,718,548	£128,250,534
Closing number of shares	81,892,371	87,190,625	94,990,557	99,408,298
Operating charges - OCF	0.39%	0.38%	0.39%†	0.42%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	126.30p	134.30p	136.40p	130.40p
Lowest share price	108.20p	127.00p	112.00p	118.40p

<b>Accumulation C</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	333.20p	341.00p	320.00p	283.80p
Return before operating charges*	(39.79p)	(6.52p)	22.33p	37.49p
Operating charges**	(0.61p)	(1.28p)	(1.33p)	(1.29p)
Return after operating charges*	(40.40p)	(7.80p)	21.00p	36.20p
Distributions on accumulation shares	(5.37p)	(10.81p)	(9.82p)	(9.48p)
Retained distributions on accumulation shares	5.37p	10.81p	9.82p	9.48p
Closing net asset value per share	292.80p	333.20p	341.00p	320.00p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	(12.12%)	(2.29%)	6.56%	12.76%
<b>Other information</b>				
Closing net asset value	£47,299,323	£58,528,681	£44,352,350	£30,972,575
Closing number of shares	16,154,021	17,565,659	13,007,705	9,678,146
Operating charges - OCF	0.39%	0.38%	0.39%†	0.42%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	333.30p	345.90p	345.90p	321.00p
Lowest share price	288.10p	329.20p	277.90p	284.80p

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

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

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

## Comparative Tables

<b>Institutional Gross Accumulation #</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
Change in net assets per share				
Opening net asset value per share	383.50p	391.00p	365.60p	322.90p
Return before operating charges*	(2.40p)	(7.45p)	25.49p	42.78p
Operating charges**	0.00p	(0.05p)	(0.09p)	(0.08p)
Return after operating charges*	(2.40p)	(7.50p)	25.40p	42.70p
Distributions on accumulation shares	-	(13.84p)	(12.67p)	(12.21p)
Retained distributions on accumulation shares	-	13.84p	12.67p	12.21p
Cancellation Price	(381.10p)	-	-	-
Closing net asset value per share	0.00p	383.50p	391.00p	365.60p
*after direct transaction costs of:***	0.00p	0.01p	0.00p	0.00p
<b>Performance</b>				
Return after charges	(0.63%)	(1.92%)	6.95%	13.22%
<b>Other information</b>				
Closing net asset value	N/A	£7,978,048	£41,668,866	£74,764,547
Closing number of shares	N/A	2,080,270	10,656,565	20,450,705
Operating charges - OCF	N/A	0.01%	0.02%	0.02%
Direct transaction costs	N/A	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	383.60p	397.50p	396.60p	366.70p
Lowest share price	381.10p	377.70p	317.70p	324.10p
#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 six months ended 15 July 2022 (unaudited)

	15.7.22		15.7.21	
	£'000	£'000	£'000	£'000
Income				
Net capital losses		(33,933)		(13,203)
Revenue	3,919		7,791	
Expenses	(412)		(863)	
Interest payable and similar charges	-		(12)	
Net revenue before taxation	3,507		6,916	
Taxation	-		-	
Net revenue after taxation		3,507		6,916
Total deficit before distributions		(30,426)		(6,287)
Distributions		(4,078)		(8,183)
Change in net assets attributable to shareholders from investment activities		(34,504)		(14,470)

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2022 (unaudited)

	15.7.22		15.7.21	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		263,902		684,579
Amounts receivable on creation of shares	37,775		31,450	
Amounts payable on cancellation of shares	(48,564)		(334,943)	
		(10,789)		(303,493)
Dilution adjustment		199		1,193
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		(34,504)		(14,470)
Retained distribution on accumulation shares		1,561		2,549
Closing net assets attributable to shareholders		220,369		370,358

## Balance Sheet

as at 15 July 2022 (unaudited)

	15.7.22		15.1.22	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		218,413		256,869
Current assets				
Debtors	4,302		4,501	
Cash and bank balances	2,349		6,588	
Total current assets		6,651		11,089
Total assets		225,064		267,958
<b>Liabilities</b>				
Investment liabilities		(1,004)		(618)
Creditors				
Distribution payable on income shares	(1,301)		(1,254)	
Other creditors	(2,390)		(2,184)	
Total creditors		(3,691)		(3,438)
Total liabilities		(4,695)		(4,056)
Net assets attributable to shareholders		220,369		263,902

**Distribution Tables (pence per share)**

for the six months ended 15 July 2022 (unaudited)

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.9.22</i>	<i>Distribution paid 15.9.21</i>
Group 1: Shares purchased prior to 16 April 2022				
Group 2: Shares purchased from 16 April 2022 to 15 July 2022				
<b>Retail Income</b>				
Group 1	0.820000	-	0.820000	0.820000
Group 2	0.420000	0.400000	0.820000	0.820000
<b>Retail Accumulation</b>				
Group 1	2.060000	-	2.060000	2.000000
Group 2	0.050000	2.010000	2.060000	2.000000
<b>Institutional Income</b>				
Group 1	2.060000	-	2.060000	2.140000
Group 2	1.060000	1.000000	2.060000	2.140000
<b>Institutional Accumulation</b>				
Group 1	3.440000	-	3.440000	3.450000
Group 2	1.200000	2.240000	3.440000	3.450000
<b>Income C</b>				
Group 1	1.020000	-	1.020000	1.050000
Group 2	0.410000	0.610000	1.020000	1.050000
<b>Accumulation C</b>				
Group 1	2.720000	-	2.720000	2.710000
Group 2	1.670000	1.050000	2.720000	2.710000
<b>Institutional Gross Accumulation†</b>				
Group 1	N/A	-	N/A	3.470000
Group 2	N/A	N/A	N/A	3.470000

†The Institutional Gross Accumulation share class closed on 18 January 2022.

**Distribution Tables (pence per share)**

for the six months ended 15 July 2022 (unaudited)

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.6.22</i>	<i>Distribution paid 15.6.21</i>
Group 1: Shares purchased prior to 16 January 2022				
Group 2: Shares purchased from 16 January 2022 to 15 April 2022				
<b>Retail Income</b>				
Group 1	0.790000	-	0.790000	0.730000
Group 2	0.280000	0.510000	0.790000	0.730000
<b>Retail Accumulation</b>				
Group 1	1.970000	-	1.970000	1.780000
Group 2	0.770000	1.200000	1.970000	1.780000
<b>Institutional Income</b>				
Group 1	2.040000	-	2.040000	1.990000
Group 2	0.740000	1.300000	2.040000	1.990000
<b>Institutional Accumulation</b>				
Group 1	3.370000	-	3.370000	3.180000
Group 2	1.340000	2.030000	3.370000	3.180000
<b>Income C</b>				
Group 1	1.000000	-	1.000000	0.960000
Group 2	0.430000	0.570000	1.000000	0.960000
<b>Accumulation C</b>				
Group 1	2.650000	-	2.650000	2.470000
Group 2	1.330000	1.320000	2.650000	2.470000
<b>Institutional Gross Accumulation†</b>				
Group 1	N/A	-	N/A	3.180000
Group 2	N/A	N/A	N/A	3.180000

†The Institutional Gross Accumulation share class closed on 18 January 2022.

# Global Equity 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 Global Equity Income sector definition.

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## **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.

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## **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.

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### Portfolio Activity

Contributors to relative performance included US stock, Unitedhealth Group (Health Care) with a total effect of 0.86%. Additionally, US security, PepsiCo Inc. (Consumer Staples) was in the top two contributors with a total effect of 0.39%.

Detractors included Taiwan security, TSMC (Information Technology) with a total effect of -1.12%, and USA holding Walt Disney (Communication Services) with a total effect of -0.78%.

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

### Investment Performance

During the period under review, the value of the shares in the Fund fell by 10.07% while the value of the MSCI All Countries World Index fell by 5.94%. 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 18 July 2022 (unaudited)

	Institutional Income	Institutional Accumulation	Income C	Accumulation C
Price	133.8p xd	153.6p	127.2p xd	146.4p
Distribution payable (on 15 September 2022) per share net	1.450000p	1.650000p	1.380000p	1.570000p
Current net estimated yield	2.67%	2.63%	2.67%	2.62%
Annual ACD charge	0.00%	0.00%	0.80%	0.80%

## Portfolio Statement

as at 15 July 2022 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Oil &amp; Gas - 5.65% (5.96%)</b>			
BP	18,928	71	1.61
Kinder Morgan	5,217	74	1.68
Phillips 66	1,512	104	2.36
<b>Total Oil &amp; Gas</b>		<b>249</b>	<b>5.65</b>
<b>Basic Materials - 5.50% (7.34%)</b>			
Air Products & Chemicals	287	55	1.25
BHP Group ADR	2,356	98	2.23
Brenntag	1,703	89	2.02
#Severstal PJSC GDR	62,394	-	0.00
<b>Total Basic Materials</b>		<b>242</b>	<b>5.50</b>
<b>Industrials - 15.51% (16.26%)</b>			
Accenture	250	57	1.30
Adecco Group	1,420	40	0.91
Ball	1,699	95	2.16
China Conch Venture	10,795	19	0.43
Ferguson NewCo	1,221	116	2.64
Prysmian	4,249	94	2.14
Secom	1,231	67	1.52
Shimadzu	2,826	79	1.80
TE Connectivity	524	51	1.16
Waste Management	501	64	1.45
<b>Total Industrials</b>		<b>682</b>	<b>15.51</b>
<b>Consumer Goods - 7.02% (6.63%)</b>			
Nestle (registered)	752	75	1.70
PepsiCo	997	144	3.27
Persimmon	2,277	40	0.91
Philip Morris International	657	50	1.14
<b>Total Consumer Goods</b>		<b>309</b>	<b>7.02</b>
<b>Healthcare - 10.84% (8.79%)</b>			
IQVIA Holdings	775	143	3.25
Johnson & Johnson	545	82	1.86
Sanofi	988	84	1.91
UnitedHealth Group	376	168	3.82
<b>Total Healthcare</b>		<b>477</b>	<b>10.84</b>

## Portfolio Statement

as at 15 July 2022 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Consumer Services - 12.61% (12.99%)</b>			
Comcast	2,554	88	2.00
Compass Group	4,829	89	2.02
Home Depot	565	139	3.16
Omnicom	1,238	68	1.55
Walt Disney	1,161	93	2.11
Wolters Kluwer certificates	925	78	1.77
<b>Total Consumer Services</b>		<b>555</b>	<b>12.61</b>
<b>Telecommunications - 3.59% (3.10%)</b>			
Telekomunikasi Indonesia	677,288	158	3.59
<b>Total Telecommunications</b>		<b>158</b>	<b>3.59</b>
<b>Utilities - 2.55% (2.31%)</b>			
Energias de Portugal	28,659	112	2.55
<b>Total Utilities</b>		<b>112</b>	<b>2.55</b>
<b>Financials - 12.65% (13.80%)</b>			
Bank of America	2,141	58	1.32
Industrial & Commercial Bank of China Class H	80,300	35	0.80
Intesa Sanpaolo	24,889	35	0.80
JPMorgan Chase & Company	605	58	1.32
KBC Group	900	37	0.84
Prudential	3,579	35	0.79
Sumitomo Mitsui Financial Group	1,637	40	0.91
Toronto Dominion Bank	1,142	58	1.32
Visa A	600	106	2.41
Zurich Insurance Group	264	94	2.14
<b>Total Financials</b>		<b>556</b>	<b>12.65</b>
<b>Technology - 19.78% (22.18%)</b>			
Broadcom	307	128	2.91
Capgemini	596	84	1.91
Cisco Systems	1,273	46	1.05
Infineon Technologies	1,876	37	0.84
Microsoft	1,358	294	6.68
SK Hynix	1,504	94	2.14
Taiwan Semiconductor Manufacturing ADR	1,748	126	2.86
Tencent Holdings ADR	1,743	61	1.39
<b>Total Technology</b>		<b>870</b>	<b>19.78</b>

## Portfolio Statement

as at 15 July 2022 (unaudited)

<i>Security</i>	<i> Holding</i>	<i> Bid value £'000</i>	<i> Total net assets %</i>
<b>Futures - 0.05% (0.00%)</b>			
EUX MSCI World Index Future September 2022	3	2	0.05
<b>Total Futures</b>		<b>2</b>	<b>0.05</b>
<b>Portfolio of investments</b>		<b>4,212</b>	<b>95.75</b>
<b>Net other assets</b>		<b>187</b>	<b>4.25</b>
<b>Net assets</b>		<b>4,399</b>	<b>100.00</b>

#priced at zero - minimal prospect of recovering value

Figures in brackets denote the comparative percentage holdings as at 15 January 2022.

Unless otherwise stated, all investments are listed equities.

The counterparty for the futures is HSBC.

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

Total sales for the period, net of transaction charges, were £72,911,949.

## Comparative Tables

<b>Institutional Income</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	148.90p	132.00p	119.10p	99.87p
Return before operating charges*	(12.40p)	20.10p	15.33p	22.36p
Operating charges**	(0.02p)	(0.06p)	(0.06p)	(0.05p)
Return after operating charges*	(12.42p)	20.04p	15.27p	22.31p
Distributions on income shares	(2.38p)	(3.14p)	(2.37p)	(3.08p)
Closing net asset value per share	134.10p	148.90p	132.00p	119.10p
*after direct transaction costs of:***	0.11p	0.03p	0.13p	0.07p
<b>Performance</b>				
Return after charges	(8.34%)	15.18%	12.82%	22.34%
<b>Other information</b>				
Closing net asset value	£4,178,214	£81,269,673	£89,274,223	£41,597,182
Closing number of shares	3,114,900	54,562,625	67,612,393	34,920,555
Operating charges - OCF	0.06%	0.04%	0.05%	0.05%
Direct transaction costs	0.08%	0.02%	0.11%	0.07%
<b>Prices</b>				
Highest share price	149.60p	153.70p	135.20p	119.60p
Lowest share price	130.32p	127.40p	90.73p	99.11p

<b>Institutional Accumulation</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	168.30p	145.90p	129.00p	105.20p
Return before operating charges*	(13.98p)	22.47p	16.97p	23.85p
Operating charges**	(0.12p)	(0.07p)	(0.07p)	(0.05p)
Return after operating charges*	(14.10p)	22.40p	16.90p	23.80p
Distributions on accumulation shares	(2.70p)	(3.50p)	(2.59p)	(3.28p)
Retained distributions on accumulation shares	2.70p	3.50p	2.59p	3.28p
Closing net asset value per share	154.20p	168.30p	145.90p	129.00p
*after direct transaction costs of:***	0.12p	0.04p	0.14p	0.08p
<b>Performance</b>				
Return after charges	(8.38%)	15.35%	13.10%	22.62%
<b>Other information</b>				
Closing net asset value	£77,091	£84,129	£72,948	£64,484
Closing number of shares	50,000	50,000	50,000	50,000
Operating charges - OCF	0.30%	0.04%	0.05%	0.05%
Direct transaction costs	0.08%	0.02%	0.11%	0.07%
<b>Prices</b>				
Highest share price	169.00p	172.90p	149.00p	129.10p
Lowest share price	148.19p	140.80p	98.24p	104.40p

\*\*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

<b>Income C</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	142.20p	127.10p	115.60p	97.77p
Return before operating charges*	(11.80p)	19.21p	14.78p	21.80p
Operating charges**	(0.64p)	(1.12p)	(0.99p)	(0.96p)
Return after operating charges*	(12.44p)	18.09p	13.79p	20.84p
Distributions on income shares	(2.26p)	(2.99p)	(2.29p)	(3.01p)
Closing net asset value per share	127.50p	142.20p	127.10p	115.60p
*after direct transaction costs of:***	0.10p	0.03p	0.13p	0.07p
<b>Performance</b>				
Return after charges	(8.75%)	14.23%	11.93%	21.32%
<b>Other information</b>				
Closing net asset value	£70,141	£78,193	£63,541	£57,812
Closing number of shares	55,000	55,000	50,000	50,000
Operating charges - OCF	1.10%	0.84%	0.87% †	0.90%
Direct transaction costs	0.08%	0.02%	0.11%	0.07%
<b>Prices</b>				
Highest share price	142.70p	146.70p	130.10p	116.10p
Lowest share price	123.97p	122.60p	87.95p	97.01p

<b>Accumulation C</b>	<b>15.7.22</b>	<b>15.1.22</b>	<b>15.1.21</b>	<b>15.1.20</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	161.00p	140.80p	125.50p	103.20p
Return before operating charges*	(13.27p)	21.50p	16.39p	23.33p
Operating charges**	(0.73p)	(1.30p)	(1.09p)	(1.03p)
Return after operating charges*	(14.00p)	20.20p	15.30p	22.30p
Distributions on accumulation shares	(2.57p)	(3.34p)	(2.51p)	(3.21p)
Retained distributions on accumulation shares	2.57p	3.34p	2.51p	3.21p
Closing net asset value per share	147.00p	161.00p	140.80p	125.50p
*after direct transaction costs of:***	0.12p	0.03p	0.14p	0.08p
<b>Performance</b>				
Return after charges	(8.70%)	14.35%	12.19%	21.61%
<b>Other information</b>				
Closing net asset value	£73,479	£80,511	£70,381	£62,738
Closing number of shares	50,000	50,000	50,000	50,000
Operating charges - OCF	1.10%	0.84%	0.87% †	0.90%
Direct transaction costs	0.08%	0.02%	0.11%	0.07%
<b>Prices</b>				
Highest share price	161.60p	165.50p	143.80p	125.60p
Lowest share price	141.33p	135.80p	95.44p	102.40p

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

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

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

## Statement of Total Return

for the six months ended 15 July 2022 (unaudited)

	15.7.22		15.7.21	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		<b>(3,954)</b>		5,062
Revenue	<b>776</b>		1,356	
Expenses	<b>(5)</b>		(16)	
Net revenue before taxation	<b>771</b>		1,340	
Taxation	<b>(75)</b>		(159)	
Net revenue after taxation		<b>696</b>		1,181
Total (deficit)/return before distributions		<b>(3,258)</b>		6,243
Distributions		<b>(697)</b>		(1,175)
Change in net assets attributable to shareholders from investment activities		<b>(3,955)</b>		5,068

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2022 (unaudited)

	15.7.22		15.7.21	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		<b>81,513</b>		89,481
Amounts receivable on creation of shares	<b>133</b>		1,754	
Amounts payable on cancellation of shares	<b>(73,377)</b>		(4,489)	
		<b>(73,244)</b>		(2,735)
Dilution adjustment		<b>82</b>		4
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		<b>(3,955)</b>		5,068
Retained distribution on accumulation shares		<b>3</b>		2
Closing net assets attributable to shareholders		<b>4,399</b>		91,820

## Balance Sheet

as at 15 July 2022 (unaudited)

	15.7.22		15.1.22	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		<b>4,212</b>		80,995
Current assets				
Debtors	<b>129</b>		164	
Cash and bank balances	<b>128</b>		805	
Total current assets		<b>257</b>		969
Total assets		<b>4,469</b>		81,964
<b>Liabilities</b>				
Investment liabilities		-		(3)
Creditors				
Distribution payable on income shares	<b>(46)</b>		(336)	
Other creditors	<b>(24)</b>		(112)	
Total creditors		<b>(70)</b>		(448)
Total liabilities		<b>(70)</b>		(451)
Net assets attributable to shareholders		<b>4,399</b>		81,513

**Distribution Tables (pence per share)**

for the six months ended 15 July 2022 (unaudited)

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.9.22</i>	<i>Distribution paid 15.9.21</i>
Group 1: Shares purchased prior to 16 April 2022				
Group 2: Shares purchased from 16 April 2021 to 15 July 2022				
<b>Institutional Income</b>				
Group 1	1.450000	-	1.450000	1.110000
Group 2	0.820000	0.630000	1.450000	1.110000
<b>Institutional Accumulation</b>				
Group 1	1.650000	-	1.650000	1.230000
Group 2	1.650000	0.000000	1.650000	1.230000
<b>Income C</b>				
Group 1	1.380000	-	1.380000	1.060000
Group 2	1.380000	0.000000	1.380000	1.060000
<b>Accumulation C</b>				
Group 1	1.570000	-	1.570000	1.180000
Group 2	1.570000	0.000000	1.570000	1.180000
Group 1: Shares purchased prior to 16 January 2022				
Group 2: Shares purchased from 16 January 2022 to 15 April 2022				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.6.22</i>	<i>Distribution paid 15.6.21</i>
<b>Institutional Income</b>				
Group 1	0.930000	-	0.930000	0.660000
Group 2	0.820000	0.110000	0.930000	0.660000
<b>Institutional Accumulation</b>				
Group 1	1.050000	-	1.050000	0.730000
Group 2	1.050000	0.000000	1.050000	0.730000
<b>Income C</b>				
Group 1	0.880000	-	0.880000	0.630000
Group 2	0.880000	0.000000	0.880000	0.630000
<b>Accumulation C</b>				
Group 1	1.000000	-	1.000000	0.700000
Group 2	1.000000	0.000000	1.000000	0.700000

## 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.

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### **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.

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### **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.

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### Portfolio Activity

Since launch, HSBC Europe ex-UK underperformed the MSCI Europe ex-UK.

The sector allocation was negative and explains most of the underperformance.

Indeed, the fund, which has a growth bias, was overexposed to underperforming sectors softwares and semiconductors, which are core investments for the strategy.

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

The fund's overexposure to Swedish Match was the most important positive contribution, as the stock rallied over the period. The fund's overexposure to Sonova, Neste and Deutsche Boerse were also among top contributors. However, the fund's overexposure to Infineon, Kingspan and ASML were detrimental.

The combination of higher-than-expected inflation and future monetary tightening remains a key issue for the financial markets in the medium term. Falling PMIs indices in the main economic regions point to a continued macro-economic slowdown, which should logically impact the earnings of listed companies and in particular cyclical stocks.

Consumers are also faced with a challenging inflationary environment, with 40% of Americans claiming to have difficulties in making ends meet.

However, there is no reason to be over-pessimistic given the US macro-economy's solid starting base, the significant improvement in valuations, prospects of a slowdown in inflation at the end of 2022 and the gradual recovery in the Chinese economy.

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### Investment Performance

As the Fund was launched on 10 September 2021, there are no performance values available.

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#### Fund Particulars

as at 18 July 2022 (unaudited)

	Retail Accumulation	Institutional A Accumulation	Income C	Accumulation C
Price	809.2p	775.7p	665.8p xd	868.6p
Current net estimated yield	0.00%	0.00%	0.00%	0.00%
Annual ACD charge	1.50%	0.75%	0.80%	0.80%

**Portfolio Statement**

as at 15 July 2022 (unaudited)

<i>Security</i>	<i> Holding</i>	<i> Bid value £'000</i>	<i> Total net assets %</i>
<b>DENMARK - 4.09% (2.99%)</b>			
Christian Hansen Holdings	18,268	944	1.03
Novo Nordisk 'B'	29,452	2,814	3.06
<b>Total Denmark</b>		<b>3,758</b>	<b>4.09</b>
<b>FINLAND - 3.56% (3.31%)</b>			
Neste	86,571	3,263	3.56
<b>Total Finland</b>		<b>3,263</b>	<b>3.56</b>
<b>FRANCE - 30.62% (30.19%)</b>			
Air Liquide	26,818	2,897	3.15
Alstom	50,100	1,014	1.10
Amundi	17,795	760	0.83
Capgemini	18,949	2,662	2.90
Dassault Systèmes	73,631	2,379	2.59
Hermes International	1,501	1,432	1.56
Kering	3,526	1,490	1.62
Legrand Promesses	18,757	1,163	1.27
L'Oreal	9,565	2,769	3.02
LVMH	9,897	5,112	5.57
Schneider Electric	21,049	2,104	2.29
Teleperformance	8,856	2,393	2.61
Veolia Environnement	99,776	1,935	2.11
<b>Total France</b>		<b>28,110</b>	<b>30.62</b>
<b>GERMANY - 11.49% (18.28%)</b>			
Adidas	8,459	1,155	1.26
Allianz (registered)	17,059	2,510	2.73
Carl Zeiss Meditec	11,508	1,295	1.41
Deutsche Boerse	12,166	1,650	1.80
Infineon Technologies	82,448	1,624	1.77
SAP	17,659	1,309	1.42
Siemens	11,789	1,007	1.10
<b>Total Germany</b>		<b>10,550</b>	<b>11.49</b>
<b>IRELAND - 2.50% (3.09%)</b>			
Kerry Group 'A'	14,140	1,137	1.24
Kingspan Group	25,232	1,155	1.26
<b>Total Ireland</b>		<b>2,292</b>	<b>2.50</b>
<b>ITALY - 2.24% (0.50%)</b>			
Amplifon	32,396	823	0.89
FinecoBank Banca Fineco	97,930	928	1.01
Nexi SpA	46,379	309	0.34
<b>Total Italy</b>		<b>2,060</b>	<b>2.24</b>

## Portfolio Statement

as at 15 July 2022 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>NETHERLANDS - 17.25% (15.68%)</b>			
Adyen	1,397	1,793	1.95
Akzo Nobel	28,159	1,547	1.68
ASML Holdings	11,962	4,735	5.16
Heineken	23,424	1,860	2.03
Koninklijke DSM	14,474	1,772	1.93
Prosus	35,390	1,911	2.08
STMicroelectronics	80,914	2,223	2.42
<b>Total Netherlands</b>		<b>15,841</b>	<b>17.25</b>
<b>PORTUGAL - 0.88% (0.76%)</b>			
Galp Energia	97,861	809	0.88
<b>Total Portugal</b>		<b>809</b>	<b>0.88</b>
<b>SPAIN - 2.33% (2.29%)</b>			
Amadeus IT	18,958	881	0.96
Industria de Diseño Textil	61,223	1,261	1.37
<b>Total Spain</b>		<b>2,142</b>	<b>2.33</b>
<b>SWEDEN - 3.68% (3.78%)</b>			
Securitas 'B'	187,464	1,376	1.50
Swedish Match	235,203	2,000	2.18
<b>Total Sweden</b>		<b>3,376</b>	<b>3.68</b>
<b>SWITZERLAND - 17.11% (16.83%)</b>			
Lonza Group	3,963	1,943	2.12
Nestle (registered)	55,079	5,471	5.96
Novartis (registered)	29,935	2,132	2.32
Roche Holdings	10,410	2,977	3.24
Sonova	8,657	2,471	2.69
Temenos Group	10,760	718	0.78
<b>Total Switzerland</b>		<b>15,712</b>	<b>17.11</b>
<b>FUTURES - -0.03% (0.03%)</b>			
EUX Euro Stoxx 50 September 2022	77	(27)	(0.03)
<b>Total Futures</b>		<b>(27)</b>	<b>(0.03)</b>
<b>Portfolio of investments</b>		<b>87,886</b>	<b>95.72</b>
<b>Net other assets</b>		<b>3,931</b>	<b>4.28</b>
<b>Net assets</b>		<b>91,817</b>	<b>100.00</b>

Figures in bracket denote the comparative percentage holding as at 15 January 2022.

Unless otherwise stated, all investments are listed securities.

The counterparty for the futures is HSBC Bank.

## Comparative Tables

<b>Retail Accumulation#</b>	<b>15.7.22</b>	<b>15.1.22</b>
Change in net assets per share		
Opening net asset value per share	927.50p	974.00p
Return before operating charges*	(117.63p)	(41.33p)
Operating charges**	(6.67p)	(5.17p)
Return after operating charges*	(124.30p)	(46.50p)
Distributions on accumulation shares	(0.00p)	(0.00p)
Retained distributions on accumulation shares	0.00p	0.00p
Closing net asset value per share	803.20p	927.50p
*after direct transaction costs of:***	0.15p	0.11p
<b>Performance</b>		
Return after charges	(13.40%)	(4.77%)
<b>Other information</b>		
Closing net asset value	£3,075,240	£18,978,701
Closing number of shares	382,859	2,046,307
Operating charges - OCF	1.55%	1.56%
Direct transaction costs	0.02%	0.01%
<b>Prices</b>		
Highest share price	935.00p	1,003.00p
Lowest share price	762.00p	897.00p

<b>Institutional A Accumulation#</b>	<b>15.7.22</b>	<b>15.1.22</b>
Change in net assets per share		
Opening net asset value per share	885.10p	927.10p
Return before operating charges*	(111.78p)	(39.42p)
Operating charges**	(3.32p)	(2.58p)
Return after operating charges*	(115.10p)	(42.00p)
Distributions on accumulation shares	(0.00p)	(0.00p)
Retained distributions on accumulation shares	0.00p	0.00p
Closing net asset value per share	770.00p	885.10p
*after direct transaction costs of:***	0.14p	0.10p
<b>Performance</b>		
Return after charges	(13.00%)	(4.53%)
<b>Other information</b>		
Closing net asset value	£796,549	£853,661
Closing number of shares	103,447	96,445
Operating charges - OCF	0.82%	0.81%
Direct transaction costs	0.02%	0.01%
<b>Prices</b>		
Highest share price	892.00p	956.00p
Lowest share price	730.00p	854.00p

#The Fund launched on 10 September 2021.

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

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

## Comparative Tables

<b>Income C#</b>	<b>15.7.22</b>	<b>15.1.22</b>
<b>Change in net assets per share</b>		
Opening net asset value per share	759.90p	796.10p
Return before operating charges*	(95.98p)	(33.85p)
Operating charges**	(3.02p)	(2.35p)
Return after operating charges*	(99.00p)	(36.20p)
Distributions on income shares	0.00p	0.00p
Closing net asset value per share	660.90p	759.90p
*after direct transaction costs of:***	0.12p	0.09p
<b>Performance</b>		
Return after charges	(13.03%)	(4.55%)
<b>Other information</b>		
Closing net asset value	£46,481,987	£55,884,095
Closing number of shares	7,032,910	7,353,924
Operating charges - OCF	0.87%	0.86%
Direct transaction costs	0.02%	0.01%
<b>Prices</b>		
Highest share price	766.00p	821.00p
Lowest share price	627.00p	733.00p

<b>Accumulation C#</b>	<b>15.7.22</b>	<b>15.1.22</b>
<b>Change in net assets per share</b>		
Opening net asset value per share	991.30p	1,039.00p
Return before operating charges*	(125.16p)	(44.64p)
Operating charges**	(3.94p)	(3.06p)
Return after operating charges*	(129.10p)	(47.70p)
Distributions on accumulation shares	(0.00p)	(0.00p)
Retained distributions on accumulation shares	0.00p	0.00p
Closing net asset value per share	862.20p	991.30p
*after direct transaction costs of:***	0.15p	0.11p
<b>Performance</b>		
Return after charges	(13.02%)	(4.59%)
<b>Other information</b>		
Closing net asset value	£41,463,722	£49,181,701
Closing number of shares	4,809,073	4,961,095
Operating charges - OCF	0.87%	0.86%
Direct transaction costs	0.02%	0.01%
<b>Prices</b>		
Highest share price	999.00p	1,071.00p
Lowest share price	818.00p	957.00p

#The Fund launched on 10 September 2021.

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

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

## Statement of Total Return

for the six months ended 15 July 2022 (unaudited)

	15.7.22*	
	£'000	£'000
Income		
Net capital losses		(16,776)
Revenue	1,908	
Interest payable and similar charges	(521)	
Expenses	(7)	
Net revenue before taxation	1,380	
Taxation	(253)	
Net revenue after taxation		1,127
Total (deficit) before distributions		(15,649)
Distributions		(128)
Change in net assets attributable to shareholders from investment activities		(15,777)

\*The Fund launched on 10 September 2021.

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2022 (unaudited)

	15.7.22*	
	£'000	£'000
Opening net assets attributable to shareholders		124,898
Amounts receivable on creation of shares	492	
Amounts payable on cancellation of shares	(17,812)	
		(17,320)
Dilution adjustment		16
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		(15,777)
Closing net assets attributable to shareholders		91,817

\*The Fund launched on 10 September 2021.

## Balance Sheet

as at 15 July 2022 (unaudited)

	15.7.22		15.1.22	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		87,913		122,069
Current assets				
Debtors	201		1,604	
Cash and bank balances	3,830		1,648	
Total current assets		4,031		3,252
Total assets		91,944		125,321
<b>Liabilities</b>				
Investment liabilities		(27)		-
Creditors				
Other creditors	(100)		(423)	
Total creditors		(100)		(423)
Total liabilities		(127)		(423)
Net assets attributable to shareholders		91,817		124,898

## General Information

### How to Buy, Sell or Switch your Investment

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

### Switching your Investment

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

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

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

### Minimum Additional Subscription

- The minimum additional subscriptions are as follows:

Retail B Income & Accumulation	£100
Retail Income & Accumulation	£500
Income C & Accumulation C	£500
Institutional A Accumulation	£1,000
Institutional Gross Income & Accumulation	£1,000,000
Institutional Income & Accumulation	£1,000,000

### Selling your Investment

We reserve the right to request that you leave a minimum investment as follows:

Retail B Income & Accumulation	£500
Retail Income & Accumulation	£1,000
Income C & Accumulation C	£1,000,000
Institutional A Accumulation	£1,000,000
Institutional Gross Income & Accumulation	£10,000,000
Institutional Income & Accumulation	£10,000,000

- You can sell or make a withdrawal at any time.
- You must take at least £100 each time.
- Settlement is normally made within 3 business days from receipt of your instructions.

### When we will Buy or Sell your Investment

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

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

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

### **Cancellation Rights**

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

The prices of shares are updated daily on the following website: [www.assetmanagement.hsbc.com/uk](http://www.assetmanagement.hsbc.com/uk).

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

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### **Prospectus**

The Prospectus provides further details on our OEICs. For a copy of the latest Prospectus (available free of charge):-

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

### **Income**

Income is distributed or accumulated in the following way:-

- If you hold income shares, income will be distributed to you on the payment dates shown for each of the Funds in the table on pages 93 and 94.
- 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 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.

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### **Income Tax**

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

#### **Interest Distributions:**

From 6 April 2017, any income that is distributed from our funds as interest is paid or accumulated gross of tax to all shareholders. This follows the announcement from the UK Government in 2016 of its intention to remove the requirement for tax to be deducted from interest distributions of open-ended investment companies.

A Personal Savings Allowance currently applies for UK individual taxpayers. This means that no tax is payable on savings income, which includes interest distributions, of up to £1,000 for basic rate taxpayers and up to £500 for higher rate taxpayers. This allowance is not available for additional rate taxpayers. UK taxpayers, including basic rate taxpayers, are liable to pay UK tax on savings income above the allowance, subject to the starting rate of tax for savings.

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

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

#### **Dividend Distributions:**

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

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

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

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

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### **Capital Gains Tax**

You will not need to pay capital gains tax unless your net gains from all sources exceed the annual exemption limit. The limit for the 2022/2023 tax year is £12,300.

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### **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.

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### **Ongoing Charges Figure**

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

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

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

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## Important Notes

**The Interim Report covers the period 16 January 2022 to 15 July 2022.**

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

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

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

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

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

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

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

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

**There are risks involved in investing in HSBC Investment Funds. Please refer to the Prospectus, Key Investor Information Document (KIID) and Supplementary Information Document (SID) for further details.**

**The information in this report is based on our understanding of current law and HM Revenue and Customs practice as at 15 July 2022 (unaudited). Both law and practice may of course change.**

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

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

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

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

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

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

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

[www.assetmanagement.hsbc.com/uk](http://www.assetmanagement.hsbc.com/uk)

### Accounting Policies

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

**S.K. White**  
Director



**S.Y.C. Chow**  
Director



**For and on behalf of HSBC Global Asset Management (UK) Limited Authorised Corporate Director**  
**15 September 2022**

# 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 Instrument of Incorporation and its Prospectus.

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## Amendments to the Company's Instrument of Incorporation

The Instrument of Incorporation was updated to complete the termination of the Gilt and Fixed Interest Fund.

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## Amendments to the Company Prospectus

The Company Prospectus was updated on 11 February 2022 to reflect the following:

- Amend the definition for "Approved Counterparty" and amend the "stocklending" definition to "securities lending". All references to "stocklending" have been replaced throughout the prospectus with "securities lending".
- Add new definitions for "ESG", "SFDR", "Securities Financing Transactions" or "SFTs", "SFTR", "Taxonomy Regulation" and "UNGC"
- Update to the list of Share Classes currently offered in each of the Funds
- in Risks, the Collateral risk has been updated and new risk text has been added for Securities Financing Transactions Risks, Securities Lending Risk, Environment, Social and Governance (ESG) Scoring Risk and SFDR categorisation and Environment, Social and Governance (ESG) data
- in Integration of Sustainability Risks into Investment Decisions, SFDR fund categories have been added
- new 'Taxonomy Regulation' disclosure has been added
- in Management and Administration, the names and significant activities of the directors of the ACD have been updated and the Depositary information has been updated
- in Fees and Expenses, the OCF and Dilution adjustment rates have been updated. The description of ACD Expenses and Payments out of the Scheme Property of the Company have been updated to include expenses incurred in relation to securities lending
- in Appendix 1, Securities Financing Transaction Risks and Securities Lending Risk added to list of risk categories for each fund
- in Appendix 2, Historical Fund performance updated
- in Appendix 3, Stocklending and Underwriting section has been amended to cover Underwriting only, new sections added for Collateral and Securities Lending

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## The Company Prospectus was updated on 1 April 2022 to reflect the following:

- References to the Gilt & Fixed Interest Fund have been removed following the termination of the Fund.
  - in Risks, the Leverage Risk has been updated to add reference to where derivatives are used for investment purposes.
  - in Management and Administration, the significant activities of the directors of the ACD have been updated
  - in Fees and Expenses, the Dilution adjustment rates have been updated
  - in Appendix 2, Historical Fund performance updated
  - in Appendix 3, the Risk Management Process information in Part C (Derivatives) has been expanded to cover the average leverage of the Corporate Bond Fund. In Part E (Leverage) information has been updated to add reference to derivatives being used for investment purposes
  - In Appendix 5, Sub custodian details have been updated where required
-

**The Company Prospectus was updated on 7 July 2022 to reflect the following:**

- Amend the definition for “ESG”
  - Update to the list of Share Classes currently offered in each of the Funds
  - in Risks, the ESG risk has been amended
  - in Management and Administration, the ACD’s Conflicts of Interest Policy has been updated regarding investment in ETFs.
  - in Fees and Expenses, the OCF and Dilution adjustment rates have been updated. Reduction to the AMC and ongoing charges figure for Income C and Accumulation C Share Classes of the Balanced Fund
  - in Appendix 1, the SRRI for the Balanced Fund has been amended from 5 to 4
  - in Appendix 2, Historical Fund performance updated
-

## 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.

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## Corporate Shareholders

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

Fund	Date payable/paid	Share class	Investment income	
			Franked	Unfranked
Corporate Bond	15.9.22	Retail Income	0.00%	100.00%
	15.9.22	Retail Accumulation	0.00%	100.00%
	15.9.22	Institutional Accumulation	0.00%	100.00%
	15.9.22	Institutional Income	0.00%	100.00%
	15.9.22	Income C	0.00%	100.00%
	15.9.22	Accumulation C	0.00%	100.00%
	15.6.22	Retail Income	0.00%	100.00%
	15.6.22	Retail Accumulation	0.00%	100.00%
	15.6.22	Institutional Accumulation	0.00%	100.00%
	15.6.22	Institutional Income	0.00%	100.00%
	15.6.22	Income C	0.00%	100.00%
	15.6.22	Accumulation C	0.00%	100.00%
Global Equity Income	15.9.22	Institutional Accumulation	2.25%	97.75%
	15.9.22	Institutional Income	83.45%	16.55%
	15.9.22	Income C	23.31%	76.69%
	15.9.22	Accumulation C	23.20%	76.80%
	15.6.22	Institutional Accumulation	100.00%	0.00%
	15.6.22	Institutional Income	100.00%	0.00%
	15.6.22	Income C	100.00%	0.00%
	15.6.22	Accumulation C	100.00%	0.00%

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

## 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

**Lower risk** **Higher risk**

←—————→

Typically lower rewards Typically higher rewards

1	2	3	4	5	6	7
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### \*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](http://www.assetmanagement.hsbc.com/uk).

# Directory

**The Company**

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

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**ACD and Head Office**

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

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**Investment Manager**

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

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**Depositary**

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

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**Regulator**

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

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**Auditor**

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

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**Registrar**

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

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

Telephone: 0800 358 3011\*

+44 800 358 3011 (Overseas)\*

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

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

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

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**Website**

[www.assetmanagement.hsbc.com/uk](http://www.assetmanagement.hsbc.com/uk)

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

## Quick Reference Guide to HSBC Investment Funds

Name of OEIC Fund	Balanced	UK Growth & Income	Income	Monthly Income
Number of distributions per year	2	2	2	12
Distribution dates	15 Mar 15 Sep	15 Mar 15 Sep	15 Mar 15 Sep	Each month
Lump sum minimum investment level	£1,000,000	£1,000,000	£1,000,000	£1,000,000
Regular saver minimum investment level	N/A	N/A	N/A	N/A
ACD charge % †	0.55	0.80	0.80	0.60
Available as an ISA	Yes	Yes	Yes	Yes
In ISA can income be paid	Yes	Yes	Yes	Yes
Income shares available	Yes	Yes	Yes	Yes
Accumulation shares available	Yes	Yes	Yes	Yes

\* Charges for additional services. The ACD reserves the right to apply these charges and amend them subject to the annual rate of the Retail Price Index.

† The above information relates only to C share classes. Other share classes may differ.

## Quick Reference Guide to HSBC Investment Funds

Name of OEIC Fund	Corporate Bond	Global Equity Income	Europe EX UK Equity
Number of distributions per year	4	4	1
Distribution dates	15 Mar, 15 Jun, 15 Sep, 15 Dec	15 Mar, 15 Jun, 15 Sep, 15 Dec	15 Mar
Lump sum minimum investment level	£1,000,000	£1,000,000	£1,000,000
Regular saver minimum investment level	N/A	N/A	N/A
ACD charge % †	0.35	0.80	0.80
Available as an ISA	Yes	Yes	Yes
In ISA can income be paid	Yes	Yes	Yes
Income shares available	Yes	Yes	Yes
Accumulation shares available	Yes	Yes	Yes

\* Charges for additional services. The ACD reserves the right to apply these charges and amend them subject to the annual rate of the Retail Price Index.

† The above information relates only to C share classes. Other share classes may differ.

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

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**[www.assetmanagement.hsbc.com/uk](http://www.assetmanagement.hsbc.com/uk)**

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