

HSBC Investment Funds

Interim Report and Accounts

15 July 2020

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 (ACD) is HSBC Global Asset Management (UK) Limited which is the sole director.

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

HSBC Global Asset Management (UK) Limited - Directors

R.E.W. Apenbrink (appointed 1 July 2020)

C.S. Cheetham (resigned 30 June 2020)

A.S. Clark (resigned 27 April 2020)

A.C. Corfield (resigned 27 April 2020)

P.G.P. Dew

P.J.F. Glaze (resigned 28 February 2020)

M.G. McDonald

T.J. Palmer

J.R. Paterson

S. White (appointed 27 April 2020)

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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 2020 to 15 July 2020.**

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

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

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

Economic Overview

The review period was driven chiefly by the coronavirus pandemic and its impact on global economies and investor sentiment. Global central banks, such as the US Federal Reserve (Fed) and the Bank of England (BoE), slashed interest rates to zero or near-zero, in an effort to provide support to their respective economies. The European Central Bank (ECB) reinstated stimulus measures to help the eurozone's economy. Meanwhile, other major central banks also adopted more dovish monetary policies.

The outlook for the global economy was revised substantially downwards by leading institutions such as the Organisation for Economic Co-operation and Development (OECD), as economists began to quantify the negative effects of COVID-19 on global growth, but the massive global stimulus programmes went some way towards boosting investor sentiment.

The US economy – which had hitherto been relatively resilient – felt the full force of COVID-19, demonstrated by its sharp rise in unemployment. Unemployment claims surged in the US, and GDP for the first quarter fell steeply, as it did in other countries. Data released towards the end of the period revealed the extent of the economic damage done by the global pandemic, with certain global industrial and consumer-related statistics the worst ever recorded.

The European economy remained sluggish, particularly in the eurozone. Eurozone GDP was down 3.6% at an annualised rate in the first quarter – the steepest drop since records began. Italy, France and Germany all fell into recession. Meanwhile, the eurozone's manufacturing base, particularly in Germany, continued to hollow out. Industrial production fell 11.9% over the month in March, marking another 'worst ever recorded' figure. Brexit negotiations showed little sign of a deal between the EU and the UK.

The UK's economy shrank 2.2% in the first quarter, corresponding to an annual contraction of 1.7% (the largest slump for over 10 years). The pandemic, and the government's efforts to contain it, caused widespread disruption to the economy. Consumer spending and business investment, already weak because of Brexit-related uncertainty, suffered most. Consumer price inflation ended the period at 0.8% over June, rising from 0.7% in May.

Global Equities

Global equity markets set the pattern for equity-market movements over the review period. An immense period of upheaval began in late January, as COVID-19 spread across the world. Equities plummeted in March as the virus spread globally, with the magnitude of the threat it posed – in economic and health terms – becoming more apparent. Most countries moved into a lockdown period, where business activity and much of everyday life was suspended.

However, global markets bottomed out in late March and rallied for most of the rest of the period – even as economic damage was still being inflicted – to end slightly higher, in aggregate. Markets took encouragement from the measures that were implemented by global governments to support their respective economies, while some countries eased restrictions on daily life and businesses.

UK Equities

UK equities were down over the period. The general election of December 2019, which delivered a large majority for the Conservative Party, had removed some of the concerns about the Brexit process and timeline, boosting investor sentiment. However, the onset of coronavirus called time on the upward move in UK equities, which sold off dramatically from late February and into March, before recovering some of their losses for the remaining period.

The UK government introduced aggressive measures to support the economy, including a scheme to pay the salaries of 'furloughed' employees (set at 80% of income, up to £2,500 per month) during the pandemic and until the lockdown was finished. Along with additional fiscal measures, this helped equities to bounce back from March. Additionally, the BoE cut interest rates from 0.75% to 0.1%, in two back-to-back cuts.

UK economic growth was undermined by the continuing uncertainty surrounding Brexit for much of the period and by weak economic trends overseas. The economy stalled in the final quarter of 2019, delivering no growth. Subsequently, the first quarter of 2020 saw a 2.2% quarterly decline in GDP. Unemployment had been at generational lows throughout 2019, but employment claims rose sharply to almost 3 million following the outbreak of COVID-19. However, consumer price inflation rose slightly at the very end of the period, at 0.8% over June, up from 0.7% in May.

UK Bonds

The UK government bond market was up strongly, in aggregate, over the period in sterling terms. Yields on 10-year government bonds fell to all-time lows as investors sought out safe havens, in light of the developing global pandemic. Bond yields had fallen to around 0.16% at the end of the period.

Gilt yields fell dramatically, along with other major global bond market yields, as the extent of COVID-19, and its social and economic consequences, became clearer. The BoE reacted by implementing an emergency rate cut of 50 basis points, reducing the prime rate from 0.75% to 0.25%, followed by a further cut to 0.1%. The new Conservative government's first budget saw a raft of measures implemented to support the economy during the crisis. Another substantial emergency package of support measures was later launched.

Sterling investment-grade bonds outperformed high-yield over the period, but lagged gilts, which registered double-digit returns. Gilts were favoured as investors sought safe havens, given the worsening of the COVID-19 pandemic crisis. As the period progressed, investment-grade bonds – because of their higher duration, or interest-rate sensitivity, and inherently lower risk – came back into favour, helped by central banks adopting an increasingly dovish stance to monetary policy, given the more uncertain economic backdrop.

European Ex-UK Equities

European equities dropped sharply during the first half of the period, but the initial and steep COVID-19-related sell-off in March was followed by a degree of recovery through the second quarter of 2020. Italy was at the heart of the pandemic in Europe, initially suffering the largest number of cases of those affected (although UK cases eventually exceeded Italy's). The government effectively closed its borders and placed its entire population in lockdown, with only limited movement permitted for most of its population. Italian bond and equity markets fell substantially as investors feared for the financial viability of the country – already saddled with one of the largest debt mountains within the eurozone.

In early April, the ECB announced an emergency package, including cheap loans and an easing of credit restrictions, in an effort to support the ailing eurozone economy. More controversially, and in the face of criticism from Northern European nations and a ruling of illegality from Germany's highest court, the ECB coordinated a reconstruction fund in tandem with the EU, aimed at buying up large quantities of ailing countries' bonds, especially Italian debt.

US Equities

US equities followed a similar pattern to other major markets, having suffered a dramatic decline during February and March, owing to the COVID-19 pandemic. The S&P 500 experienced the steepest and quickest drop into bear market territory (a fall of over 20% from its peak) in its history during the review period.

However, the market began to recover from late March onwards, as the US government and the Fed introduced emergency measures, while political pressure increased for an easing of lockdown restrictions. Faced with the turmoil caused by the pandemic, the Fed slashed interest rates to just 0.25% in March, in two moves, and resurrected its quantitative easing programme, featuring large-scale bond purchases.

Fears of a decline in GDP in the first quarter of 2020 were realised with the publication of an annualised fall of 4.8% – the worst figure since the global financial crisis. The recent employment gains in the US, with joblessness down to the lowest levels for 50 years, were wiped out in dramatic fashion. However, by the end of the period, investor sentiment had picked up again, on renewed hopes for a global economic recovery.

Japan Equities

Japanese equities also slumped in February and March alongside other global markets. However, equity markets made up some of their losses in the latter half of the period.

Prime Minister Shinzo Abe declared a state of emergency in early April – which had been lifted by late May – and locked down several large city areas, preventing all but local travel. Annual GDP contracted 1.7% in the first quarter as the COVID-19 crisis took a huge toll, with the economy's 0.6% sequential contraction leading to Japan's first recession since 2015. The Bank of Japan (BoJ) continued its accommodative stance to support the economy, citing the ongoing impact of the coronavirus pandemic (which has severely added to the economic headwinds caused by the US-China trade war). The BoJ also announced a stimulus package of around US\$2.2 trillion to help boost the nation's economy.

The BoJ's June quarter Tankan survey showed a sharp sequential deterioration in corporate sentiment among both large manufacturers and major non-manufacturers, with their indices falling from -8 to -34 and +8 to -17, respectively.

Asia Ex-Japan Equities

Asia Pacific stocks fell initially but recovered much of their losses after the initial sell-off owing to the outbreak of COVID-19. Initially, a de-escalation in the US-China trade war, culminating in the signing of the 'phase one' deal with the US, and loose monetary conditions supported Asian markets in early 2020. However, stocks peaked in mid-January, before selling off markedly into March. Markets recovered some of their losses over the rest of the period, however.

In China, the central bank continued to ease reserve requirements for banks as well as introducing fresh stimulus measures, such as cutting short- and medium-term loan rates. China's GDP growth rate continued to slow. The first quarter of 2020 saw China's GDP slip 6.8% on a year-on-year basis, reflecting the negative impact of the coronavirus on business activity. Hong Kong's economy slumped into a technical recession for the first time since the global financial crisis as the pro-democracy protests took their toll on business and leisure activity in the province. The backdrop of uncertainty surrounding relations with the US continued to keep the market subdued.

Other central banks in the region, such as the Reserve Bank of India and the Bank of Korea, cut interest rates in order to ease the pressure on their respective economies. India's economic growth was 3.1% on a yearly basis in the first quarter of 2020. South Korea's economy remained relatively resilient throughout much of the period, and produced quarterly growth of 1.3% in the final quarter of 2019, the best figure since 2017. However, GDP for the first quarter of 2020 showed a steep quarterly drop of 1.4%.

Emerging Markets Equities

Emerging markets sold off in the first half of the period, along with other global stocks. However, in the second half of the period, optimism increased about a recovery in the global economy, as countries emerged from lockdown (tempered by the number of coronavirus cases still increasing in Latin America). Meanwhile, support from global central banks, along with a weaker US dollar and strengthening commodity prices (especially oil), further supported investor sentiment. Local currencies stabilised somewhat as investors became less risk averse.

In emerging markets, central banks had already been easing monetary policy before the pandemic. Swingeing cuts were subsequently made in Peru, where rates reached a 10-year low; in Colombia, where rates fell to a historic low of 2.75%; and in Brazil, South Korea and the Philippines, among others. Despite criticism over the government's handling of the pandemic, Brazil introduced an aggressive policy response, with the central bank cutting interest rates to new lows during the period. Meanwhile, the domestic economy contracted by 1.5% during the first quarter.

*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 2020.*

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

This year has been a story of two halves: the first quarter saw risk markets enter the fastest sell off on record, as concerns over the spread of corona virus and the subsequent lockdown measures, sparked fears over GDP growth, company earnings and consumer confidence. Conversely, the second quarter was characterised by the one of the largest and fastest market rallies on record as global governments and central banks lowered interest rates, announced prodigious asset purchase programs, and delivered unprecedented fiscal stimulus.

Year to date equities and high yield bonds remain in negative territory, while government bonds experienced strong performance and global credit is in positive territory. The HSBC Balanced OEIC is in negative territory YTD, but was able to shield investors from the worst of the equity market drawdown, and has significantly rebounded in the latter half of the period. The fund's tactical positioning detracted given its overweight to risk at the start of the start of the year. However, the Fund was quickly repositioned during the sell-off and now has a neutral stance on equity markets, while being slightly overweight IG credit.

Key trades:

January: introduced Russian equity, reduced GBP hedge on DM equity.

February: initiated position in China A-Shares.

March: sold positions in China A and Russia, rebalanced portfolio to maintain cash overweight and equity/bond underweight.

April: added position in gold and a basket of defensive currencies.

May SAA update: reduced developed market government bond exposure and increased credit.

Largest Net Sales: HSBC European Equity Index, HSBC American Index, HSBC FTSE All-World Index.

Largest Net Purchases: HSBC Multi-Factor US Equity, HSBC FTSE All-Share Index, HSBC Multi-Factor Global Equity.

Investment Performance

During the period under review, the value of the shares in the Fund decreased by 8.34% while the value of the IA Mixed Investment 40-85% Shares sector fell by 4.17%.

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

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

Fund Particulars

as at 16 July 2020 (unaudited)

	Retail Accumulation	Income C	Accumulation C	Institutional Accumulation
Price	214.9p	138.1p xd	229.1p	232.6p
Distribution payable (on 15 September 2020) per share net	0.000000p	1.690000p	2.790000p	3.550000p
Current net estimated yield	0.40%	2.16%	2.12%	2.77%
Annual ACD charge	1.50%	0.55%	0.55%	0.00%

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
UNITED KINGDOM - 54.31% (57.59%)			
Antofagasta	117,509	1,183	0.36
Associated British Foods	54,295	1,078	0.33
AstraZeneca	31,033	2,791	0.84
BAE Systems	198,303	970	0.29
Barclays	1,746,605	2,101	0.63
Barratt Developments	133,997	721	0.22
BHP Billiton	168,064	2,959	0.89
BP	1,075,957	3,338	1.01
Bunzl	32,395	727	0.22
Capita	892,150	349	0.11
Coats Group	953,292	518	0.16
Compass Group	101,952	1,208	0.36
Diageo	78,618	2,237	0.67
easyJet	90,445	625	0.19
FDM Group	52,375	482	0.15
GlaxoSmithKline	235,671	3,889	1.17
Great Portland Estates	124,316	746	0.23
Hays	566,001	717	0.22
+HSBC American Index Fund	3,793,679	26,248	7.92
+HSBC Corporate Bond Fund	1,378,468	3,310	1.00
+HSBC European Index Fund	1,768,686	16,848	5.08
+HSBC FTSE All-Share Index Fund	6,049,172	17,990	5.43
+HSBC FTSE All-World Index Fund	14,548,979	25,039	7.55
+HSBC Gilt & Fixed Interest Fund	476,824	2,608	0.79
+HSBC Holdings	550,863	2,127	0.64
+HSBC Japan Index Fund	3,392,394	4,678	1.41
+HSBC Pacific Index Fund	1,039,411	3,175	0.96
+HSBC US Multi Factor Equity Fund	5,941,927	23,821	7.19
lbstock	480,159	840	0.25
IG Group	198,209	1,640	0.49
Imperial Brands	136,711	1,952	0.59
Next	28,709	1,435	0.43
Persimmon	36,142	944	0.28
Prudential	212,799	2,697	0.81
QinetiQ	535,514	1,713	0.52
Rentokil Initial	245,006	1,347	0.41
Rio Tinto	24,876	1,205	0.36
Royal Bank of Scotland	1,051,438	1,277	0.39
Royal Dutch Shell B	273,760	3,448	1.04
Sage Group	92,362	636	0.19
SSE	113,203	1,544	0.47
SSP Group	366,966	923	0.28
Tesco	902,107	1,934	0.58
Unilever	68,374	2,973	0.90
Vodafone Group	342,072	436	0.13
WHSmith	53,060	550	0.17
Total United Kingdom		179,977	54.31

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
UNITED STATES - 0.00% (0.00%)			
#Consolidated Packaging	8,526	-	0.00
#Flight International	62	-	0.00
#Marriott International	96,061	-	0.00
Total United States		-	0.00
BERMUDA - 0.25% (0.00%)			
Hiscox	101,659	842	0.25
Total Bermuda		842	0.25
CHANNEL ISLANDS - 0.69% (0.86%)			
Ferguson	18,632	1,281	0.39
WPP	164,467	1,004	0.30
Total Channel Islands		2,285	0.69
IRELAND - 12.74% (7.03%)			
DCC (London listed)	18,655	1,336	0.40
+^HSBC Global Sterling Liquidity Fund	271	0	0.00
+^HSBC MSCI Emerging Markets UCITS ETF	85,271	733	0.22
+^HSBC Multi Factor Worldwide Equity Fund	2,936,194	24,651	7.44
+^HSBC Sterling Liquidity Fund	0	0	0.00
^Invesco Physical Gold ETC ETF	35,330	4,908	1.48
^iShares Core MSCI Emerging Markets IMI UCITS ETF	114,189	2,633	0.79
^iShares - FTSE 250 UCITS ETF	73,333	1,208	0.36
^Xtrackers MSCI USA Consumer Staples UCITS ETF	40,610	1,084	0.33
^Xtrackers MSCI USA Health Care UCITS ETF	60,354	2,041	0.62
^Xtrackers MSCI USA Information Technology UCITS ETF	93,984	3,650	1.10
Total Ireland		42,244	12.74
LUXEMBOURG - 29.37% (32.48%)			
^AQR Managed Future UCITS	62,489	5,265	1.59
+^HSBC GIF Economic Scale Index GEM Equity Fund	526,466	3,853	1.16
+^HSBC GIF Frontier Markets Fund	248,864	2,777	0.84
+^HSBC GIF Global Asset-Backed Bond Fund	1,610,145	12,490	3.77
+^HSBC GIF Global Emerging Markets Bond Fund	1,468,432	10,938	3.30
+^HSBC GIF Global Emerging Markets Local Debt Fund	2,978,443	20,664	6.23
+^HSBC GIF Global High Yield Bond Fund	981,455	7,764	2.34
+^HSBC GIF Global Real Estate Equity	927,699	6,407	1.93
+^HSBC GIF Global Short Duration High Yield Bond Fund	571,795	4,421	1.33
+^HSBC GIF Multi-Asset Style Factors	661,852	6,819	2.06
+^HSBC Global Corporate Bond Fund	360,351	3,281	0.99
+^HSBC Global Investment Fund	587,649	4,775	1.44
^Structured Investments Goldman Sachs Cross Assets	1,035,902	7,938	2.39
Total Luxembourg		97,392	29.37

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
SPAIN - 0.28% (0.00%)			
International Consolidated Airlines Group	411,524	944	0.28
Total Spain		944	0.28
Forward Foreign Exchange Contracts - (0.10%) (-0.14%)			
#Sold GBP 1,591,386 for CHF 1,909,603 settled 22 July 2020		12	0.00
#Sold GBP 3,173,588 for JPY 431,770,961 settled 22 July 2020		28	0.01
#Sold EUR 7,521,524 for GBP 6,716,112 settled 22 July 2020		(89)	(0.03)
#Sold USD 73,604,234 for GBP 58,047,228 settled 22 July 2020		(265)	(0.08)
#Sold USD 1,814,983 for GBP 1,463,611 settled 22 July 2020		26	0.01
#Sold GBP 2,908,229 for USD 3,631,346 settled 22 July 2020		(31)	(0.01)
Total Forward Foreign Exchange Contracts		(319)	(0.10)
Portfolio of investments		323,365	97.54
Net other assets		8,168	2.46
Net assets		331,533	100.00

+related party

#unlisted

^investment scheme registered outside the UK

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

Unless otherwise stated, all investments are listed securities.

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

Total purchases for the period, including transaction charges, were £83,060,406.

Total sales for the period, net of transaction charges, were £91,293,670.

Comparative Tables

Retail Income#	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	152.30p	136.40p	147.30p	140.40p
Return before operating charges*	(0.07p)	20.46p	(6.47p)	11.22p
Operating charges**	(0.23p)	(2.39p)	(2.33p)	(2.35p)
Return after operating charges*	(0.30p)	18.07p	(8.80p)	8.87p
Distributions on income shares	0.00p	(2.17p)	(2.10p)	(1.97p)
Cancellation price	(152.00p)	-	-	-
Closing net asset value per share	0.00p	152.30p	136.40p	147.30p
*after direct transaction costs of:***	0.03p	0.09p	0.09p	0.14p
Performance				
Return after charges	(0.20%)	13.25%	(5.97%)	6.32%
Other information				
Closing net asset value	N/A	£2,186,658	£2,078,940	£2,377,825
Closing number of shares	N/A	1,435,407	1,524,650	1,614,574
Operating charges - OCF	N/A	1.74%	1.72%	1.75%
Direct transaction costs	N/A	0.06%	0.06%	0.10%
Prices				
Highest share price	153.30p	153.00p	147.50p	148.60p
Lowest share price	148.60p	135.60p	132.00p	136.70p

Retail Accumulation	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	235.00p	207.30p	220.70p	207.50p
Return before operating charges*	(17.62p)	31.35p	(9.89p)	16.70p
Operating charges**	(2.58p)	(3.65p)	(3.51p)	(3.50p)
Return after operating charges*	(20.20p)	27.70p	(13.40p)	13.20p
Distributions on accumulation shares	0.00p	(3.31p)	(3.15p)	(2.92p)
Retained distributions on accumulation shares	0.00p	3.31p	3.15p	2.92p
Closing net asset value per share	214.80p	235.00p	207.30p	220.70p
*after direct transaction costs of:***	0.04p	0.14p	0.14p	0.20p
Performance				
Return after charges	(8.60%)	13.36%	(6.07%)	6.36%
Other information				
Closing net asset value	£42,491	£42,995,208	£40,746,078	£46,722,925
Closing number of shares	19,786	18,293,781	19,652,616	21,173,725
Operating charges - OCF	1.76%	1.74%	1.72%	1.75%
Direct transaction costs	0.02%	0.06%	0.06%	0.10%
Prices				
Highest share price	236.40p	235.10p	222.70p	222.00p
Lowest share price	180.90p	206.30p	200.00p	201.90p

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

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

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

Comparative Tables

Income C	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	152.10p	136.10p	147.00p	140.10p
Return before operating charges*	(11.96p)	20.56p	(6.47p)	11.23p
Operating charges**	(0.45p)	(0.97p)	(0.95p)	(0.96p)
Return after operating charges*	(12.41p)	19.59p	(7.42p)	10.27p
Distributions on income shares	(1.69p)	(3.59p)	(3.48p)	(3.37p)
Closing net asset value per share	138.00p	152.10p	136.10p	147.00p
*after direct transaction costs of:***	0.02p	0.09p	0.09p	0.14p
Performance				
Return after charges	(8.16%)	14.39%	(5.05%)	7.33%
Other information				
Closing net asset value	£15,755,084	£15,805,968	£15,354,776	£17,795,166
Closing number of shares	11,420,220	10,392,143	11,282,484	12,105,747
Operating charges - OCF	0.76%	0.77%	0.74%	0.77%
Direct transaction costs	0.02%	0.06%	0.06%	0.10%
Prices				
Highest share price	153.00p	153.40p	147.30p	149.00p
Lowest share price	117.30p	135.30p	132.30p	136.40p

Accumulation C	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	249.40p	217.90p	229.70p	213.80p
Return before operating charges*	(19.66p)	33.08p	(10.30p)	17.38p
Operating charges**	(0.74p)	(1.58p)	(1.50p)	(1.48p)
Return after operating charges*	(20.40p)	31.50p	(11.80p)	15.90p
Distributions on accumulation shares	(2.79p)	(5.76p)	(5.47p)	(5.17p)
Retained distributions on accumulation shares	2.79p	5.76p	5.47p	5.17p
Closing net asset value per share	229.00p	249.40p	217.90p	229.70p
*after direct transaction costs of:***	0.04p	0.15p	0.14p	0.21p
Performance				
Return after charges	(8.18%)	14.46%	(5.14%)	7.44%
Other information				
Closing net asset value	£42,769,142	£3,576,568	£2,838,763	£3,013,311
Closing number of shares	18,678,046	1,433,894	1,302,673	1,311,967
Operating charges - OCF	0.76%	0.77%	0.74%	0.77%
Direct transaction costs	0.02%	0.06%	0.06%	0.10%
Prices				
Highest share price	250.80p	249.50p	233.00p	231.00p
Lowest share price	192.30p	217.00p	210.10p	208.20p

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

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

Comparative Tables

Institutional Accumulation	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	252.40p	219.10p	229.40p	212.20p
Return before operating charges*	(19.88p)	33.35p	(10.25p)	17.24p
Operating charges**	(0.02p)	(0.05p)	(0.05p)	(0.04p)
Return after operating charges*	(19.90p)	33.30p	(10.30p)	17.20p
Distributions on accumulation shares	(3.55p)	(7.35p)	(6.92p)	(6.57p)
Retained distributions on accumulation shares	3.55p	7.35p	6.92p	6.57p
Closing net asset value per share	232.50p	252.40p	219.10p	229.40p
*after direct transaction costs of:***	0.04p	0.15p	0.14p	0.21p
Performance				
Return after charges	(7.88%)	15.20%	(4.49%)	8.11%
Other information				
Closing net asset value	£272,966,597	£306,131,975	£284,974,425	£317,038,216
Closing number of shares	117,420,251	121,297,705	130,084,399	138,204,929
Operating charges - OCF	0.11%	0.12%	0.09%	0.12%
Direct transaction costs	0.02%	0.06%	0.06%	0.10%
Prices				
Highest share price	253.90p	252.40p	233.60p	230.70p
Lowest share price	194.80p	218.00p	211.10p	206.60p
**The operating charges include all costs borne by the Fund, except for direct transaction costs.				
***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.				

Statement of Total Return

for the six months ended 15 July 2020 (unaudited)

	15.7.20		15.7.19	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(34,493)		28,443
Revenue	5,232		7,086	
Expenses	(219)		(448)	
Interest payable and similar charges	(1)		-	
Net revenue before taxation	5,012		6,638	
Taxation	(74)		(498)	
Net revenue after taxation		4,938		6,140
Total (deficit)/return before distributions		(29,555)		34,583
Distributions		(4,932)		(6,469)
Change in net assets attributable to shareholders from investment activities		(34,487)		28,114

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2020 (unaudited)

	15.7.20		15.7.19	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		370,696		345,993
Amounts receivable on creation of shares	1,272		650	
Amounts payable on cancellation of shares	(10,638)		(13,784)	
		(9,366)		(13,134)
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		(34,487)		28,114
Retained distribution on accumulation shares		4,690		6,104
Closing net assets attributable to shareholders		331,533		367,077

Balance Sheet

as at 15 July 2020 (unaudited)

	15.7.20		15.1.20	
	£'000	£'000	£'000	£'000
Assets				
Investments		323,750		363,135
Current assets				
Debtors	2,410		5,899	
Cash and bank balances	7,890		4,213	
Total current assets		10,300		10,112
Total assets		334,050		373,247
Liabilities				
Investment liabilities		(385)		(534)
Creditors				
Distribution payable on income shares	(193)		(142)	
Other creditors	(1,939)		(1,875)	
Total creditors		(2,132)		(2,017)
Total liabilities		(2,517)		(2,551)
Net assets attributable to shareholders		331,533		370,696

Distribution Table (pence per share)

for the six months ended 15 July 2020 (unaudited)

Group 1: Shares purchased prior to 16 January 2020				
Group 2: Shares purchased from 16 January 2020 to 15 July 2020				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.9.20</i>	<i>Distribution paid 15.9.19</i>
Retail Income#				
Group 1	N/A	-	N/A	1.610000
Group 2	N/A	N/A	N/A	1.610000
Retail Accumulation				
Group 1	0.000000	-	0.000000	2.460000
Group 2	0.000000	0.000000	0.000000	2.460000
Income C				
Group 1	1.690000	-	1.690000	2.300000
Group 2	1.280000	0.410000	1.690000	2.300000
Accumulation C				
Group 1	2.790000	-	2.790000	3.690000
Group 2	1.630000	1.160000	2.790000	3.690000
Institutional Accumulation				
Group 1	3.550000	-	3.550000	4.460000
Group 2	3.550000	0.000000	3.550000	4.460000
#The Retail Income share class converted to Income C class on 7 February 2020.				

UK Growth & Income

Investment Objective

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

Investment Policy

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

The Fund may invest up to 20% of its value in other assets, such as shares of non-UK companies and cash. The Fund may invest up to 10% of its value in other funds, which may be managed by the HSBC Group. Typically the Fund will invest in the shares of 35 to 50 companies.

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

Investment Strategy*

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

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

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

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

*The full strategy can be found in the prospectus.

Portfolio Activity

During the period the FTSE All Share fell sharply. The Energy and Communication Services sectors were the worst performers, whilst Healthcare was the only sector to deliver positive returns. Over the same time, the Fund underperformed the index.

Net allocation effects were marginally negative and driven by an overweight position in Energy names and underweight Healthcare. Partially offsetting this was an overweight exposure to Consumer Staples.

At the stock level, the main detractors from relative performance included SSP Group, which has been hit along with other travel and leisure names as restrictions to combat the spread of COVID-19 resulted in a sharp fall in footfall across the company's facilities in airports and railway stations. Furthermore, Capita, saw a precipitous fall after missing earnings estimates and issuing weak guidance. The company also highlighted that its turnaround plan is behind schedule.

Contributors included an underweight position in Lloyds Banking Group, which fell sharply with other financial names amid the spread of COVID-19, the resultant lockdown measures and stimulus packages introduced by governments across the globe. Additionally, Microsoft, gained strongly at the beginning of the period after releasing solid quarterly earnings that showed cloud computing continued to grow and drive revenues.

During the period, major purchases included Barclays, Imperial Brands, International Consolidated Airlines, SSE and SSP Group. Sales included BP, British American Tobacco, Diageo, GlaxoSmithKline and Royal Dutch Shell.

Your portfolio aims to deliver diversified exposure to UK equities, by investing in companies with an attractive combination of profitability and valuation. These quality companies typically have sustainable business models, strong balance sheets and good management. We believe this disciplined approach should help investors navigate short-term uncertainties.

Investment Performance

During the period under review, the value of the shares in the Fund decreased by 23.15% while the value of the FTSE All Share Index fell by 16.39%.

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

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

Fund Particulars

as at 16 July 2020 (unaudited)

	Retail Income	Retail Accumulation	Retail B Income	Retail B Accumulation
Price	54.07p xd	111.8p	60.18p xd	124.5p
Distribution payable (on 15 September 2020) per share net	0.700000p	1.430000p	0.780000p	1.590000p
Current net estimated yield	3.56%	3.48%	3.56%	3.46%
Annual ACD charge	1.50%	1.50%	0.60%	0.60%

	Institutional A Accumulation	Income C	Accumulation C
Price	118.3p	57.81p xd	117.8p
Distribution payable (on 15 September 2020) per share net	1.500000p	0.740000p	1.500000p
Current net estimated yield	1.37%	3.53%	3.46%
Annual ACD charge	0.75%	0.80%	0.80%

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Oil & Gas - 11.03% (13.66%)			
BP	4,755,028	14,750	5.42
Royal Dutch Shell A	1,151,513	15,246	5.61
Total Oil & Gas		29,996	11.03
Basic Materials - 8.43% (6.18%)			
Antofagasta	548,676	5,522	2.03
BHP Group	710,060	12,500	4.60
Rio Tinto	101,292	4,907	1.80
Total Basic Materials		22,929	8.43
Industrials - 15.64% (17.48%)			
BAE Systems	853,532	4,176	1.54
Bunzl	144,979	3,253	1.20
Capita	3,940,724	1,541	0.57
Coats Group	3,969,336	2,155	0.79
DCC (London listed)	82,400	5,900	2.17
Ferguson	85,218	5,861	2.16
Hays	2,473,881	3,132	1.15
Ibstock	2,124,285	3,715	1.37
QinetiQ	2,291,349	7,328	2.69
Rentokil Initial	990,574	5,446	2.00
Total Industrials		42,507	15.64
Consumer Goods - 17.50% (17.94%)			
Associated British Foods	234,611	4,659	1.71
Barratt Developments	584,140	3,145	1.16
Diageo	349,791	9,953	3.66
Imperial Brands	602,636	8,606	3.16
Persimmon	157,151	4,105	1.51
SSP Group	1,604,390	4,033	1.48
Unilever	301,767	13,121	4.82
Total Consumer Goods		47,622	17.50
Healthcare - 10.54% (8.36%)			
AstraZeneca	122,364	11,007	4.05
GlaxoSmithKline	1,069,564	17,650	6.49
Total Healthcare		28,657	10.54
Consumer Services - 12.34% (12.25%)			
Compass Group	417,499	4,945	1.82
easyJet	386,419	2,673	0.98
International Consolidated Airlines	1,808,341	4,147	1.52
Next	127,045	6,352	2.34
Tesco	3,962,858	8,496	3.12
WHSmith	250,587	2,596	0.95
WPP	717,053	4,375	1.61
Total Consumer Services		33,584	12.34

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Telecommunications - 0.84% (0.80%)			
Vodafone Group	1,799,211	2,294	0.84
Total Telecommunications		2,294	0.84
Utilities - 2.53% (0.00%)			
SSE	503,670	6,868	2.53
Total Utilities		6,868	2.53
Financials - 18.39% (19.99%)			
Barclays	7,615,382	9,161	3.37
Great Portland Estates	549,117	3,295	1.21
Hiscox	453,264	3,752	1.38
+HSBC Holdings (London listed)	2,251,691	8,693	3.20
IG Group	881,307	7,293	2.68
Prudential	951,917	12,066	4.44
Royal Bank of Scotland	4,715,354	5,727	2.11
Total Financials		49,987	18.39
Technology - 3.43% (2.63%)			
FDM Group	233,914	2,152	0.79
Microsoft	24,911	4,106	1.51
Sage Group	445,334	3,068	1.13
Total Technology		9,326	3.43
Portfolio of investments		273,770	100.67
Net other liabilities		(1,830)	(0.67)
Net assets		271,940	100.00

+related party

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

Unless otherwise stated, all investments are listed equities.

Total purchases for the period, including transaction charges, were £112,902,690.

Total sales for the period, net of transaction charges, were £679,664,899.

Comparative Tables

Retail Income	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	71.46p	64.03p	74.57p	72.60p
Return before operating charges*	(15.95p)	11.31p	(6.57p)	6.02p
Operating charges**	(0.47p)	(1.13p)	(1.14p)	(1.20p)
Return after operating charges*	(16.42p)	10.18p	(7.71)	4.82p
Distributions on income shares	(0.70p)	(2.75p)	(2.83p)	(2.85p)
Closing net asset value per share	54.34p	71.46p	64.03p	74.57p
*after direct transaction costs of:***	0.06p	0.15p	0.15p	0.20p
Performance				
Return after charges	(22.98%)	15.90%	(10.34%)	6.64%
Other information				
Closing net asset value	£3,380,342	£10,350,155	£7,120,639	£9,380,149
Closing number of shares	6,220,447	14,484,455	11,121,075	12,578,951
Operating charges - OCF	1.64%	1.64%	1.64%	1.64%
Direct transaction costs	0.10%	0.22%	0.21%	0.27%
Prices				
Highest share price	71.76p	73.08p	75.42p	76.91p
Lowest share price	43.57p	63.28p	62.54p	70.37p

Retail Accumulation	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	145.90p	125.80p	140.60p	131.80p
Return before operating charges*	(32.52p)	22.34p	(12.62p)	11.01p
Operating charges**	(0.98p)	(2.24p)	(2.18p)	(2.21p)
Return after operating charges*	(33.50p)	20.10p	(14.80p)	8.80p
Distributions on accumulation shares	(1.43p)	(5.45p)	(5.38p)	(5.21p)
Retained distributions on accumulation shares	1.43p	5.45p	5.38p	5.21p
Closing net asset value per share	112.40p	145.90p	125.80p	140.60p
*after direct transaction costs of:***	0.12p	0.30p	0.28p	0.36p
Performance				
Return after charges	(22.96%)	15.98%	(10.53%)	6.68%
Other information				
Closing net asset value	£5,451,358	£57,455,525	£34,992,948	£42,563,385
Closing number of shares	4,850,066	39,377,983	27,820,775	30,271,585
Operating charges - OCF	1.64%	1.64%	1.64%	1.64%
Direct transaction costs	0.10%	0.22%	0.21%	0.27%
Prices				
Highest share price	146.60p	146.70p	142.20p	140.80p
Lowest share price	89.00p	124.30p	120.40p	127.70p

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

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

Comparative Tables

Retail B Income	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	79.10p	70.15p	80.85p	77.90p
Return before operating charges*	(17.65p)	12.43p	(7.14p)	6.51p
Operating charges**	(0.19p)	(0.45p)	(0.47p)	(0.49p)
Return after operating charges*	(17.84p)	11.98p	(7.61p)	6.02p
Distributions on income shares	(0.78p)	(3.03p)	(3.09p)	(3.07p)
Closing net asset value per share	60.48p	79.10p	70.15p	80.85p
*after direct transaction costs of:***	0.06p	0.16p	0.16p	0.21p
Performance				
Return after charges	(22.55%)	17.08%	(9.41%)	7.73%
Other information				
Closing net asset value	£69,074,633	£94,532,535	£87,126,771	£105,300,370
Closing number of shares	114,214,874	119,514,746	124,208,556	130,241,889
Operating charges - OCF	0.60%	0.60%	0.60%	0.60%
Direct transaction costs	0.10%	0.22%	0.21%	0.27%
Prices				
Highest share price	79.43p	80.85p	82.06p	82.84p
Lowest share price	48.32p	69.35p	68.43p	75.53p

Retail B Accumulation	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	161.60p	137.90p	152.50p	141.50p
Return before operating charges*	(36.12p)	24.60p	(13.71p)	11.89p
Operating charges**	(0.38p)	(0.90p)	(0.89p)	(0.89p)
Return after operating charges*	(36.50p)	23.70p	14.60p	11.00p
Distributions on accumulation shares	(1.59p)	(6.01p)	(5.88p)	(5.63p)
Retained distributions on accumulation shares	1.59p	6.01p	5.88p	5.63p
Closing net asset value per share	125.10p	161.60p	137.90p	152.50p
*after direct transaction costs of:***	0.13p	0.33p	0.31p	0.39p
Performance				
Return after charges	(22.59%)	17.19%	(9.57%)	7.77%
Other information				
Closing net asset value	£2,777,052	£3,673,204	£3,518,413	£5,289,011
Closing number of shares	2,219,244	2,273,034	2,551,857	3,467,134
Operating charges - OCF	0.60%	0.60%	0.60%	0.60%
Direct transaction costs	0.10%	0.22%	0.21%	0.27%
Prices				
Highest share price	162.40p	162.40p	154.80p	152.80p
Lowest share price	98.71p	136.30p	131.90p	137.20p

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

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

Comparative Tables

CTF Accumulation#	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	149.10p	127.90p	142.40p	133.30p
Return before operating charges*	(21.80p)	22.80p	(12.80p)	11.17p
Operating charges**	(0.20p)	(1.60p)	(1.70p)	(2.07p)
Return after operating charges*	(22.00p)	21.20p	(14.50p)	9.10p
Distributions on accumulation shares	-	(5.57p)	(5.47p)	(5.28p)
Cancellation price	(127.10p)			
Retained distributions on accumulation shares	-	5.57p	5.47p	5.28p
Closing net asset value per share	0.00p	149.10p	127.90p	142.40p
*after direct transaction costs of:***	0.14p	0.30p	0.29p	0.37p
Performance				
Return after charges	(14.76%)	16.58%	(10.18%)	6.83%
Other information				
Closing net asset value	N/A	£656,288,806	£545,987,595	£588,158,438
Closing number of shares	N/A	440,210,913	426,882,268	412,960,153
Operating charges - OCF	N/A	1.15%	1.15%	1.50%
Direct transaction costs	N/A	0.22%	0.21%	0.27%
Prices				
Highest share price	149.80p	149.90p	144.10p	142.60p
Lowest share price	127.70p	126.40p	122.40p	129.20p

Institutional A Accumulation##	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	153.60p	146.00p	N/A	N/A
Return before operating charges*	(34.23p)	7.79p	N/A	N/A
Operating charges**	(0.47p)	(0.19p)	N/A	N/A
Return after operating charges*	(34.70p)	7.60p	N/A	N/A
Distributions on accumulation shares	(1.50p)	(0.12p)	N/A	N/A
Retained distributions on accumulation shares	1.50p	0.12p	N/A	N/A
Closing net asset value per share	118.90p	153.60p	N/A	N/A
*after direct transaction costs of:***	0.12p	0.33p	N/A	N/A
Performance				
Return after charges	(22.59%)	5.21%	N/A	N/A
Other information				
Closing net asset value	£1,952,351	£3,153,727	N/A	N/A
Closing number of shares	1,642,493	2,052,753	N/A	N/A
Operating charges - OCF	0.77%	0.76%	N/A	N/A
Direct transaction costs	0.10%	0.22%	N/A	N/A
Prices				
Highest share price	154.00p	154.40p	N/A	N/A
Lowest share price	94.00p	144.80p	N/A	N/A

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

##The Institutional A Accumulation share class launched on 15 November 2019.

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

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

Comparative Tables

Income C	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	76.09p	67.69p	78.25p	75.62p
Return before operating charges*	(16.97p)	11.98p	(6.91p)	6.30p
Operating charges**	(0.28p)	(0.67p)	(0.67p)	(0.70p)
Return after operating charges*	(17.25p)	11.31p	(7.58p)	5.60p
Distributions on income shares	(0.74p)	(2.91p)	(2.98p)	(2.97p)
Closing net asset value per share	58.10p	76.09p	67.69p	78.25p
*after direct transaction costs of:***	0.06p	0.16p	0.16p	0.21p
Performance				
Return after charges	(22.67%)	16.71%	(9.69%)	7.41%
Other information				
Closing net asset value	£140,404,187	£186,278,482	£166,200,366	£203,685,900
Closing number of shares	241,676,379	244,809,234	245,548,885	260,296,821
Operating charges - OCF	0.92%	0.91%	0.91%	0.91%
Direct transaction costs	0.10%	0.22%	0.21%	0.27%
Prices				
Highest share price	76.41p	77.79p	79.34p	80.32p
Lowest share price	46.46p	66.91p	66.04p	73.32p

Accumulation C	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	153.60p	131.50p	145.90p	135.70p
Return before operating charges*	(34.65p)	23.40p	(13.14p)	11.47p
Operating charges**	(0.55p)	(1.30p)	(1.26p)	(1.27p)
Return after operating charges*	(35.20p)	22.10p	(14.40p)	10.20p
Distributions on accumulation shares	(1.50p)	(5.71p)	(5.60p)	(5.39p)
Retained distributions on accumulation shares	1.50p	5.71p	5.60p	5.39p
Closing net asset value per share	118.40p	153.60p	131.50p	145.90p
*after direct transaction costs of:***	0.12p	0.31p	0.29p	0.37p
Performance				
Return after charges	(22.92%)	16.81%	(9.87%)	7.52%
Other information				
Closing net asset value	£48,899,929	£25,190,757	£22,993,075	£28,026,784
Closing number of shares	41,291,202	16,401,231	17,491,615	19,211,671
Operating charges - OCF	0.92%	0.91%	0.91%	0.91%
Direct transaction costs	0.10%	0.22%	0.21%	0.27%
Prices				
Highest share price	154.40p	154.40p	147.90p	146.10p
Lowest share price	93.52p	130.00p	125.70p	131.60p

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

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

Statement of Total Return

for the six months ended 15 July 2020 (unaudited)

	15.7.20		15.7.19	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(189,001)		84,396
Revenue	8,881		21,069	
Expenses	(2,194)		(4,919)	
Net revenue before taxation	6,687		16,150	
Taxation	(144)		(200)	
Net revenue after taxation		6,543		15,950
Total (deficit)/return before distributions		(182,458)		100,346
Distributions		(8,681)		(20,662)
Change in net assets attributable to shareholders from investment activities		(191,139)		79,684

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2020 (unaudited)

	15.7.20		15.7.19	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		1,036,923		867,940
Amounts receivable on creation of shares	3,794		14,612	
Amounts payable on cancellation of shares	(578,834)		(17,525)	
		(575,040)		(2,913)
Dilution adjustment		448		-
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		(191,139)		79,684
Retained distribution on accumulation shares		748		14,611
Closing net assets attributable to shareholders		271,940		959,322

Balance Sheet

as at 15 July 2020 (unaudited)

	15.7.20		15.1.20	
	£'000	£'000	£'000	£'000
Assets				
Investments		273,770		1,029,548
Current assets				
Debtors	1,097		14,814	
Cash and bank balances	1,000		13,906	
Total current assets		2,097		28,720
Total assets		275,867		1,058,268
Liabilities				
Creditors				
Distribution payable on income shares	(2,723)		(4,988)	
Other creditors	(1,204)		(16,357)	
Total liabilities		(3,927)		(21,345)
Net assets attributable to shareholders		271,940		1,036,923

Distribution Table (pence per share)

for the six months ended 15 July 2020 (unaudited)

Group 1: Shares purchased prior to 16 January 2020				
Group 2: Shares purchased from 16 January 2020 to 15 July 2020				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.9.20</i>	<i>Distribution paid 15.9.19</i>
Retail Income				
Group 1	0.700000	-	0.700000	1.520000
Group 2	0.000000	0.700000	0.700000	1.520000
Retail Accumulation				
Group 1	1.430000	-	1.430000	2.990000
Group 2	0.180000	1.250000	1.430000	2.990000
Retail B Income				
Group 1	0.780000	-	0.780000	1.670000
Group 2	0.050000	0.730000	0.780000	1.670000
Retail B Accumulation				
Group 1	1.590000	-	1.590000	3.300000
Group 2	0.260000	1.330000	1.590000	3.300000
CTF Accumulation†				
Group 1	N/A	N/A	N/A	3.050000
Group 2	N/A	N/A	N/A	3.050000
Institutional A Accumulation††				
Group 1	1.500000	-	1.500000	N/A
Group 2	0.280000	1.220000	1.500000	N/A
Income C				
Group 1	0.740000	-	0.740000	1.610000
Group 2	0.050000	0.690000	0.740000	1.610000
Accumulation C				
Group 1	1.500000	-	1.500000	3.130000
Group 2	0.270000	1.230000	1.500000	3.130000
†The CTF Accumulation share class closed on 28 February 2020.				
††The Institutional A Accumulation share class launched on 15 November 2019.				

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 35 to 50 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

During the period the FTSE All Share fell sharply. The Energy and Communication Services sectors were the worst performers, whilst Healthcare was the only sector to deliver positive returns. Over the same time, the Fund underperformed the index.

Net allocation effects were negative and driven by an overweight position in Energy names and underweight Utilities. Partially offsetting this was an overweight exposure to Consumer Staples.

At the stock level, the main detractors from relative performance included SSP Group, which has been hit along with other travel and leisure names as restrictions to combat the spread of COVID-19 resulted in a sharp fall in footfall across the company's facilities in airports and railway stations. Furthermore, Capita, saw a precipitous fall after missing earnings estimates and issuing weak guidance. The company also highlighted that its turnaround plan is behind schedule.

Contributors included an underweight position in Lloyds Banking Group, which fell sharply with other financial names amid the spread of COVID-19, the resultant lockdown measures and stimulus packages introduced by governments across the globe. Additionally, Microsoft, gained strongly at the beginning of the period after releasing solid quarterly earnings that showed cloud computing continued to grow and drive revenues.

During the period major purchases included Barclays, IG Group, Imperial Brands, International Consolidated Airlines and SSE. Sales included Aviva, British American Tobacco, Bunzl, Diageo and Lloyds Banking Group.

Your portfolio aims to deliver diversified exposure to UK equities, with a portfolio yield higher than the market index, by investing in companies with an attractive combination of profitability and valuation. These quality companies typically have sustainable business models, strong balance sheets and good management. We believe this disciplined approach should help investors navigate short-term uncertainties.

Investment Performance

During the period under review, the value of the shares in the Fund decreased by 22.79% while the value of the FTSE All-Share Index fell by 16.39%. For information on comparative yields please refer to The Investment Association's website (<https://www.theia.org/industry-data/fund-sectors/equity-income-yields>).

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

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

Fund Particulars

as at 16 July 2020 (unaudited)

	Retail Income	Retail Accumulation	Income C	Accumulation C
Price	242.9p xd	538.5p	260.8p xd	568.9p
Distribution payable (on 15 September 2020) per share net	4.230000p	9.480000p	4.520000p	9.710000p
Current net estimated yield	4.09%	4.02%	4.07%	3.96%
Annual ACD charge	1.50%	1.50%	0.80%	0.80%

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Oil & Gas - 11.66% (14.63%)			
BP	2,229,220	6,915	5.66
Royal Dutch Shell A	552,922	7,321	6.00
Total Oil & Gas		14,236	11.66
Basic Materials - 9.19% (6.83%)			
Antofagasta	256,439	2,581	2.12
BHP Group	343,256	6,043	4.95
Rio Tinto	53,534	2,593	2.12
Total Basic Materials		11,217	9.19
Industrials - 13.95% (16.35%)			
BAE Systems	672,660	3,291	2.70
Bunzl	63,446	1,424	1.17
Capita	1,765,444	690	0.56
Coats Group	1,824,156	991	0.81
DCC (London listed)	37,758	2,703	2.21
Ferguson	37,401	2,572	2.11
Hays	1,108,208	1,403	1.15
Ibstock	968,358	1,694	1.39
Rentokil Initial	411,107	2,260	1.85
Total Industrials		17,028	13.95
Consumer Goods - 15.37 % (16.06%)			
Associated British Foods	106,478	2,115	1.73
Barratt Developments	261,572	1,408	1.15
Diageo	61,701	1,756	1.44
Imperial Brands	292,411	4,176	3.42
Persimmon	70,543	1,843	1.51
SSP Group	624,191	1,569	1.29
Unilever	135,503	5,892	4.83
Total Consumer Goods		18,759	15.37
Healthcare - 12.11% (9.67%)			
AstraZeneca	63,843	5,743	4.71
GlaxoSmithKline	547,367	9,033	7.40
Total Healthcare		14,776	12.11
Consumer Services - 12.50% (12.59%)			
Compass Group	198,155	2,347	1.92
easyJet	169,614	1,173	0.96
International Consolidated Airlines	809,742	1,857	1.52
Next	57,170	2,858	2.34
Tesco	1,798,393	3,856	3.16
WHSmith	114,719	1,188	0.97
WPP	323,362	1,973	1.63
Total Consumer Services		15,252	12.50

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Telecommunications - 1.81% (1.73%)			
Vodafone Group	1,733,627	2,210	1.81
Total Telecommunications		2,210	1.81
Utilities - 2.48% (0.00%)			
SSE	222,111	3,028	2.48
Total Utilities		3,028	2.48
Financials - 18.63% (20.43%)			
Barclays	3,432,554	4,129	3.38
Great Portland Estates	251,620	1,510	1.24
Hiscox	199,539	1,652	1.35
+HSBC Holdings (London listed)	1,199,791	4,632	3.80
IG Group	384,611	3,183	2.61
Prudential	407,534	5,165	4.23
Royal Bank of Scotland	2,030,470	2,466	2.02
Total Financials		22,737	18.63
Technology - 3.42% (2.64%)			
FDM Group	105,598	972	0.79
Microsoft	11,688	1,926	1.58
Sage Group	185,994	1,281	1.05
Total Technology		4,179	3.42
Portfolio of investments		123,422	101.12
Net other liabilities		(1,367)	(1.12)
Net assets		122,055	100.00

+related party

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

Unless otherwise stated, all investments are listed securities.

Total purchases for the period, including transaction charges, were £26,223,917.

Total sales for the period, net of transaction charges, were £32,878,341.

Comparative Tables

Retail Income	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	322.10p	288.40p	339.20p	332.20p
Return before operating charges*	(71.40p)	51.59p	(32.25p)	26.52p
Operating charges**	(2.47p)	(5.09p)	(5.21p)	(5.49p)
Return after operating charges*	(73.87p)	46.50p	(37.46p)	21.03p
Distributions on income shares	(4.23p)	(12.80p)	(13.34p)	(14.03p)
Closing net asset value per share	244.00p	322.10p	288.40p	339.20p
*after direct transaction costs of:***	0.21p	0.57p	0.50p	0.65p
Performance				
Return after charges	(22.93%)	16.12%	(11.04%)	6.33%
Other information				
Closing net asset value	£821,802	£24,145,071	£24,275,916	£31,206,198
Closing number of shares	336,761	7,496,952	8,419,023	9,199,673
Operating charges - OCF	1.66%	1.64%	1.64%	1.64%
Direct transaction costs	0.08%	0.18%	0.16%	0.19%
Prices				
Highest share price	323.40p	329.20p	343.30p	351.10p
Lowest share price	196.60p	285.40p	282.10p	320.40p

Retail Accumulation	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	701.30p	603.20p	679.90p	638.90p
Return before operating charges*	(152.53p)	108.87p	(66.14p)	51.74p
Operating charges**	(7.67p)	(10.77p)	(10.56p)	(10.74p)
Return after operating charges*	(160.20p)	98.10p	(76.70p)	41.00p
Distributions on accumulation shares	(9.48p)	(27.04p)	(27.01p)	(27.27p)
Retained distributions on accumulation shares	9.48p	27.04p	27.01p	27.27p
Closing net asset value per share	541.10p	701.30p	603.20p	679.90p
*after direct transaction costs of:***	0.53p	1.20p	1.01p	1.26p
Performance				
Return after charges	(22.84%)	16.26%	(11.28%)	6.42%
Other information				
Closing net asset value	£18,710	£25,044,026	£23,496,912	£28,889,810
Closing number of shares	3,458	3,571,266	3,895,321	4,248,891
Operating charges - OCF	1.68%	1.64%	1.64%	1.64%
Direct transaction costs	0.08%	0.18%	0.16%	0.19%
Prices				
Highest share price	704.70p	704.30p	688.20p	680.90p
Lowest share price	428.20p	597.10p	577.90p	616.40p

**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

Income C	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	344.40p	306.10p	357.50p	347.50p
Return before operating charges*	(76.52p)	54.95p	(34.22p)	27.98p
Operating charges**	(1.26p)	(3.03p)	(3.08p)	(3.25p)
Return after operating charges*	(77.78p)	51.92p	(37.30p)	24.73p
Distributions on income shares	(4.52p)	(13.62)	(14.10p)	(14.73p)
Closing net asset value per share	262.10p	344.40p	306.10p	357.50p
*after direct transaction costs of:***	0.21p	0.61p	0.53p	0.68p
Performance				
Return after charges	(22.58%)	16.96%	(10.43%)	7.12%
Other information				
Closing net asset value	£99,898,268	£114,739,310	£109,758,435	£136,121,021
Closing number of shares	38,113,359	33,313,034	35,857,580	38,080,690
Operating charges - OCF	0.93%	0.92%	0.92%	0.92%
Direct transaction costs	0.08%	0.18%	0.16%	0.19%
Prices				
Highest share price	345.90p	351.90p	362.70p	368.30p
Lowest share price	210.60p	303.00p	299.40p	335.30p

Accumulation C	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	738.60p	630.70p	705.80p	658.40p
Return before operating charges*	(164.23p)	114.22p	(68.95p)	53.61p
Operating charges**	(2.67p)	(6.32p)	(6.15p)	(6.21p)
Return after operating charges*	(166.90p)	107.90p	(75.10p)	47.40p
Distributions on accumulation shares	(9.71p)	(28.36p)	(28.13p)	(28.19p)
Retained distributions on accumulation shares	9.71p	28.36p	28.13p	28.19p
Closing net asset value per share	571.70p	738.60p	630.70p	705.80p
*after direct transaction costs of:***	0.45p	1.26p	1.05p	1.30p
Performance				
Return after charges	(22.60%)	17.11%	(10.64%)	7.20%
Other information				
Closing net asset value	£21,316,278	£3,243,122	£3,165,579	£3,950,725
Closing number of shares	3,728,829	439,097	501,914	559,760
Operating charges - OCF	0.93%	0.92%	0.92%	0.92%
Direct transaction costs	0.08%	0.18%	0.16%	0.19%
Prices				
Highest share price	742.20p	741.40p	716.10p	706.80p
Lowest share price	451.50p	624.50p	604.00p	635.40p

**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.

Statement of Total Return

for the six months ended 15 July 2020 (unaudited)

	15.7.20		15.7.19	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(38,651)		15,463
Revenue	2,192		3,942	
Expenses	(601)		(942)	
Net revenue before taxation	1,591		3,000	
Taxation	(29)		(41)	
Net revenue after taxation		1,562		2,959
Total (deficit)/return before distributions		(37,089)		18,422
Distributions		(2,143)		(3,883)
Change in net assets attributable to shareholders from investment activities		(39,232)		14,539

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2020 (unaudited)

	15.7.20		15.7.19	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		167,172		160,697
Amounts receivable on creation of shares	274		2,447	
Amounts payable on cancellation of shares	(6,521)		(8,986)	
		(6,247)		(6,539)
Dilution adjustment		-		10
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		(39,232)		14,539
Retained distribution on accumulation shares		362		630
Closing net assets attributable to shareholders		122,055		169,337

Balance Sheet

as at 15 July 2020 (unaudited)

	15.7.20		15.1.20	
	£'000	£'000	£'000	£'000
Assets				
Investments		123,422		168,726
Current assets				
Debtors	655		2,464	
Cash and bank balances	44		1,006	
Total current assets		699		3,470
Total assets		124,121		172,196
Liabilities				
Creditors				
Distribution payable on income shares	(1,737)		(2,455)	
Other creditors	(329)		(2,569)	
Total liabilities		(2,066)		(5,024)
Net assets attributable to shareholders		122,055		167,172

Distribution Table (pence per share)

for the six months ended 15 July 2020 (unaudited)

Group 1: Shares purchased prior to 16 January 2020				
Group 2: Shares purchased from 16 January 2020 to 15 July 2020				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.9.20</i>	<i>Distribution paid 15.9.19</i>
Retail Income				
Group 1	4.230000	-	4.230000	7.090000
Group 2	0.930000	3.300000	4.230000	7.090000
Retail Accumulation				
Group 1	9.480000	-	9.480000	14.850000
Group 2	4.050000	5.430000	9.480000	14.850000
Income C				
Group 1	4.520000	-	4.520000	7.540000
Group 2	0.840000	3.680000	4.520000	7.540000
Accumulation C				
Group 1	9.710000	-	9.710000	15.550000
Group 2	2.480000	7.230000	9.710000	15.550000

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

During the period the FTSE All Share fell sharply. The Energy and Communication Services sectors were the worst performers, whilst Health Care was the only sector to deliver positive returns. Over the same time, the fund underperformed the index.

Net allocation effects were negative and driven by an overweight position in Energy names and underweight Utilities. Partially offsetting this was an overweight exposure to Consumer Staples.

At the stock level, the main detractors from relative performance included SSP Group, which has been hit along with other travel and leisure names as restrictions to combat the spread of Covid-19 resulted in a sharp fall in footfall across the company's facilities in airports and railway stations. Furthermore, Capita, saw a precipitous fall after missing earnings estimates and issuing weak guidance. The company also highlighted that its turnaround plan is behind schedule.

Contributors included an underweight position in Lloyds Banking Group, which fell sharply with other financial names amid the spread of Covid-19, the resultant lockdown measures and stimulus packages introduced by governments across the globe. Additionally, Microsoft, gained strongly at the beginning of the period after releasing solid (quarterly earnings that showed cloud computing continued to grow and drive revenues.

The fixed income portion invested in sterling corporate bonds performed below the reference benchmark (in gross terms). Between January and March, the sterling corporate bond market fell from sharply lower corporate spreads and lower UK Gilts yields. The exposure to sterling corporates outperformed with a positive impact from sector allocation while security selection detracted. Between April and July the sterling corporate bond market rose strongly from significantly lower corporate spreads and lower UK Gilts yields. Sterling corporates underperformed with security selection and sector allocation detracting sharply.

Whilst risk markets have rallied strongly as a result of the central bank interventions, credit quality is expected to deteriorate and ratings have already begun to come under pressure. As the number of companies expected to fall into high yield accelerates, credit selection will become more important as the rebound in markets steadies.

During the period major purchases included Barclays, IG Group, Imperial Brands, International Consolidated Airlines and SSE. Sales included Aviva, British American Tobacco, Bunzl, Diageo and Lloyds Banking Group.

Your portfolio aims to deliver diversified exposure to UK equities, with a portfolio yield higher than the market index, by investing in companies with an attractive combination of profitability and valuation. These quality companies typically have sustainable business models, strong balance sheets and good management. We believe this disciplined approach should help investors navigate short-term uncertainties.

Investment Performance

During the period under review, the value of the shares in the Fund decreased by 16.91% while the value of the 70% FTSE-All Share Index 30% Iboxx GBP Corporates Index fell by 10.74%. For information on comparative yields please refer to The Investment Association's website (<https://www.theia.org/industry-data/fund-sectors/equity-income-yields>).

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

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

Fund Particulars as at 16 July 2020 (unaudited)				
	Retail Income	Retail Accumulation	Income C	Accumulation C
Price	121p xd	269.4p	126.7p xd	279.7p
Distribution payable (on 15 August 2020) per share net	0.160000p	0.370000p	0.180000p	0.380000p
Current net estimated yield	4.10%	4.00%	4.10%	4.00%
Annual ACD charge	1.25%	1.25%	0.55%	0.55%

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
UNITED KINGDOM - 73.68% (80.13%)			
Government Bonds - 2.86% (3.60%)			
Treasury 3.5% 22/1/2045	£600,000	980	0.93
Treasury 3.75% 22/7/2052	£340,000	643	0.61
Treasury 4.25% 7/9/2039	£300,000	500	0.48
Treasury 4.75% 7/12/2030	£600,000	883	0.84
Total Government Bonds		3,006	2.86
Corporate Bonds - 10.30% (8.94%)			
Aviva 6.625% variable rate 3/6/2041	£450,000	468	0.45
Barclays Bank 10% 21/5/2021	£800,000	856	0.81
BAT International 7.25% 12/3/2024	£500,000	606	0.58
Centrica 4.375% 13/3/2029	£281,000	330	0.31
Eastern Power Networks 5.75% 8/3/2024	£891,000	1,045	0.99
Hammerson 6% 23/2/2026	£500,000	493	0.47
Imperial Brands 8.125% 15/3/2024	£500,000	613	0.58
Imperial Tobacco Finance 4.875% 7/6/2032	£112,000	135	0.13
Leeds Building Society 13.375% perpetual	£380,000	749	0.71
Legal and General Group 5.5% variable rate 27/6/2064	£221,000	261	0.25
Manchester Airport Group Funding 4.75% 31/3/2034	£317,000	388	0.37
Morrison (WM) Supermarkets 4.75% 4/7/2029	£293,000	365	0.35
M&G 5.7% variable rate 19/12/2063	£300,000	352	0.34
RL Finance No.2 6.125% variable rate 30/11/2043	£250,000	276	0.26
Severn Trent Water Utilities 3.625% 16/1/2026	£633,000	722	0.69
SSE 3.875% variable rate perpetual	£178,000	178	0.17
Tesco Property Finance 5.4111% 13/7/2044	£500,000	623	0.59
United Utilities 5.625% 20/12/2027	£430,000	571	0.54
Vodafone Group 5.625% 4/12/2025	£250,000	310	0.29
Western Power Distribution 3.875% 17/10/2024	£755,000	840	0.80
Zurich Finance 6.625% variable rate perpetual	£600,000	653	0.62
Total Corporate Bonds		10,834	10.30
Oil & Gas - 7.82% (10.54%)			
BP	1,280,842	3,973	3.78
Royal Dutch Shell A	321,170	4,252	4.04
Total Oil & Gas		8,225	7.82
Basic Materials - 5.96% (4.75%)			
Antofagasta	138,976	1,399	1.33
BHP Group	195,458	3,441	3.27
Rio Tinto	29,459	1,427	1.36
Total Basic Materials		6,267	5.96

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Industrials - 6.39% (9.46%)			
BAE Systems	379,586	1,857	1.77
Bunzl	36,496	819	0.78
Capita	1,013,341	396	0.38
Coats Group	1,138,874	618	0.59
Hays	641,424	812	0.77
lbstock	546,769	956	0.91
Rentokil Initial	228,409	1,256	1.19
Total Industrials		6,714	6.39
Consumer Goods - 10.21% (11.55%)			
Associated British Foods	61,197	1,215	1.16
Barratt Developments	151,291	815	0.78
Diageo	35,475	1,009	0.96
Imperial Brands	164,485	2,349	2.23
Persimmon	40,785	1,065	1.01
SSP Group	360,970	907	0.86
Unilever	77,668	3,377	3.21
Total Consumer Goods		10,737	10.21
Healthcare - 8.08% (6.94%)			
AstraZeneca	36,270	3,263	3.10
GlaxoSmithKline	316,971	5,231	4.98
Total Healthcare		8,494	8.08
Consumer Services - 6.36% (7.67%)			
Compass Group	114,003	1,350	1.29
easyJet	105,256	728	0.69
Next	33,258	1,663	1.58
Tesco	1,047,365	2,246	2.14
WHSmith	67,360	698	0.66
Total Consumer Services		6,685	6.36
Telecommunications - 1.32% (1.35%)			
Vodafone Group	1,087,373	1,386	1.32
Total Telecommunications		1,386	1.32
Utilities - 1.65% (0.00%)			
SSE	127,700	1,741	1.65
Total Utilities		1,741	1.65

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Financials - 11.46% (14.07%)			
Barclays	1,980,701	2,383	2.27
Great Portland Estates	141,204	847	0.80
+HSBC Holdings (London listed)	696,368	2,688	2.56
IG Group	224,272	1,856	1.76
Prudential	227,274	2,881	2.74
Royal Bank of Scotland	1,150,186	1,397	1.33
Total Financials		12,052	11.46
Technology - 1.27% (1.26%)			
FDM Group	59,146	544	0.52
Sage Group	114,802	791	0.75
Total Technology		1,335	1.27
Total United Kingdom		77,476	73.68
UNITED STATES - 3.69% (3.13%)			
Corporate Bonds - 2.63% (2.47%)			
AT&T 4.25% 1/6/2043	£600,000	743	0.71
AT&T 5.2% 18/11/2033	£200,000	267	0.25
Goldman Sachs Group 4.25% 29/1/2026	£761,000	869	0.83
Time Warner Cable 5.25% 15/7/2042	£300,000	379	0.36
Wells Fargo 4.875% 29/11/2035	£400,000	509	0.48
Total Corporate Bonds		2,767	2.63
Technology - 1.06% (0.66%)			
Microsoft	6,733	1,110	1.06
Total Technology		1,110	1.06
Total United States		3,877	3.69
AUSTRALIA - 0.12% (0.43%)			
Corporate Bonds - 0.12% (0.43%)			
BHP Billiton Finance 6.5% variable rate 22/10/2077	£117,000	128	0.12
Total Corporate Bonds		128	0.12
Total Australia		128	0.12
BELGIUM - 0.25% (0.20%)			
Corporate Bonds - 0.25% (0.20%)			
Anheuser-Busch Inbev 4% 24/9/2025	£230,000	264	0.25
Total Corporate Bonds		264	0.25
Total Belgium		264	0.25

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
BERMUDA - 0.91% (0.00%)			
Financials - 0.91% (0.00%)			
Hiscox	115,195	954	0.91
Total Financials		954	0.91
Total Bermuda		954	0.91
CAYMAN ISLANDS - 1.09% (0.85%)			
Corporate Bonds - 1.09% (0.85%)			
Yorkshire Power 7.25% 4/8/2028	£800,000	1,142	1.09
Total Corporate Bonds		1,142	1.09
Total Cayman Islands		1,142	1.09
CHANNEL ISLANDS - 3.81% (4.12%)			
Corporate Bonds - 1.33% (1.40%)			
Gatwick Funding Limited 6.5% 2/3/2043	£109,000	159	0.15
Glencore Finance Europe 5.5% 3/4/2022	£250,000	267	0.26
Heathrow Funding 4.625% 31/10/2046	£500,000	674	0.64
Heathrow Funding 7.125% 14/2/2024	£260,000	294	0.28
Total Corporate Bonds		1,394	1.33
Industrials - 1.41% (1.21%)			
Ferguson	21,505	1,479	1.41
Total Industrials		1,479	1.41
Consumer Services - 1.07% (1.51%)			
WPP	185,120	1,130	1.07
Total Consumer Services		1,130	1.07
Total Channel Islands		4,003	3.81
FRANCE - 4.84% (3.83%)			
Corporate Bonds - 4.84% (3.83%)			
AXA 5.625% variable rate 16/1/2054	£700,000	870	0.83
Bouygues 5.5% 6/10/2026	£500,000	626	0.60
BPCE 5.25% 16/4/2029	£500,000	619	0.59
Electricite de France 5.5% 17/10/2041	£400,000	594	0.56
Electricite de France 5.875% variable rate perpetual	£200,000	210	0.20
Electricite de France 6% variable rate perpetual	£600,000	642	0.61
Electricite de France 6% 23/1/2114	£400,000	688	0.65
Orange 5.875% variable rate perpetual	£571,000	603	0.57
Saint-Gobain 5.625% 15/11/2024	£200,000	236	0.23
Total Corporate Bonds		5,088	4.84
Total France		5,088	4.84

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
IRELAND - 4.26% (2.87%)			
Corporate Bonds - 1.80% (1.45%)			
GE Capital UK Funding 4.125% 13/9/2023	£1,800,000	1,895	1.80
Total Corporate Bonds		1,895	1.80
Industrials - 1.45% (1.06%)			
DCC (London listed)	21,189	1,517	1.45
Total Industrials		1,517	1.45
Financials - 1.01% (0.36%)			
*iShares FTSE 250® UCITS ETF	64,488	1,063	1.01
Total Financials		1,063	1.01
Total Ireland		4,475	4.26
ITALY - 0.65% (0.53%)			
Corporate Bonds - 0.65% (0.53%)			
Enel 6.625% variable rate 15/9/2076	£400,000	416	0.39
Telecom Italia 5.875% 19/5/2023	£250,000	270	0.26
Total Corporate Bonds		686	0.65
Total Italy		686	0.65
MEXICO - 0.51% (0.50%)			
Government Bonds - 0.51% (0.50%)			
United Mexican States 5.625% 19/3/2114	£521,000	536	0.51
Total Government Bonds		536	0.51
Total Mexico		536	0.51
NETHERLANDS - 0.67% (0.56%)			
Corporate Bonds - 0.67% (0.56%)			
Deutsche Telekom 8.875% 27/11/2028	£250,000	398	0.38
Petrobras Global Finance 6.625% 16/1/2034	£200,000	204	0.19
Petrobras International Finance 6.25% 14/12/2026	£100,000	106	0.10
Total Corporate Bonds		708	0.67
Total Netherlands		708	0.67
SPAIN - 1.02% (0.00%)			
Consumer Services - 1.02% (0.00%)			
International Consolidated Airlines	467,770	1,073	1.02
Total Consumer Services		1,073	1.02
Total Spain		1,073	1.02

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Portfolio of investments		100,410	95.50
Net other assets		4,731	4.50
Net assets		105,141	100.00
+related party			
*offshore fund			
Figures in brackets denote the comparative percentage holdings as at 15 January 2020.			
Unless otherwise stated, all investments are listed securities.			
Total purchases for the period, including transaction charges, were £21,814,419.			
Total sales for the period, net of transaction charges, were £28,808,054.			
The bond ratings for the portfolio at 15 July 2020 were:			
		<i>Bid value £'000</i>	<i>Total net assets %</i>
Bond credit ratings			
Investment grade		26,267	24.98
Below investment grade		1,432	1.36
Non rated		749	0.71
Total bonds		28,448	27.05

Comparative Tables

Retail Income	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	147.50p	133.40p	152.20p	148.90p
Return before operating charges*	(23.89p)	21.55p	(11.10p)	11.39p
Operating charges**	(1.31p)	(1.98p)	(2.00p)	(2.09p)
Return after operating charges*	(25.20p)	19.57p	(13.10p)	9.30p
Distributions on income shares	(2.00p)	(5.47p)	(5.70p)	(6.00p)
Closing net asset value per share	120.30p	147.50p	133.40p	152.20p
*after direct transaction costs of:***	0.10p	0.19p	0.17p	0.20p
Performance				
Return after charges	(17.08%)	14.67%	(8.61%)	6.25%
Other information				
Closing net asset value	£53,818	£18,980,430	£18,589,511	£22,932,128
Closing number of shares	44,729	12,872,389	13,937,463	15,068,891
Operating charges - OCF	1.43%	1.40%	1.40%	1.40%
Direct transaction costs	0.07%	0.13%	0.12%	0.13%
Prices				
Highest share price	148.10p	148.40p	152.10p	155.10p
Lowest share price	100.20p	132.70p	129.60p	144.80p

Retail Accumulation	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	323.10p	281.20p	308.30p	289.90p
Return before operating charges*	(52.45p)	46.15p	(22.98p)	22.54p
Operating charges**	(2.85p)	(4.25p)	(4.12p)	(4.14p)
Return after operating charges*	(55.30p)	41.90p	(27.10p)	18.40p
Distributions on accumulation shares	(4.40p)	(11.69p)	(11.72p)	(11.83p)
Retained distributions on accumulation shares	4.40p	11.69p	11.72p	11.83p
Closing net asset value per share	267.80p	323.10p	281.20p	308.30p
*after direct transaction costs of:***	0.22p	0.41p	0.36p	0.39p
Performance				
Return after charges	(17.12%)	14.90%	(8.79%)	6.35%
Other information				
Closing net asset value	£22,623	£8,646,558	£8,549,003	£10,140,062
Closing number of shares	8,449	2,676,403	3,039,760	3,289,331
Operating charges - OCF	1.43%	1.40%	1.40%	1.40%
Direct transaction costs	0.07%	0.13%	0.12%	0.13%
Prices				
Highest share price	324.60p	323.40p	309.60p	308.90p
Lowest share price	220.70p	279.80p	272.30p	281.80p

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

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

Comparative Tables

Income C	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	155.00p	139.40p	158.10p	153.90p
Return before operating charges*	(25.56p)	22.33p	(11.76p)	11.52p
Operating charges**	(0.44p)	(1.00p)	(1.00p)	(1.05p)
Return after operating charges*	(26.00p)	21.33p	(12.76p)	10.47p
Distributions on income shares	(2.10p)	(5.73p)	(5.94p)	(6.27p)
Closing net asset value per share	126.90p	155.00p	139.40p	158.10p
*after direct transaction costs of:***	0.09p	0.20p	0.18p	0.21p
Performance				
Return after charges	(16.77%)	15.30%	(8.07%)	6.80%
Other information				
Closing net asset value	£90,602,551	£97,781,832	£96,217,172	£118,517,015
Closing number of shares	71,384,817	63,066,694	69,006,532	74,964,152
Operating charges - OCF	0.68%	0.67%	0.67%	0.68%
Direct transaction costs	0.07%	0.13%	0.12%	0.13%
Prices				
Highest share price	155.70p	156.00p	158.00p	160.70p
Lowest share price	105.40p	138.70p	135.50p	149.60p

Accumulation C	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	336.50p	291.30p	317.50p	296.80p
Return before operating charges*	(55.35p)	47.32p	(24.16p)	22.77p
Operating charges**	(0.95p)	(2.12p)	(2.04p)	(2.07p)
Return after operating charges*	(56.30p)	45.20p	(26.20p)	20.70p
Distributions on accumulation shares	(4.57p)	(12.14p)	(12.10p)	(12.09p)
Retained distributions on accumulation shares	4.57p	12.14p	12.10p	12.09p
Closing net asset value per share	280.20p	336.50p	291.30p	317.50p
*after direct transaction costs of:***	0.20p	0.43p	0.37p	0.40p
Performance				
Return after charges	(16.73%)	15.52%	(8.25%)	6.97%
Other information				
Closing net asset value	£14,461,610	£9,792,150	£9,805,582	£11,844,702
Closing number of shares	5,161,723	2,909,842	3,366,692	3,730,981
Operating charges - OCF	0.68%	0.67%	0.67%	0.68%
Direct transaction costs	0.07%	0.13%	0.12%	0.13%
Prices				
Highest share price	338.20p	336.90p	319.50p	318.10p
Lowest share price	230.00p	289.80p	281.90p	288.70p

**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 2020 (unaudited)

	15.7.20		15.7.19	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(23,901)		11,052
Revenue	1,913		3,028	
Expenses	(369)		(553)	
Net revenue before taxation	1,544		2,475	
Taxation	(68)		(63)	
Net revenue after taxation		1,476		2,412
Total (deficit)/return before distributions		(22,425)		13,464
Distributions		(1,783)		(2,460)
Change in net assets attributable to shareholders from investment activities		(24,208)		11,004

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2020 (unaudited)

	15.7.20		15.7.19	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		135,201		133,161
Amounts receivable on creation of shares	674		917	
Amounts payable on cancellation of shares	(6,768)		(7,751)	
		(6,094)		(6,834)
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		(24,208)		11,004
Retained distribution on accumulation shares		242		330
Closing net assets attributable to shareholders		105,141		137,661

Balance Sheet

as at 15 July 2020 (unaudited)

	15.7.20		15.1.20	
	£'000	£'000	£'000	£'000
Assets				
Investments		100,410		131,346
Current assets				
Debtors	849		2,309	
Cash and bank balances	4,265		3,824	
Total current assets		5,114		6,133
Total assets		105,524		137,479
Liabilities				
Creditors				
Distribution payable on income shares	(129)		(595)	
Other creditors	(254)		(1,683)	
Total liabilities		(383)		(2,278)
Net assets attributable to shareholders		105,141		135,201

Distribution Tables (pence per share)

for the six months ended 15 July 2020 (unaudited)

Group 1: Shares purchased prior to 16 June 2020				
Group 2: Shares purchased from 16 June 2020 to 15 July 2020				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.8.20</i>	<i>Distribution paid 15.8.19</i>
Retail Income				
Group 1	0.160000	-	0.160000	0.450000
Group 2	0.070000	0.090000	0.160000	0.450000
Retail Accumulation				
Group 1	0.370000	-	0.370000	0.950000
Group 2	0.370000	0.000000	0.370000	0.950000
Income C				
Group 1	0.180000	-	0.180000	0.470000
Group 2	0.050000	0.130000	0.180000	0.470000
Accumulation C				
Group 1	0.380000	-	0.380000	0.990000
Group 2	0.120000	0.260000	0.380000	0.990000

Group 1: Shares purchased prior to 16 May 2020				
Group 2: Shares purchased from 16 May 2020 to 15 June 2020				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.7.20</i>	<i>Distribution paid 15.7.19</i>
Retail Income				
Group 1	0.370000	-	0.370000	0.440000
Group 2	0.200000	0.170000	0.370000	0.440000
Retail Accumulation				
Group 1	0.800000	-	0.800000	0.940000
Group 2	0.800000	0.000000	0.800000	0.940000
Income C				
Group 1	0.380000	-	0.380000	0.460000
Group 2	0.050000	0.330000	0.380000	0.460000
Accumulation C				
Group 1	0.840000	-	0.840000	0.980000
Group 2	0.130000	0.710000	0.840000	0.980000

Distribution Tables (pence per share)

for the six months ended 15 July 2020 (unaudited)

Group 1: Shares purchased prior to 16 April 2020				
Group 2: Shares purchased from 16 April 2020 to 15 May 2020				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.6.20</i>	<i>Distribution paid 15.6.19</i>
Retail Income				
Group 1	0.370000	-	0.370000	0.440000
Group 2	0.220000	0.150000	0.370000	0.440000
Retail Accumulation				
Group 1	0.830000	-	0.830000	0.940000
Group 2	0.830000	0.000000	0.830000	0.940000
Income C				
Group 1	0.390000	-	0.390000	0.460000
Group 2	0.210000	0.180000	0.390000	0.460000
Accumulation C				
Group 1	0.860000	-	0.860000	0.970000
Group 2	0.440000	0.420000	0.860000	0.970000

Group 1: Shares purchased prior to 16 March 2020				
Group 2: Shares purchased from 16 March 2020 to 15 April 2020				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.5.20</i>	<i>Distribution paid 15.5.19</i>
Retail Income				
Group 1	0.350000	-	0.350000	0.440000
Group 2	0.000000	0.350000	0.350000	0.440000
Retail Accumulation				
Group 1	0.760000	-	0.760000	0.920000
Group 2	0.760000	0.000000	0.760000	0.920000
Income C				
Group 1	0.370000	-	0.370000	0.460000
Group 2	0.000000	0.370000	0.370000	0.460000
Accumulation C				
Group 1	0.780000	-	0.780000	0.960000
Group 2	0.000000	0.780000	0.780000	0.960000

Distribution Tables (pence per share)

for the six months ended 15 July 2020 (unaudited)

Group 1: Shares purchased prior to 16 February 2020				
Group 2: Shares purchased from 16 February 2020 to 15 March 2020				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.4.20</i>	<i>Distribution paid 15.4.19</i>
Retail Income				
Group 1	0.440000	-	0.440000	0.440000
Group 2	0.000000	0.440000	0.440000	0.440000
Retail Accumulation				
Group 1	0.960000	-	0.960000	0.930000
Group 2	0.960000	0.000000	0.960000	0.930000
Income C				
Group 1	0.460000	-	0.460000	0.460000
Group 2	0.140000	0.320000	0.460000	0.460000
Accumulation C				
Group 1	1.010000	-	1.010000	0.960000
Group 2	0.000000	1.010000	1.010000	0.960000

Group 1: Shares purchased prior to 16 January 2020				
Group 2: Shares purchased from 16 January 2020 to 15 February 2020				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.3.20</i>	<i>Distribution paid 15.3.19</i>
Retail Income				
Group 1	0.310000	-	0.310000	0.300000
Group 2	0.270000	0.040000	0.310000	0.300000
Retail Accumulation				
Group 1	0.680000	-	0.680000	0.640000
Group 2	0.560000	0.120000	0.680000	0.640000
Income C				
Group 1	0.320000	-	0.320000	0.320000
Group 2	0.210000	0.110000	0.320000	0.320000
Accumulation C				
Group 1	0.700000	-	0.700000	0.660000
Group 2	0.510000	0.190000	0.700000	0.660000

Gilt & Fixed Interest

Investment Objective

The Fund aims to provide higher returns, before charges and tax are deducted from the Fund, than the FTSE Actuaries UK Conventional Gilts All Stocks Index plus 0.75% per year over three-year periods.

Investment Policy

To achieve its objective, the Fund will invest at least 95% of its value in bonds that have a credit rating the same or higher than that of the UK government and are issued in sterling or hedged back to sterling. The bonds may be issued by governments and related organisations which may be located in any country. The Fund will invest at least 80% of its value in bonds issued by the UK government (gilts).

The Fund may also invest up to 5% of its value in other types bonds and assets, such as bonds with a credit rating lower than the UK government 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 FTSE Actuaries UK Conventional Gilts All Stocks Index.

The fund manager aims to generate returns in excess of the FTSE Actuaries UK Conventional Gilts All Stocks Index plus 0.75% per year over three-year periods before charges and tax are deducted from the Fund, based on our current view of returns the Fund may potentially achieve, which may change.

The FTSE Actuaries UK Conventional Gilts All Stocks 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 gilts market.

To enable investors to assess the performance of the Fund, it is shown against the performance of the FTSE Actuaries UK Conventional Gilts All Stocks Index plus 0.75% per year.

*The full strategy can be found in the prospectus.

Portfolio Activity

The Fund NAV rose significantly over the period as Gilt yields fell sharply as the COVID-19 pandemic took centre stage across the globe. As the pandemic became a global risk for economic activity, prices of safe-haven assets such as UK Gilts rose (yields fell). The Fund relative performance was slightly below benchmark. The Fund had in place various active strategies over the period in government bonds. We moved from an underweight in the UK to an overweight in the US at the beginning of the period. We also had in place in Q1 an underweight UK versus overweight Germany which was positive while an overweight in Spain impacted negatively. In Q2 we closed the small overweight and shifted to a slight underweight. We also had a relative position via an overweight in US versus underweight in UK which was slightly negative. We also had an overweight in 10y Gilts versus an underweight in 30y Gilts which contributed positively. Over the full period, the Fund also had a small overweight in high quality Corporates that was slightly negative as corporate spreads rose sharply in Q1 and receded partially in Q2.

Outlook

Long-term yields could move lower based on the policy accommodation imposed by the Bank of England (low interest rates and substantial quantitative easing). However larger fiscal deficits and a significant increase in required government borrowing have led to higher levels of issuance and higher debt metrics going forward. While on the political front, Brexit remains a key risk. Overall long-term yields are expected to remain in a lower, less volatile trading pattern with progress on reopening the economy key to whether gilt yields will rise later in the year.

Activity

During the period major purchases included: Treasury 0.875% 22/10/2029, Treasury 1.75% 22/1/2049 and Treasury 0.5% 22/7/2022.

Sales included: Treasury 1.5% 22/1/2021, Treasury 1.75% 7/9/2022 and Treasury 0.875% 22/10/2029.

Investment Performance

During the period under review, the value of the shares in the Fund increased by 6.17% while the value of the FTSE Actuaries UK Conventional Gilts All Stocks Index + 0.75% rose by 6.66%.

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

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

Fund Particulars

as at 16 July 2020 (unaudited)

	Retail Income	Retail Accumulation	Institutional Income	Income C	Accumulation C
Price	80.36p xd	532.8p	80.27p xd	80.1p xd	548.5p
Distribution payable (on 15 September 2020) per share net	0.490000p	1.510000p	0.370000p	0.290000p	2.000000p
Current net estimated yield	1.33%	1.31%	2.04%	1.64%	1.63%
Annual ACD charge	0.60%	0.60%	0.00%	0.30%	0.30%

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
GOVERNMENT BONDS - 95.27% (96.43%)			
Government of Spain 0.05% 31/10/2021	€1,705,000	1,552	2.25
Network Rail 4.625% 21/7/2020	£1,123,000	1,124	1.63
Treasury 0.125% 31/1/2023	£1,550,000	1,557	2.26
Treasury 0.125% 30/1/2026	£300,000	302	0.44
Treasury 0.375% 22/10/2030	£730,000	743	1.08
Treasury 0.5% 22/7/2022	£2,000,000	2,024	2.94
Treasury 0.625% 7/6/2025	£2,750,000	2,841	4.12
Treasury 0.625% 22/10/2050	£350,000	343	0.50
Treasury 0.875% 22/10/2029	£3,550,000	3,799	5.51
Treasury 1.25% 22/10/2041	£100,000	112	0.16
Treasury 1.5% 22/1/2021	£1,150,000	1,159	1.68
Treasury 1.5% 22/7/2026	£1,200,000	1,311	1.90
Treasury 1.5% 22/7/2047	£584,000	701	1.02
Treasury 1.625% 22/10/2028	£1,570,000	1,773	2.57
Treasury 1.625% 22/10/2054	£1,005,000	1,298	1.88
Treasury 1.625% 22/10/2071	£775,000	1,148	1.66
Treasury 1.75% 7/9/2022	£420,000	436	0.63
Treasury 1.75% 7/9/2037	£880,000	1,053	1.53
Treasury 1.75% 22/1/2049	£2,350,000	2,997	4.35
Treasury 1.75% 22/7/2057	£270,000	368	0.53
Treasury 2% 7/9/2025	£950,000	1,052	1.53
Treasury 2.25% 7/9/2023	£3,253,000	3,487	5.06
Treasury 2.5% 22/7/2065	£1,761,600	3,057	4.43
Treasury 2.75% 7/9/2024	£360,000	402	0.58
Treasury 3.25% 22/1/2044	£955,000	1,487	2.16
Treasury 3.5% 22/1/2045	£1,121,000	1,832	2.66
Treasury 3.75% 22/7/2052	£447,000	845	1.23
Treasury 4% 22/1/2060	£50,000	109	0.16
Treasury 4.25% 7/12/2027	£708,000	929	1.35
Treasury 4.25% 7/6/2032	£2,180,000	3,190	4.63
Treasury 4.25% 7/3/2036	£1,896,200	2,978	4.32
Treasury 4.25% 7/9/2039	£859,000	1,430	2.07
Treasury 4.25% 7/12/2040	£1,062,000	1,799	2.61
Treasury 4.25% 7/12/2046	£794,000	1,477	2.14
Treasury 4.25% 7/12/2055	£1,974,000	4,212	6.11
Treasury 4.5% 7/9/2034	£260,000	407	0.59
Treasury 4.5% 7/12/2042	£813,000	1,465	2.12
Treasury 4.75% 7/12/2030	£2,280,000	3,356	4.87
Treasury 4.75% 7/12/2038	£589,000	1,023	1.48
Treasury 5% 7/3/2025	£2,000,000	2,469	3.58
US Treasury 1.5% 15/2/2030	\$1,600,000	1,373	1.99
US Treasury 2% 15/2/2050	\$720,000	665	0.96
Total Government Bonds		65,685	95.27

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
CORPORATE BONDS - 1.39% (2.81%)			
Wells Fargo & Co. 1.375% 30/6/2022	£953,000	958	1.39
Total Corporate Bonds		958	1.39
MONEY MARKET - 1.76% (0.11%)			
+ ^HSBC Global Liquidity Fund	£1,211,914	1,212	1.76
Total Money Market		1,212	1.76
FORWARD FOREIGN EXCHANGE CONTRACTS - (0.01%) (-0.02%)			
#Sold EUR 1,720,000 for GBP 1,534,144 settled 7 August 2020		(22)	(0.03)
#Sold USD 2,242,000 for GBP 1,788,167 settled 10 August 2020		12	0.02
#Sold USD 190,000 for GBP 151,717 settled 10 August 2020		1	-
Total Forward Foreign Exchange Contracts		(9)	(0.01)
FUTURES - (0.03%) (0.00%)			
ICF ICE Long Gilt Future September 2020	(22)	(6)	(0.01)
CBT US 10 Year Ultra Future September 2020	(11)	(15)	(0.02)
Total Futures		(21)	(0.03)
Portfolio of investments		67,825	98.38
Net other assets		1,115	1.62
Net assets		68,940	100.00
+related party			
#unlisted			
^investment scheme registered outside the UK			
Figures in brackets denote the comparative percentage holdings as at 15 January 2020.			
Unless otherwise stated, all investments are listed securities.			
The counterparties for the Forward Foreign Exchange Contracts are HSBC and RBS.			
Total purchases for the period, including transaction charges, were £30,108,625.			
Total sales for the period, net of transaction charges, were £23,017,530.			
The bond ratings for the portfolio at 15 July 2020 were:			
		<i>Bid value £'000</i>	<i>Total net assets %</i>
Bond credit ratings			
Investment Grade		65,091	94.41
Not Rated		1,552	2.25
Total bonds		66,643	96.66

Comparative Tables

Retail Income	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	75.50p	71.64p	72.29p	72.48p
Return before operating charges*	7.05p	5.64p	1.42p	2.06p
Operating charges**	(0.37p)	(0.56p)	(0.62p)	(0.66p)
Return after operating charges*	6.68p	5.08p	0.80p	1.40p
Distributions on income shares	(0.49p)	(1.22p)	(1.45p)	(1.59p)
Closing net asset value per share	81.69p	75.50p	71.64p	72.29p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
Performance				
Return after charges	8.85%	7.09%	1.11%	1.93%
Other information				
Closing net asset value	£11,558	£4,974,327	£6,169,948	£6,800,865
Closing number of shares	14,148	6,588,131	8,612,392	9,407,781
Operating charges - OCF	0.78%	0.75%	0.75%	0.90%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price	82.96p	78.75p	73.07p	75.22p
Lowest share price	73.26p	71.03p	69.64p	71.65p

Retail Accumulation	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	500.70p	467.40p	462.10p	453.30p
Return before operating charges*	32.21p	36.99p	9.28p	12.98p
Operating charges**	(2.01p)	(3.69p)	(3.98p)	(4.18p)
Return after operating charges*	30.20p	33.30p	5.30p	8.80p
Distributions on accumulation shares	(3.20p)	(8.00p)	(9.36p)	(10.05p)
Retained distributions on accumulation shares	3.20p	8.00p	9.36p	10.05p
Closing net asset value per share	530.90p	500.70p	467.40p	462.10p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
Performance				
Return after charges	6.03%	7.12%	1.15%	1.94%
Other information				
Closing net asset value	£7,496,880	£17,040,976	£16,601,267	£17,952,103
Closing number of shares	1,412,221	3,403,449	3,552,148	3,884,747
Operating charges - OCF	0.77%	0.75%	0.75%	0.90%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price	550.00p	518.30p	470.20p	472.10p
Lowest share price	485.70p	463.40p	449.20p	448.90p

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

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

Comparative Tables

Institutional Income	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	75.88p	71.97p	72.62p	72.81p
Return before operating charges*	4.89p	5.70p	1.43p	2.10p
Operating charges**	(0.02p)	(0.02p)	(0.02p)	(0.04p)
Return after operating charges*	4.87p	5.68p	1.41p	2.06p
Distributions on income shares	(0.77p)	(1.77p)	(2.06p)	(2.25p)
Closing net asset value per share	79.98p	75.88p	71.97p	72.62p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
Performance				
Return after charges	6.42%	7.89%	1.94%	2.83%
Other information				
Closing net asset value	£657,987	£1,157,976	£9,177,129	£5,128,462
Closing number of shares	822,683	1,526,053	12,751,101	7,061,752
Operating charges - OCF	0.04%	0.02%	0.03%	0.06%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price	83.46p	79.20p	73.50p	75.72p
Lowest share price	73.72p	71.36p	70.10p	71.99p

Income C	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	75.71p	71.84p	72.49p	72.68p
Return before operating charges*	4.88p	5.66p	1.43p	2.08p
Operating charges**	(0.18p)	(0.32p)	(0.31p)	(0.32p)
Return after operating charges*	4.70p	5.34p	1.12p	1.76p
Distributions on income shares	(0.61p)	(1.47p)	(1.77p)	(1.95p)
Closing net asset value per share	79.80p	75.71p	71.84p	72.49p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
Performance				
Return after charges	6.21%	7.43%	1.55%	2.42%
Other information				
Closing net asset value	£20,887,115	£12,104,113	£12,798,038	£13,776,607
Closing number of shares	26,173,452	15,986,769	17,815,090	19,004,928
Operating charges - OCF	0.45%	0.43%	0.43%	0.43%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price	83.22p	79.00p	73.31p	75.51p
Lowest share price	73.50p	71.22p	69.90p	71.86p

**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

Accumulation C	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	514.60p	478.70p	471.30p	460.20p
Return before operating charges*	33.09p	38.09p	9.43p	13.12p
Operating charges**	(1.19p)	(2.19p)	(2.03p)	(2.02p)
Return after operating charges*	31.90p	35.90p	7.40p	11.10p
Distributions on accumulation shares	(4.21p)	(9.84p)	(11.60p)	(12.47p)
Retained distributions on accumulation shares	4.21p	9.84p	11.60p	12.47p
Closing net asset value per share	546.50p	514.60p	478.70p	471.30p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
Performance				
Return after charges	6.20%	7.50%	1.57%	2.41%
Other information				
Closing net asset value	£39,886,428	£22,534,552	£9,414,995	£10,235,835
Closing number of shares	7,298,259	4,379,360	1,966,638	2,171,668
Operating charges - OCF	0.45%	0.43%	0.43%	0.43%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price	565.60p	532.00p	480.70p	480.70p
Lowest share price	499.60p	474.60p	458.30p	455.80p
**The operating charges include all costs borne by the Fund, except for direct transaction costs.				
***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.				

Statement of Total Return

for the six months ended 15 July 2020 (unaudited)

	15.7.20		15.7.19	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		3,247		2,518
Revenue	374		496	
Expenses	(146)		(132)	
Interest payable and similar charges	-		(1)	
Net revenue before taxation	228		363	
Taxation	-		-	
Net revenue after taxation		228		363
Total return before distributions		3,475		2,881
Distributions		(468)		(625)
Change in net assets attributable to shareholders from investment activities		3,007		2,256

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2020 (unaudited)

	15.7.20		15.7.19	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		57,812		54,161
Amounts receivable on creation of shares	15,125		16,515	
Amounts payable on cancellation of shares	(7,334)		(5,045)	
		7,791		11,470
Dilution adjustment		8		2
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		3,007		2,256
Retained distribution on accumulation shares		322		251
Closing net assets attributable to shareholders		68,940		68,140

Balance Sheet

as at 15 July 2020 (unaudited)

	15.7.20		15.1.20	
	£'000	£'000	£'000	£'000
Assets				
Investments		67,868		57,437
Current assets				
Debtors	1,772		375	
Cash and bank balances	228		147	
Total current assets		2,000		522
Total assets		69,868		57,959
Liabilities				
Investment liabilities		(43)		(14)
Creditors				
Distribution payable on income shares	(79)		(81)	
Other creditors	(806)		(52)	
Total creditors		(885)		(133)
Total liabilities		(928)		(147)
Net assets attributable to shareholders		68,940		57,812

Distribution Tables (pence per share)

for the six months ended 15 July 2020 (unaudited)

Group 1: Shares purchased prior to 16 April 2020				
Group 2: Shares purchased from 16 April 2020 to 15 July 2020				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.9.20</i>	<i>Distribution paid 15.9.19</i>
Retail Income				
Group 1	0.490000	-	0.490000	0.320000
Group 2	0.490000	0.000000	0.490000	0.320000
Retail Accumulation				
Group 1	1.510000	-	1.510000	2.060000
Group 2	0.500000	1.010000	1.510000	2.060000
Institutional Income				
Group 1	0.370000	-	0.370000	0.440000
Group 2	0.370000	0.000000	0.370000	0.440000
Income C				
Group 1	0.290000	-	0.290000	0.380000
Group 2	0.120000	0.170000	0.290000	0.380000
Accumulation C				
Group 1	2.000000	-	2.000000	2.510000
Group 2	1.390000	0.610000	2.000000	2.510000

Distribution Tables (pence per share)

for the six months ended 15 July 2020 (unaudited)

Group 1: Shares purchased prior to 16 January 2020				
Group 2: Shares purchased from 16 January 2020 to 15 April 2020				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.6.20</i>	<i>Distribution paid 15.6.19</i>
Retail Income				
Group 1	0.000000	-	0.000000	0.320000
Group 2	0.000000	0.000000	0.000000	0.320000
Retail Accumulation				
Group 1	1.690000	-	1.690000	2.140000
Group 2	1.240000	0.450000	1.690000	2.140000
Institutional Income				
Group 1	0.400000	-	0.400000	0.460000
Group 2	0.400000	0.000000	0.400000	0.460000
Income C				
Group 1	0.320000	-	0.320000	0.380000
Group 2	0.140000	0.180000	0.320000	0.380000
Accumulation C				
Group 1	2.210000	-	2.210000	2.580000
Group 2	0.850000	1.360000	2.210000	2.580000

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 increased over the period, performing above the reference benchmark (in gross terms). In Q1, the sterling corporate bond market fell from sharply lower corporate spreads and lower UK Gilts yields. The Fund outperformed with a positive impact from asset allocation while security selection detracted. In individual selection the underperformance came mostly from Financials, with also some small negative impacts from Consumer Services and Industrials.

The positioning in credit was broadly neutral as we moved to a more cautious positioning as spreads started to rise in end-Feb. From April to mid-July, the sterling corporate bond market rose strongly from significantly lower corporate spreads and lower UK Gilts yields. The Fund slightly underperformed with a positive impact from security selection while asset location detracted while duration positioning was slightly negative. In individual selection the outperformance came mainly from Financials and Consumer Services.

Outlook

Whilst risk markets have rallied strongly as a result of the central bank interventions, credit quality is expected to deteriorate and ratings have already begun to come under pressure. As the number of companies expected to fall into high yield accelerates, credit selection will become more important as the rebound in markets steadies. With the UK appearing to reject an extension to the Brexit transition beyond 2020, a potential no-deal exit could become the main uncertainty for sterling credit in H2. However, with over a half of the sterling market being foreign issuers and with the continued BoE bond purchasing providing strong technical support, we expect markets to continue to tighten on the assumption of no major second wave of the pandemic.

Activity

During the period major purchases included: Credit Suisse Group 2.25% variable rate 9/6/2028, BAT International Finance 4% 23/11/2055 and Credit Suisse 2.75% 8/8/2025.

Sales included: Electricite De France 5.5% 17/10/2041, Daimler 2.75% 4/12/2020 and Total Capital International 1.405% 3/9/2031.

Investment Performance

During the period under review, the value of the shares in the Fund increased by 2.00% while the value of the Market Iboxx GBP Corporates Index +1% rose by 2.14%.

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

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

Fund Particulars

as at 16 July 2020 (unaudited)

	Retail Income	Retail Accumulation	Institutional Income	Institutional Accumulation
Price	129.9p xd	312.7p	238.9p xd	374.8p
Distribution payable (on 15 September 2020) per share net	0.720000p	1.740000p	1.990000p	3.100000p
Current net estimated yield	2.21%	2.19%	3.32%	3.26%
Annual ACD charge	1.00%	1.00%	0.00%	0.00%

	Income C	Accumulation C	Institutional Gross Accumulation
Price	130.5p xd	328.4p	376.0p
Distribution payable (on 15 September 2020) per share net	0.960000p	2.410000p	3.110000p
Current net estimated yield	2.93%	2.88%	3.26%
Annual ACD charge	0.30%	0.30%	0.00%

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
UNITED KINGDOM - 48.18% (42.97%)			
Government Bonds - 5.90% (5.24%)			
Treasury 1.50% 22/7/2047	£1,750,000	2,100	0.23
Treasury 1.625% 22/10/2028	£8,968,000	10,126	1.13
Treasury 1.625% 22/10/2071	£2,765,000	4,095	0.46
Treasury 4.25% 7/6/2032	£1,161,000	1,699	0.19
Treasury 4.25% 7/3/2036	£8,500,000	13,351	1.49
Treasury 4.25% 7/9/2039	£2,750,000	4,579	0.51
Treasury 4.5% 7/9/2034	£3,258,000	5,100	0.57
Treasury 4.5% 7/12/2042	£3,000,000	5,406	0.60
Treasury 4.75% 7/12/2038	£3,750,000	6,516	0.72
Total Government Bonds		52,972	5.90
Corporate Bonds - 42.28% (37.73%)			
Affinity Water Programme Finance 3.625% 30/9/2022	£800,000	847	0.09
Anglian Water 4.5% 22/2/2026	£2,571,000	2,828	0.31
Annington Funding 3.184% 12/7/2029	£4,104,000	4,517	0.50
Annington Funding 3.685% 12/7/2034	£3,132,000	3,642	0.41
Annington Funding 3.935% 12/7/2047	£1,800,000	2,220	0.25
Astrazeneca 5.75% 13/11/2031	£1,564,000	2,307	0.26
Aviva 4.375% variable rate 12/9/2049	£2,000,000	2,179	0.24
Aviva 6.125% 14/11/2036	£4,300,000	5,094	0.57
Aviva 6.125% variable rate perpetual	£2,900,000	3,103	0.35
Aviva 6.625% variable rate 3/6/2041	£1,550,000	1,612	0.18
Aviva 6.875% variable rate 20/5/2058	£650,000	945	0.11
Barclays Bank 2.375% variable rate 6/10/2023	£7,840,000	7,971	0.89
Barclays Bank 3% 8/5/2026	£9,983,000	10,504	1.17
Barclays Bank 3.25% 12/2/2027	£2,955,000	3,171	0.35
Barclays Bank 7.875% variable rate perpetual	£2,750,000	2,784	0.31
Barclays Bank 9.5% 7/8/2021	£460,000	496	0.06
Barclays Bank 10% 21/5/2021	£3,550,000	3,799	0.42
BAT International Finance 4% 4/9/2026	£650,000	728	0.08
BAT International Finance 4% 23/11/2055	£4,915,000	5,641	0.63
BAT International Finance 6% 24/11/2034	£1,450,000	1,951	0.22
BP Capital Markets 1.231% 8/5/2031	€2,500,000	2,275	0.25
BP Capital Markets 1.827% 8/9/2025	£2,721,000	2,839	0.32
BP Capital Markets 2.274% 3/7/2026	£2,500,000	2,675	0.30
BP Capital Markets 3.25% variable rate perpetual	€1,379,000	1,268	0.14
BP Capital Markets 3.625% variable rate perpetual	€1,500,000	1,379	0.15
BP Capital Markets 4.25% variable rate perpetual	£2,143,000	2,183	0.24
BP Capital Markets 4.375% variable rate perpetual	\$1,136,000	926	0.10
BP Capital Markets 4.875% variable rate perpetual	\$1,290,000	1,076	0.12
BUPA Finance 4.125% 14/6/2035	£1,052,000	1,097	0.12
BUPA Finance 5% 8/12/2026	£1,612,000	1,791	0.20
Cadent Finance 2.125% 22/9/2028	£3,750,000	3,976	0.44
Cadent Finance 2.625% 22/9/2038	£2,190,000	2,447	0.27

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Cadent Finance 2.75% 22/9/2046	£2,500,000	2,871	0.32
Centrica 5.25% variable rate 10/4/2075	£1,500,000	1,519	0.17
Centrica 7% 19/9/2033	£5,450,000	8,166	0.91
Clarion Funding 1.875% 22/1/2035	£1,039,000	1,067	0.12
CYBG 3.125% variable rate 22/6/2025	£2,500,000	2,450	0.27
Direct Line Insurance Group 4.75% variable rate perpetual	£2,758,000	2,515	0.28
Direct Line Insurance Group 9.25% variable rate 27/4/2042	£308,000	349	0.04
Direct Line Insurance Group 4% 5/6/2032	£1,249,000	1,323	0.15
Eastern Power Networks 5.75% 8/3/2024	£2,338,000	2,743	0.31
FCE Bank 2.727% 3/6/2022	£2,710,000	2,626	0.29
Friends Life Holdings 8.25% 21/4/2022	£3,000,000	3,337	0.37
Friends Life Holdings 12% 21/5/2021	£1,915,000	2,084	0.23
GKN 3.375% 12/5/2032	£724,000	719	0.08
GKN 5.375% 19/9/2022	£1,250,000	1,299	0.14
Glaxosmithkline 5.25% 19/12/2033	£2,342,000	3,481	0.39
Glaxosmithkline 5.25% 10/4/2042	£5,031,000	8,301	0.92
Glaxosmithkline 6.375% 9/3/2039	£2,050,000	3,621	0.40
Glaxosmithkline Capital 1.25% 12/10/2028	£1,600,000	1,620	0.18
Hammerson 3.5% 27/10/2025	£1,800,000	1,608	0.18
Hammerson 6% 23/2/2026	£3,459,000	3,408	0.38
Hammerson 7.25% 21/4/2028	£150,000	154	0.02
+HSBC Bank 6% 29/3/2040	£4,400,000	5,540	0.62
+HSBC Holdings 2.175% variable rate 27/6/2023	£4,865,000	4,917	0.55
+HSBC Holdings 2.256% variable rate 13/11/2026	£7,655,000	7,785	0.87
+HSBC Holdings 3% variable rate 22/7/2028	£4,076,000	4,330	0.48
+HSBC Holdings 5.875% variable rate perpetual	£2,705,000	2,658	0.30
+HSBC Holdings 6.75% 11/9/2028	£2,500,000	3,194	0.36
Imperial Brands Finance 5.5% 28/9/2026	£2,900,000	3,485	0.39
Imperial Tobacco Finance 4.875% 7/6/2032	£1,008,000	1,214	0.14
Leeds Building Society 3.75% variable rate 25/4/2029	£2,000,000	2,016	0.22
Legal & General Group 3.75% variable rate 26/11/2049	£2,292,000	2,320	0.26
Legal & General Group 4.5% variable rate 1/11/2050	£1,573,000	1,677	0.19
Legal & General Group 5.125% variable rate 14/11/2048	£3,359,000	3,768	0.42
Legal & General Group 5.375% variable rate 27/10/2045	£6,596,000	7,407	0.82
Legal & General Group 5.5% variable rate 27/6/2064	£3,147,000	3,710	0.41
Legal & General Group 5.625% variable rate Perpetual	£625,000	623	0.07
Lloyds Banking Group 7.625% 22/4/2025	£260,000	325	0.04
Lloyds Banking Group 9.625% 6/4/2023	£3,500,000	4,195	0.47
Lloyds Banking Group 9.625% 6/4/2023	£300,000	360	0.04
M&G 3.875% variable rate 20/7/2049	£3,294,000	3,355	0.37
M&G 5% variable rate 20/7/2055	£2,830,000	3,065	0.34
M&G 5.7% variable rate 19/12/2063	£2,350,000	2,756	0.31
Manchester Airport Group Funding 2.875% 30/9/2044	£2,353,000	2,277	0.25
Manchester Airport Group Funding 4.125% 2/4/2024	£3,700,000	3,951	0.44
Marks & Spencer 3.25% 10/7/2027	£2,750,000	2,702	0.30
Marks & Spencer 4.75% 12/6/2025	£2,895,000	3,097	0.34

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Marks & Spencer 6.125% 6/12/2021	£500,000	523	0.06
Mitchells & Butler 6.469% 15/9/2030	£1,840,000	2,028	0.23
Morrison (WM) Supermarkets 4.75% 4/7/2029	£2,928,000	3,647	0.41
Motability Operations Group 1.75% 3/7/2029	£2,467,000	2,599	0.29
Motability Operations Group 2.375% 14/3/2032	£2,431,000	2,713	0.30
Motability Operations Group 2.375% 3/7/2039	£2,420,000	2,730	0.30
National Grid Gas 1.375% 7/2/2031	£1,842,000	1,873	0.21
National Westminster Bank 6.5% 7/9/2021	£720,000	755	0.08
Nationwide Building Society 5.875% variable rate perpetual	£600,000	605	0.07
NGG Finance 5.625% variable rate 18/6/2073	£4,500,000	5,096	0.57
Northern Powergrid Yorkshire 2.25% 9/10/2059	£643,000	730	0.08
Northumbrian Water Finance 1.625% 11/10/2026	£2,737,000	2,824	0.31
Northumbrian Water Finance 2.375% 5/10/2027	£4,643,000	5,015	0.56
Pension Insurance 4.625% 7/5/2031	£430,000	461	0.05
Places For People Homes 2.875% 17/8/2026	£3,126,000	3,309	0.37
Prudential 3.125% 14/4/2030	\$1,082,000	929	0.10
Rio Tinto Finance 4% 11/12/2029	£1,808,000	2,263	0.25
RL Finance Bonds No.2 6.125% variable rate 30/11/2043	£550,000	607	0.07
RL Finance Bonds No.4 4.875% variable rate 7/10/2049	£750,000	775	0.09
Royal Bank of Scotland Group 2.875% variable rate 19/9/2026	£5,400,000	5,662	0.63
Royal Bank of Scotland Group 3.125% variable rate 28/3/2027	£2,561,000	2,714	0.30
Saga 3.375% 12/5/2024	£2,108,000	1,650	0.18
Santander UK Group Holdings 2.92% variable rate 8/5/2026	£2,700,000	2,828	0.31
Santander UK Group Holdings 6.75% variable rate perpetual	£2,285,000	2,351	0.26
Scotland Gas Network 3.25% 8/3/2027	£1,000,000	1,124	0.12
Scottish Hydro Electric Transmission 2.25% 27/9/2035	£550,000	597	0.07
Severn Trent Utilities Finance 2% 2/6/2040	£1,037,000	1,089	0.12
Severn Trent Water Utilities 3.625% 16/1/2026	£167,000	190	0.02
Severn Trent Water Utilities 6.125% 26/2/2024	£1,462,000	1,732	0.19
Society of Lloyds 4.875% variable rate 7/2/2047	£1,000,000	1,043	0.12
South Eastern Power Networks 5.5% 5/6/2026	£3,000,000	3,709	0.41
South Eastern Power Networks 6.375% 12/11/2031	£2,000,000	3,030	0.34
SP Manweb 4.875% 20/9/2027	£500,000	622	0.07
SP Transmission 2% 13/11/2031	£1,290,000	1,363	0.15
SSE 3.875% variable rate perpetual	£3,439,000	3,439	0.38
SSE 4.75% variable rate 16/9/2077	\$4,372,000	3,520	0.39
SSE 8.375% 20/11/2028	£3,124,000	4,776	0.53
Tesco Corporate Treasury Service 2.75% 27/4/2030	£735,000	782	0.09
Tesco Personal Finance Group 3.5% 25/7/2025	£500,000	522	0.06
Thames Water Utilities Cayman Finance 2.625% 24/1/2032	£1,000,000	1,086	0.12
Thames Water Utilities Cayman Finance 4% 19/6/2025	£1,000,000	1,131	0.13
Thames Water Utilities Cayman Finance 5.75% 13/9/2030	£3,231,000	3,420	0.38
Thames Water Utilities Finance 2.375% 22/4/2040	£3,332,000	3,448	0.38
Thames Water Utilities Finance 7.738% 9/4/2058	£3,650,000	7,738	0.86
United Utilities Water Finance 1.875% 3/6/2042	£1,730,000	1,790	0.20
United Utilities Water Finance 2% 3/7/2033	£1,846,000	1,993	0.22

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
United Utilities Water Finance 2.625% 12/2/2031	£1,877,000	2,136	0.24
Virgin Money 2.875% variable rate 24/6/2025	£2,000,000	1,810	0.20
Virgin Money Holdings 3.375% variable rate 24/4/2026	£3,400,000	3,350	0.37
Vodafone Group 3% 12/8/2056	£3,577,000	3,936	0.44
Vodafone Group 3.375% 8/8/2049	£3,650,000	4,271	0.48
Wales West Utilities Finance P 1.875% 28/5/2041	£680,000	700	0.08
Wellcome Trust 2.517% 7/2/2118	£700,000	1,063	0.12
Wessex Water Services Finance 1.5% 17/9/2029	£2,994,000	3,041	0.34
Western Power Distribution 2.375% 16/5/2029	£5,273,000	5,674	0.63
Western Power Distribution 3.5% 16/10/2026	£3,000,000	3,263	0.36
Western Power Distribution 3.625% 6/11/2023	£6,309,000	6,675	0.74
Western Power Distribution 3.875% 17/10/2024	£2,376,000	2,645	0.29
Western Power Distribution 5.75% 16/4/2032	£2,270,000	3,281	0.36
Yorkshire Building Society 3% variable rate 18/4/2025	£909,000	950	0.11
Yorkshire Building Society 3.375% variable rate 13/9/2028	£2,800,000	2,898	0.32
Yorkshire Water Finance 2.75% 18/4/2041	£1,179,000	1,363	0.15
Zurich Finance 6.625% variable rate perpetual	£3,453,000	3,759	0.42
Total Corporate Bonds		379,905	42.28
Total United Kingdom		432,877	48.18

UNITED STATES - 12.70% (12.29%)

Corporate Bonds - 12.70% (12.29%)

American International Group 5% 26/4/2023	£3,700,000	4,063	0.45
AT&T 2.9% 4/12/2026	£2,600,000	2,828	0.32
AT&T 4.25% 1/6/2043	£4,531,000	5,609	0.62
AT&T 4.375% 14/9/2029	£1,055,000	1,267	0.14
AT&T 5.2% 18/11/2033	£1,400,000	1,870	0.21
AT&T 7% 30/4/2040	£5,900,000	9,647	1.07
Bank of America 2.3% 25/7/2025	£3,143,000	3,321	0.37
Berkshire Hathaway Finance 2.375% 19/6/2039	£3,030,000	3,452	0.38
Berkshire Hathaway Finance 2.625% 19/6/2059	£1,737,000	2,143	0.24
Citigroup 1.75% 23/10/2026	£1,077,000	1,100	0.12
Citigroup 2.75% 24/1/2024	£3,792,000	3,996	0.45
Citigroup 5.15% 21/5/2026	£1,228,000	1,485	0.17
Comcast 1.5% 20/2/2029	£1,537,000	1,581	0.18
Comcast 1.875% 20/2/2036	£900,000	937	0.10
Digital Stout Holding 3.75% 17/10/2030	£2,000,000	2,318	0.26
Eli Lilly 1.70% 1/11/2049	£1,550,000	1,501	0.17
Exxon Mobil 1.408% 26/6/2039	£3,000,000	2,694	0.30
Fidelity National Information Services 2.25% 3/12/2029	£842,000	884	0.10
Fidelity National Information Services 3.36% 21/5/2031	£882,000	1,020	0.11
Fiserv 2.25% 1/7/2025	£1,286,000	1,349	0.15
Fiserv 3% 1/7/2031	£682,000	764	0.09
General Electric Capital 5.5% 7/6/2021	£1,650,000	1,698	0.19
General Motors Financial 2.35% 3/9/2025	£3,662,000	3,518	0.39
Goldman Sachs Group 4.25% 29/1/2026	£1,788,000	2,042	0.23

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
McDonalds 2.95% 15/3/2034	£1,100,000	1,267	0.14
Merrill Lynch 5.5% 22/11/2021	£3,250,000	3,441	0.38
Metropolitan Life Global Funding 1.625% 9/6/2022	£3,000,000	3,048	0.34
Metropolitan Life Global Funding 1.625% 21/9/2029	£2,000,000	2,071	0.23
Metropolitan Life Global Funding 2.625% 5/12/2022	£3,477,000	3,625	0.40
New York Life Global Funding 1.625% 15/12/2023	£1,833,000	1,885	0.21
Pfizer 2.735% 15/6/2043	£2,421,000	2,934	0.33
Verizon Communications 2.5% 8/4/2031	£1,000,000	1,104	0.12
Verizon Communications 3.375% 27/10/2036	£1,900,000	2,343	0.26
Verizon Communications 4.75% 17/2/2034	£2,000,000	2,749	0.31
Wal-Mart Stores 5.625% 27/3/2034	£6,341,000	9,953	1.11
Wells Fargo 1.375% 30/6/2022	£8,800,000	8,847	0.98
Wells Fargo 2% 28/7/2025	£1,648,000	1,697	0.19
Wells Fargo 2.125% 24/9/2031	£1,806,000	1,867	0.21
Wells Fargo 4.875% 29/11/2035	£4,200,000	5,342	0.59
Welltower 3.1% 15/1/2030	\$1,000,000	822	0.09
Total Corporate Bonds		114,082	12.70
Total United States		114,082	12.70

AUSTRALIA - 0.93% (0.76%)**Corporate Bonds - 0.93% (0.76%)**

BHP Billiton Finance 4.3% 25/9/2042	£2,000,000	2,935	0.32
BHP Billiton Finance 6.5% variable rate 22/10/2077	£1,789,000	1,950	0.22
QBE Insurance Group 6.115% variable rate 24/5/2042	£1,000,000	1,059	0.12
Westfield America Manage 2.625% 30/3/2029	£2,500,000	2,442	0.27
Total Corporate Bonds		8,386	0.93
Total Australia		8,386	0.93

BELGIUM - 0.84% (0.93%)**Corporate Bonds - 0.84% (0.93%)**

Anheuser-Busch InBev 2.25% 24/5/2029	£1,980,000	2,065	0.23
Anheuser-Busch InBev 2.85% 25/5/2037	£4,105,000	4,411	0.49
Anheuser-Busch InBev 9.75% 30/7/2024	£800,000	1,078	0.12
Total Corporate Bonds		7,554	0.84
Total Belgium		7,554	0.84

CANADA - 0.58% (0.81%)**Corporate Bonds - 0.58% (0.81%)**

Bank of Nova Scotia 1.375% 5/12/2023	£3,300,000	3,357	0.37
Royal Bank of Canada 1.375% 9/12/2024	£1,797,000	1,839	0.21
Total Corporate Bonds		5,196	0.58
Total Canada		5,196	0.58

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
CAYMAN ISLANDS - 0.36% (0.18%)			
Corporate Bonds - 0.36% (0.18%)			
Phoenix Group Holdings 5.625% 28/4/2031	£2,147,000	2,380	0.26
Southern Water Services Finance 2.375% 28/5/2028	£850,000	866	0.10
Total Corporate Bonds		3,246	0.36
Total Cayman Islands		3,246	0.36
CHANNEL ISLANDS - 3.39% (3.51%)			
Corporate Bonds - 3.39% (3.51%)			
AA Bond 4.2487% 31/7/2043	£843,000	842	0.09
AA Bond 6.269% 2/7/2043	£3,118,000	3,147	0.35
Credit Suisse Funding Limited 3% 27/5/2022	£360,000	372	0.04
Gatwick Funding Limited 2.875% 5/7/2051	£2,053,000	1,926	0.22
Gatwick Funding Limited 3.125% 28/9/2041	£1,397,000	1,395	0.16
Gatwick Funding Limited 6.5% 2/3/2043	£1,961,000	2,866	0.32
Glencore Finance Europe 5.5% 3/4/2022	£2,630,000	2,813	0.31
Heathrow Funding 2.75% 9/8/2051	£712,000	727	0.08
Heathrow Funding 4.625% 31/10/2046	£3,810,000	5,135	0.57
Heathrow Funding 5.225% variable rate 15/2/2023	£4,400,000	4,739	0.53
Heathrow Funding 5.875% 13/5/2041	£318,000	477	0.05
Heathrow Funding 6.45% 10/12/2031	£650,000	920	0.10
Heathrow Funding 6.75% 3/12/2028	£500,000	627	0.07
Heathrow Funding 7.125% 14/2/2024	£3,941,000	4,454	0.50
Total Corporate Bonds		30,440	3.39
Total Channel Islands		30,440	3.39
CHILE - 0.11% (0.33%)			
Corporate Bonds - 0.11% (0.33%)			
Corp Nacional del Cobre de Chile 3.15% 14/1/2030	\$1,222,000	1,016	0.11
Total Corporate Bonds		1,016	0.11
Total Chile		1,016	0.11
CHINA - 0.35% (0.32%)			
Public Authorities - 0.35% (0.32%)			
China Development Bank 1.25% 21/1/2023	£3,091,000	3,105	0.35
Total Public Authorities		3,105	0.35
Total China		3,105	0.35
DENMARK - 0.50% (1.02%)			
Corporate Bonds - 0.50% (1.02%)			
Danske Bank 2.25% 14/1/2028	£1,718,000	1,727	0.19
Orsted 2.5% 16/5/2033	£2,419,000	2,756	0.31
Total Corporate Bonds		4,483	0.50
Total Denmark		4,483	0.50

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
FRANCE - 8.25% (9.66%)			
Corporate Bonds - 8.25% (9.66%)			
AXA 5.625% variable rate 16/1/2054	£4,650,000	5,782	0.64
AXA SA variable perpetual	£1,500,000	1,665	0.19
Banque Fédérative du Crédit Mutuel 1.25% 5/12/2025	£2,300,000	2,335	0.26
BNP Paribas 3.375% 23/1/2026	£8,140,000	8,925	0.99
Bouygues 5.5% 6/10/2026	£2,250,000	2,819	0.31
BPCE 5.25% 16/4/2029	£4,200,000	5,198	0.58
Electricite de France 5.5% 27/3/2037	£2,000,000	2,873	0.32
Electricite de France 5.5% 17/10/2041	£2,400,000	3,566	0.40
Electricite de France 5.875% 18/7/2031	£550,000	769	0.09
Electricite de France 5.875% variable rate perpetual	£2,700,000	2,832	0.32
Electricite de France 6% 22/1/2114	\$6,060,000	6,411	0.71
Electricite de France 6% 23/1/2114	£3,700,000	6,365	0.71
Electricite de France 6% variable rate perpetual	£2,500,000	2,673	0.30
Electricite de France 6.125% 2/6/2034	£1,900,000	2,803	0.31
LVMH 1.125% 11/2/2027	£2,800,000	2,816	0.31
Orange 0.5% 4/9/2032	€1,000,000	874	0.10
Orange 3.25% 15/1/2032	£1,300,000	1,524	0.17
Orange 5.375% 22/11/2050	£1,200,000	2,065	0.23
Orange 5.75% variable rate perpetual	£5,239,000	5,691	0.63
Orange 5.875% variable rate perpetual	£1,558,000	1,646	0.18
RCI Banque 1.875% 8/11/2022	£4,515,000	4,463	0.50
Total Corporate Bonds		74,095	8.25
Total France		74,095	8.25
GERMANY - 2.05% (2.41%)			
Corporate Bonds - 2.05% (2.41%)			
Commerzbank 1.75% 22/1/2025	£1,500,000	1,469	0.16
Commerzbank 6.125% variable rate perpetual	€1,200,000	1,045	0.12
Deutsche Bank 1.75% 16/12/2021	£9,100,000	9,086	1.01
Deutsche Bank 2.625% 16/12/2024	£1,700,000	1,718	0.19
Deutsche Bank 5.625% variable rate 19/5/2031	€1,900,000	1,812	0.20
Deutsche Telekom 3.125% 6/2/2034	£1,800,000	2,101	0.23
Landesbank Baden-Württemberg 1.5% 3/2/2025	£1,200,000	1,210	0.14
Total Corporate Bonds		18,441	2.05
Total Germany		18,441	2.05
IRELAND - 2.19% (8.51%)			
Corporate Bonds - 2.17% (2.81%)			
ESB Finance 1.875% 21/7/2035	£796,000	848	0.10
GE Capital UK Funding 4.125% 13/9/2023	£5,100,000	5,369	0.60
GE Capital UK Funding 5.875% 18/1/2033	£1,590,000	1,908	0.21
GE Capital UK Funding 8% 14/1/2039	£2,180,000	3,166	0.35
PGH Capital 4.125% 20/7/2022	£3,846,000	3,982	0.44
Zurich Finance Ireland 1.875% variable rate 17/9/2050	€4,643,000	4,253	0.47
Total Corporate Bonds		19,526	2.17

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Financials - 0.02% (5.70%)			
+^HSBC Global Liquidity	160,197	160	0.02
Total Financials		160	0.02
Total Ireland		19,686	2.19
ITALY - 2.51% (1.21%)			
Corporate Bonds - 2.51% (1.21%)			
Assicurazioni Generali 6.269% perpetual	£700,000	783	0.09
Autostrade Per L Italia 6.25% 9/6/2022	£1,500,000	1,528	0.17
Enel 6.625% variable rate 15/9/2076	£2,223,000	2,314	0.26
Enel 7.75% variable rate 10/9/2075	£3,850,000	3,879	0.43
FCA Bank 1.625% 29/9/2021	£10,680,000	10,590	1.18
Intesa Sanpaolo 5.148% 10/6/2030	£417,000	438	0.05
Intesa Sanpaolo 5.25% 28/1/2022	£350,000	369	0.04
Telecom Italia 5.875% 19/5/2023	£2,450,000	2,648	0.29
Total Corporate Bonds		22,549	2.51
Total Italy		22,549	2.51
JAPAN - 0.52% (0.46%)			
Corporate Bonds - 0.52% (0.46%)			
East Japan Railway 4.5% 25/1/2036	£3,250,000	4,700	0.52
Total Corporate Bonds		4,700	0.52
Total Japan		4,700	0.52
LUXEMBOURG - 0.69% (1.00%)			
Corporate Bonds - 0.69% (1.00%)			
*Virgolino De Oliveira Fi 6.75% 29/1/2018	\$243,000	-	0.00
CK Hutchison Holdings 2% 17/10/2027	£3,950,000	3,992	0.44
Logicor Financing Sarl 2.75% 15/1/2030	£1,155,000	1,139	0.13
Medtronic Global Holdings 1.75% 2/7/2049	£1,194,000	1,102	0.12
Total Corporate Bonds		6,233	0.69
Total Luxembourg		6,233	0.69
MEXICO - 2.04% (2.08%)			
Government Bonds - 0.50% (0.49%)			
United Mexican States 5.625% 19/3/2114	£4,379,000	4,507	0.50
Total Government Bonds		4,507	0.50
Corporate Bonds - 1.54% (1.59%)			
America Movil 4.948% 22/7/2033	£2,950,000	3,919	0.44
America Movil 5% 27/10/2026	£3,670,000	4,451	0.49
America Movil 6.375% variable rate 6/9/2073	£3,600,000	3,607	0.40
Petroleos Mexicanos 8.25% 2/6/2022	£1,800,000	1,847	0.21
Total Corporate Bonds		13,824	1.54
Total Mexico		18,331	2.04

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
NETHERLANDS - 9.87% (8.97%)			
Corporate Bonds - 9.87% (8.97%)			
ABN AMRO Bank 4.375% variable rate Perpetual	€1,200,000	1,061	0.12
AT Securities 5.25% variable rate perpetual	\$2,000,000	1,581	0.18
BMW International Investment 1.375% 1/10/2024	£2,450,000	2,479	0.28
Daimler 2.375% 16/12/2021	£1,200,000	1,218	0.13
Daimler International Finance 1.5% 18/8/2021	£3,400,000	3,407	0.38
Daimler International Finance 1.625% 11/11/2024	£3,400,000	3,386	0.38
Deutsche Telekom International Finance 2.5% 10/10/2025	£3,000,000	3,216	0.36
E.ON International Finance 6.375% 7/6/2032	£4,558,000	6,834	0.76
Enel Finance 5.625% 14/8/2024	£600,000	714	0.08
Enel Finance 5.75% 14/9/2040	£5,750,000	8,883	0.99
ING Groep 3% 18/2/2026	£6,300,000	6,837	0.76
Innogy Finance 4.75% 31/1/2034	£2,300,000	3,095	0.34
Innogy Finance 5.5% 6/7/2022	£550,000	600	0.07
Innogy Finance 6.125% 6/7/2039	£3,250,000	5,323	0.59
Innogy Finance 6.25% 3/6/2030	£550,000	781	0.09
Koninklijke 5.75% 17/9/2029	£4,223,000	5,340	0.59
LafargeHolcim Sterling Finance Netherlands 3% 12/5/2032	£1,049,000	1,138	0.13
Petrobras Global Finance 5.6% 3/1/2031	\$990,000	784	0.09
Petrobras Global Finance 6.75% 3/6/2050	\$100,000	81	0.01
Rabobank Nederland 4.625% 23/5/2029	£1,280,000	1,541	0.17
Rabobank Nederland 5.375% 3/8/2060	£1,750,000	3,729	0.41
Repsol International Finance 3.75% variable rate perpetual	€1,250,000	1,131	0.13
Royal KPN 5% 18/11/2026	£5,900,000	6,924	0.77
Shell International Finance 0.5% 8/11/2031	€3,000,000	2,622	0.29
Siemens Financieringsmaatschappij 0.5% 5/9/2034	€1,053,000	922	0.10
Volkswagen Financial Services 1.625% 10/2/2024	£2,200,000	2,200	0.24
Volkswagen Financial Services 1.75% 12/9/2022	£3,500,000	3,526	0.39
Volkswagen Financial Services 1.875% 7/9/2021	£2,500,000	2,510	0.28
Volkswagen Financial Services 2.75% 10/7/2023	£3,200,000	3,310	0.37
Volkswagen Financial Services 4.25% 9/10/2025	£1,600,000	1,786	0.20
Volkswagen International Finance 3.375% 16/11/2026	£1,600,000	1,727	0.19
Total Corporate Bonds		88,686	9.87
Total Netherlands		88,686	9.87
SOUTH KOREA - 0.41% (0.37%)			
Public Authorities - 0.41% (0.37%)			
Korea Development Bank 1.75% 15/12/2022	£3,590,000	3,668	0.41
Total Public Authorities		3,668	0.41
Total South Korea		3,668	0.41

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
SPAIN - 0.72% (0.66%)			
Corporate Bonds - 0.72% (0.66%)			
Abertis Infraestructuras 3.375% 27/11/2026	£2,700,000	2,819	0.31
Telefonica Emisiones 5.375% 2/2/2026	£2,990,000	3,628	0.41
Total Corporate Bonds		6,447	0.72
Total Spain		6,447	0.72
SWEDEN - 0.00% (0.34%)			
Corporate Bonds - 0.00% (0.34%)			
SWITZERLAND - 1.27% (0.89%)			
Corporate Bonds - 1.27% (0.89%)			
Credit Suisse Group 2.125% variable rate 12/9/2025	£4,800,000	4,907	0.54
Credit Suisse Group 2.25% variable rate 9/6/2028	£6,450,000	6,537	0.73
Total Corporate Bonds		11,444	1.27
Total Switzerland		11,444	1.27
UAE DIRHAM - 0.35% (0.00%)			
Corporate Bonds - 0.35% (0.00%)			
First Abu Dhabi Bank 1.375% 19/2/2023	£3,096,000	3,106	0.35
Total Corporate Bonds		3,106	0.35
Total UAE Dirham		3,106	0.35
FUTURES - (0.01%) (0.02%)			
ICF ICE Long Gilt Future September 2020	310	257	0.03
CBT US Ultra Bond September 2020	(14)	(45)	(0.01)
EUX Euro Bond Future September 2020	(81)	(165)	(0.02)
EUX Euro Buxl 30 Year Bond Future September 2020	(17)	(104)	(0.01)
Total Futures		(57)	(0.01)
FORWARD FOREIGN EXCHANGE CONTRACTS - 0.00% (-0.03%)			
#Sold EUR 1,135,000 for GBP 1,012,190 settled 7 August 2020		(15)	0.00
#Sold EUR 4,630,000 for GBP 4,162,750 settled 7 August 2020		(27)	0.00
#Sold EUR 6,322,000 for GBP 5,682,053 settled 7 August 2020		(39)	(0.01)
#Sold EUR 7,446,000 for GBP 6,641,415 settled 7 August 2020		(96)	(0.01)
#Sold EUR 6,080,000 for GBP 5,490,204 settled 7 August 2020		(12)	0.00
#Sold GBP 1,857,121 for EUR 2,065,000 settled 7 August 2020		12	0.00
#Sold GBP 3,588,713 for USD 4,465,000 settled 10 August 2020		(52)	(0.01)
#Sold GBP 2,454,402 for USD 3,100,000 settled 10 August 2020		1	0.00
#Sold USD 1,727,000 for GBP 1,406,732 settled 10 August 2020		38	0.01
#Sold USD 24,000,000 for GBP 19,143,734 settled 10 August 2020		132	0.02
#Sold USD 2,420,000 for GBP 1,949,703 settled 10 August 2020		33	0.00
Total Forward Foreign Exchange Contracts		(25)	0.00

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Portfolio of investments		887,689	98.80
Net other assets		10,778	1.20
Net assets		898,467	100.00

*suspended

+related party

#unlisted

^investment scheme registered outside the UK

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

Unless otherwise stated, all investments are listed securities.

The counterparty for the Futures is HSBC.

The counterparties for the Forward Foreign Exchange Contracts are Citi, Goldman Sachs, HSBC, RBS and UBS.

Total purchases for the period, including transaction charges, were £177,973,483.

Total sales for the period, net of transaction charges, were £272,822,536.

The bond ratings for the portfolio at 15 July 2020 were:

	<i>Bid value £'000</i>	<i>Total net assets %</i>
Bond credit ratings		
Investment grade	825,838	91.92
Non investment grade	31,103	3.47
Non rated	30,670	3.40
Total bonds	887,611	98.79

Comparative Tables

Retail Income	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	128.50p	117.50p	124.10p	121.20p
Return before operating charges*	2.65p	15.40p	(2.12p)	7.58p
Operating charges**	(0.73p)	(1.43p)	(1.39p)	(1.43p)
Return after operating charges*	1.92p	13.97p	(3.51p)	6.15p
Distributions on income shares	(1.42p)	(2.97p)	(3.09p)	(3.25p)
Closing net asset value per share	129.00p	128.50p	117.50p	124.10p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
Performance				
Return after charges	1.49%	11.89%	(2.83%)	5.07%
Other information				
Closing net asset value	£7,066,709	£15,893,060	£14,322,361	£13,972,484
Closing number of shares	5,478,021	12,372,588	12,191,576	11,262,895
Operating charges - OCF	1.15%	1.15%	1.15%	1.15%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price	130.70p	129.60p	124.70p	126.90p
Lowest share price	111.40p	117.90p	117.00p	120.60p

Retail Accumulation	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	305.70p	273.10p	281.10p	267.30p
Return before operating charges*	6.63p	35.96p	(4.82p)	17.01p
Operating charges**	(1.73p)	(3.36p)	(3.18p)	(3.21p)
Return after operating charges*	4.90p	32.60p	(8.00p)	13.80p
Distributions on accumulation shares	(3.43p)	(6.98p)	(7.06p)	(7.27p)
Retained distributions on accumulation shares	3.43p	6.98p	7.06p	7.27p
Closing net asset value per share	310.60p	305.70p	273.10p	281.10p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
Performance				
Return after charges	1.60%	11.94%	(2.85%)	5.16%
Other information				
Closing net asset value	£132,412,927	£161,839,184	£99,173,079	£88,563,572
Closing number of shares	42,632,871	52,932,255	36,313,408	31,511,440
Operating charges - OCF	1.15%	1.15%	1.15%	1.15%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price	312.30p	306.70p	282.50p	283.40p
Lowest share price	265.20p	274.10p	270.30p	266.20p

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

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

Comparative Tables

Institutional Income	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	236.20p	216.00p	228.10p	222.80p
Return before operating charges*	5.08p	28.31p	(3.86p)	13.92p
Operating charges**	(0.03p)	(0.05p)	(0.05p)	(0.05p)
Return after operating charges*	5.05p	28.26p	(3.91p)	13.87p
Distributions on income shares	(3.95p)	(8.06p)	(8.19p)	(8.57p)
Closing net asset value per share	237.30p	236.20p	216.00p	228.10p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
Performance				
Return after charges	2.14%	13.08%	(1.71%)	6.23%
Other information				
Closing net asset value	£482,125,616	£533,316,337	£515,269,786	£797,852,039
Closing number of shares	203,191,289	225,777,255	238,525,085	349,748,675
Operating charges - OCF	0.02%	0.02%	0.02%	0.02%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price	240.70p	238.90p	229.30p	233.80p
Lowest share price	205.30p	216.80p	215.50p	221.90p

Institutional Accumulation	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	364.50p	321.90p	327.60p	308.10p
Return before operating charges*	7.84p	42.68p	(5.62p)	19.57p
Operating charges**	(0.04p)	(0.08p)	(0.08p)	(0.07p)
Return after operating charges*	7.80p	42.60p	(5.70p)	19.50p
Distributions on accumulation shares	(6.13p)	(12.17p)	(11.92p)	(12.02p)
Retained distributions on accumulation shares	6.13p	12.17p	11.92p	12.02p
Closing net asset value per share	372.30p	364.50p	321.90p	327.60p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
Performance				
Return after charges	2.14%	13.23%	(1.74%)	6.33%
Other information				
Closing net asset value	£37,745,015	£38,276,739	£11,268,609	£54,440,276
Closing number of shares	10,137,794	10,501,532	3,500,424	16,619,263
Operating charges - OCF	0.02%	0.02%	0.02%	0.02%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price	374.30p	365.60p	329.30p	330.00p
Lowest share price	316.80p	323.10p	318.10p	306.90p

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

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

Comparative Tables

Income C	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	129.00p	118.00p	124.60p	121.70p
Return before operating charges*	2.77p	15.43p	(2.11p)	7.61p
Operating charges**	(0.27p)	(0.53p)	(0.51p)	(0.53p)
Return after operating charges*	2.50p	14.90p	(2.62p)	7.08p
Distributions on income shares	(1.90p)	(3.90p)	(3.98p)	(4.18p)
Closing net asset value per share	129.60p	129.00p	118.00p	124.60p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
Performance				
Return after charges	1.94%	12.63%	(2.10%)	5.82%
Other information				
Closing net asset value	£128,151,277	£128,250,534	£129,236,940	£171,181,762
Closing number of shares	98,887,480	99,408,298	109,531,716	137,394,437
Operating charges - OCF	0.42%	0.42%	0.42%	0.42%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price	131.40p	130.40p	125.20p	127.60p
Lowest share price	112.00p	118.40p	117.70p	121.20p

Accumulation C	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	320.00p	283.80p	289.90p	273.80p
Return before operating charges*	6.96p	37.49p	(4.89p)	17.31p
Operating charges**	(0.66p)	(1.29p)	(1.21p)	(1.21p)
Return after operating charges*	6.30p	36.20p	(6.10p)	16.10p
Distributions on accumulation shares	(4.75p)	(9.48p)	(9.38p)	(9.52p)
Retained distributions on accumulation shares	4.75p	9.48p	9.38p	9.52p
Closing net asset value per share	326.30p	320.00p	283.80p	289.90p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
Performance				
Return after charges	1.97%	12.76%	(2.10%)	5.88%
Other information				
Closing net asset value	£39,866,969	£30,972,575	£32,360,422	£57,954,701
Closing number of shares	12,219,159	9,678,146	11,402,952	19,988,543
Operating charges - OCF	0.42%	0.42%	0.42%	0.42%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price	328.00p	321.00p	291.40p	292.10p
Lowest share price	277.90p	284.80p	280.60p	272.70p

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

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

Comparative Tables

Institutional Gross Accumulation	15.7.20	15.1.20	15.1.19	15.1.18
Change in net assets per share				
Opening net asset value per share	365.60p	322.90p	328.60p	309.10p
Return before operating charges*	7.94p	42.78p	(5.63p)	19.58p
Operating charges**	(0.04p)	(0.08p)	(0.07p)	(0.08p)
Return after operating charges*	7.90p	42.70p	(5.70p)	19.50p
Distributions on accumulation shares	(6.15p)	(12.21p)	(11.95p)	(12.06p)
Retained distributions on accumulation shares	6.15p	12.21p	11.95p	12.06p
Closing net asset value per share	373.50p	365.60p	322.90p	328.60p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
Performance				
Return after charges	2.16%	13.22%	(1.73%)	6.31%
Other information				
Closing net asset value	£71,098,225	£74,764,547	£49,509,643	£34,467,289
Closing number of shares	19,037,830	20,450,705	15,333,214	10,490,044
Operating charges - OCF	0.02%	0.02%	0.02%	0.02%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price	375.50p	366.70p	330.30p	331.00p
Lowest share price	317.70p	324.10p	319.10p	307.90p
**The operating charges include all costs borne by the Fund, except for direct transaction costs.				
***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.				

Statement of Total Return

for the six months ended 15 July 2020 (unaudited)

	15.7.20		15.7.19	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		4,201		56,711
Revenue	13,703		14,219	
Expenses	(1,189)		(1,217)	
Interest payable and similar charges	(1)		(3)	
Net revenue before taxation	12,513		12,999	
Taxation	-		-	
Net revenue after taxation		12,513		12,999
Total return before distributions		16,714		69,710
Distributions		(14,544)		(15,111)
Change in net assets attributable to shareholders from investment activities		2,170		54,599

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2020 (unaudited)

	15.7.20		15.7.19	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		983,313		851,141
Amounts receivable on creation of shares	44,305		56,781	
Amounts payable on cancellation of shares	(135,641)		(48,724)	
		(91,336)		8,057
Dilution adjustment		592		83
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		2,170		54,599
Retained distribution on accumulation shares		3,728		3,407
Closing net assets attributable to shareholders		898,467		917,287

Balance Sheet

as at 15 July 2020 (unaudited)

	15.7.20		15.1.20	
	£'000	£'000	£'000	£'000
Assets				
Investments		888,244		980,712
Current assets				
Debtors	17,523		18,038	
Cash and bank balances	5,034		4,166	
Total current assets		22,557		22,204
Total assets		910,801		1,002,916
Liabilities				
Investment liabilities		(555)		(337)
Creditors				
Distribution payable on income shares	(5,032)		(5,507)	
Other creditors	(6,747)		(13,759)	
Total creditors		(11,779)		(19,266)
Total liabilities		(12,334)		(19,603)
Net assets attributable to shareholders		898,467		983,313

Distribution Tables (pence per share)

for the six months ended 15 July 2020 (unaudited)

Group 1: Shares purchased prior to 16 April 2020				
Group 2: Shares purchased from 16 April 2020 to 15 July 2020				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.9.20</i>	<i>Distribution paid 15.9.19</i>
Retail Income				
Group 1	0.720000	-	0.720000	0.760000
Group 2	0.260000	0.460000	0.720000	0.760000
Retail Accumulation				
Group 1	1.740000	-	1.740000	1.790000
Group 2	0.790000	0.950000	1.740000	1.790000
Institutional Income				
Group 1	1.990000	-	1.990000	2.050000
Group 2	1.130000	0.860000	1.990000	2.050000
Institutional Accumulation				
Group 1	3.100000	-	3.100000	3.080000
Group 2	1.690000	1.410000	3.100000	3.080000
Income C				
Group 1	0.960000	-	0.960000	0.990000
Group 2	0.420000	0.540000	0.960000	0.990000
Accumulation C				
Group 1	2.410000	-	2.410000	2.410000
Group 2	1.100000	1.310000	2.410000	2.410000
Institutional Gross Accumulation				
Group 1	3.110000	-	3.110000	3.090000
Group 2	2.700000	0.410000	3.110000	3.090000

Distribution Tables (pence per share)

for the six months ended 15 July 2020 (unaudited)

Group 1: Shares purchased prior to 16 January 2020				
Group 2: Shares purchased from 16 January 2020 to 15 April 2020				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.6.20</i>	<i>Distribution paid 15.6.19</i>
Retail Income				
Group 1	0.700000	-	0.700000	0.760000
Group 2	0.350000	0.350000	0.700000	0.760000
Retail Accumulation				
Group 1	1.690000	-	1.690000	1.780000
Group 2	1.150000	0.540000	1.690000	1.780000
Institutional Income				
Group 1	1.960000	-	1.960000	2.020000
Group 2	1.020000	0.940000	1.960000	2.020000
Institutional Accumulation				
Group 1	3.030000	-	3.030000	3.010000
Group 2	0.200000	2.830000	3.030000	3.010000
Income C				
Group 1	0.940000	-	0.940000	0.980000
Group 2	0.600000	0.340000	0.940000	0.980000
Accumulation C				
Group 1	2.340000	-	2.340000	2.360000
Group 2	1.710000	0.630000	2.340000	2.360000
Institutional Gross Accumulation				
Group 1	3.040000	-	3.040000	3.020000
Group 2	1.130000	1.910000	3.040000	3.020000

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.

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 60 companies.

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

Investment Strategy*

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

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

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

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

*The full strategy can be found in the prospectus.

Portfolio Activity

During the period the MSCI ACWI finished the period flat, masking a volatile period that saw precipitous falls in the first quarter followed by a strong bounce-back in the second. The Information Technology and Consumer Discretionary sectors led the way whilst Energy and Financials lagged. At the country level, the best performers included the USA and China. Over the period the Fund outperformed the index.

At the sector level, allocation effects were positive given an underweight exposure to Financials. At the country level, effects were negative given an overweight exposure to the UK.

At the stock level, the main contributors included Microsoft, which gained strongly at the beginning of the period after releasing solid quarterly earnings that showed cloud computing continued to grow and drive revenues. Additionally, Rentokil Initial rallied as it produced solid Q1 results.

Detractors included two oil companies, BP and Phillips 66. BP sold off on the back of weaker oil prices and the consequent question marks on the sustainability of their dividends. Phillips 66, fell amid growing concerns of rising COVID-19 cases in the biggest oil producing state in the US, which may hinder the company's return to work recovery.

During the period, major purchases included BHP Group, IQVIA, Microsoft, Visa and Walt Disney. Sales included Deutsche Wohnen, ENI, Intel, Masco and Otsuka.

Your portfolio aims to deliver diversified global equity exposure with a dividend yield higher than the market index. The portfolio aims to balance dividend yield, return potential, and risk exposure, by investing in companies with an attractive combination of profitability and valuation. These quality companies typically have sustainable business models, strong balance sheets and good management.

Investment Performance

During the period under review, the value of the shares in the Fund decreased by 0.96% while the value of the MSCI All Countries World Index fell by 3.45%. For information on comparative yields please refer to The Investment Association's website (<https://www.theia.org/industry-data/fund-sectors/equity-income-yields>).

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

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

Fund Particulars

as at 16 July 2020 (unaudited)

	Institutional Income	Institutional Accumulation	Income C	Accumulation C
Price	117.7p xd	129.2p	113.8p xd	125.1p
Distribution payable (on 15 September 2020) per share net	1.010000p	1.100000p	0.970000p	1.060000p
Current net estimated yield	2.29%	2.25%	2.29%	2.26%
Annual ACD charge	0.00%	0.00%	0.75%	0.75%

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Oil & Gas - 4.28% (6.54%)			
BP	282,428	876	1.59
China Conch Venture	157,500	542	0.98
Phillips 66	18,182	943	1.71
Total Oil & Gas		2,361	4.28
Basic Materials - 5.79% (5.76%)			
BHP Group ADR	35,148	1,478	2.68
Brenntag	25,409	1,164	2.11
Severstal GDR	56,371	552	1.00
Total Basic Materials		3,194	5.79
Industrials - 12.93% (11.57%)			
Adecco Group	14,091	554	1.00
Ball	27,715	1,526	2.76
Ferguson	22,120	1,521	2.75
Prysmian	63,405	1,253	2.27
Rentokil Initial	252,352	1,387	2.51
Shimadzu	42,000	908	1.64
Total Industrials		7,149	12.93
Consumer Goods - 8.46% (9.76%)			
Diageo	27,787	791	1.43
Leggett & Platt	14,280	424	0.77
Nestle (registered)	11,216	1,025	1.86
PepsiCo	14,870	1,575	2.85
Philip Morris International	9,806	583	1.06
Samsonite International	356,700	270	0.49
Total Consumer Goods		4,668	8.46
Healthcare - 10.40% (9.80%)			
Grifols A	26,554	654	1.18
IQVIA	11,558	1,395	2.53
Johnson & Johnson	8,133	956	1.73
Sanofi	14,736	1,248	2.26
UnitedHealth Group	6,194	1,492	2.70
Total Healthcare		5,745	10.40
Consumer Services - 11.54% (10.53%)			
Comcast	38,109	1,267	2.29
Compass Group	72,049	853	1.54
Home Depot	8,433	1,723	3.12
Walt Disney	17,328	1,660	3.00
Wolters Kluwer certificates	13,799	878	1.59
Total Consumer Services		6,381	11.54

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Telecommunications - 2.69% (2.41%)			
China Mobile Hong Kong	108,000	597	1.08
Telekomunikasi Indonesia	5,316,500	892	1.61
Total Telecommunications		1,489	2.69
Utilities - 4.41% (2.06%)			
Enel	118,858	878	1.59
Energias de Portugal	394,130	1,556	2.82
Total Utilities		2,434	4.41
Financials - 15.95% (18.74%)			
Bank of America	31,951	623	1.13
BNP Paribas	19,275	672	1.22
China Overseas Land & Investments	263,500	662	1.20
Industrial & Commercial Bank of China	1,126,000	556	1.01
Intesa Sanpaolo	371,386	610	1.10
*iShares MSCI ACWI ETF	13,059	558	1.01
JPMorgan Chase & Company	9,026	713	1.29
KBC Group	13,430	641	1.16
Prudential	53,402	677	1.23
Sumitomo Mitsui Financial Group	23,900	547	0.99
Visa	8,948	1,393	2.52
Zurich Insurance Group	3,942	1,154	2.09
Total Financials		8,806	15.95
Technology - 23.09% (22.30%)			
Broadcom	4,174	1,038	1.88
Capgemini	14,891	1,442	2.61
Cisco Systems	26,575	977	1.77
CyberAgent	21,600	964	1.74
Infineon Technologies	58,074	1,178	2.13
Microsoft	21,119	3,481	6.30
SK Hynix	22,441	1,229	2.22
Taiwan Semiconductor Manufacturing ADR	19,682	1,030	1.86
Tencent Holdings ADR	25,740	1,424	2.58
Total Technology		12,763	23.09

Portfolio Statement

as at 15 July 2020 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Portfolio of investments		54,990	99.54
Net other assets		253	0.46
Net assets		55,243	100.00

*offshore fund

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

Unless otherwise stated, all investments are listed equities.

Total purchases for the period, including transaction charges, were £26,117,178.

Total sales for the period, net of transaction charges, were £12,407,773.

Comparative Tables

Institutional Income	15.7.20	15.1.20	15.1.19	15.1.18#
Change in net assets per share				
Opening net asset value per share	119.10p	99.87p	107.10p	100.00p
Return before operating charges*	(0.25p)	22.36p	(4.16p)	8.96p
Operating charges**	(0.03p)	(0.05p)	(0.04p)	(0.06p)
Return after operating charges*	(0.28p)	22.31p	(4.20p)	8.90p
Distributions on income shares	(1.52p)	(3.08p)	(3.03p)	(1.80p)
Closing net asset value per share	117.30p	119.10p	99.87p	107.10p
*after direct transaction costs of:***	0.09p	0.07p	0.06p	0.22p
Performance				
Return after charges	(0.24%)	22.34%	(3.92%)	8.90%
Other information				
Closing net asset value	£55,059,902	£41,597,182	£36,661,925	£37,280,436
Closing number of shares	46,935,313	34,920,555	36,709,286	34,813,642
Operating charges - OCF	0.06%	0.05%	0.04%	0.05%
Direct transaction costs	0.09%	0.07%	0.06%	0.21%
Prices				
Highest share price	122.20	119.60p	108.70p	108.00p
Lowest share price	90.73	99.11p	96.15p	97.60p

Institutional Accumulation	15.7.20	15.1.20	15.1.19	15.1.18#
Change in net assets per share				
Opening net asset value per share	129.00p	105.20p	109.50p	100.00p
Return before operating charges*	(0.26p)	23.85p	(4.26p)	9.62p
Operating charges**	(0.04p)	(0.05p)	(0.04p)	(0.12p)
Return after operating charges*	(0.30p)	23.80p	(4.30p)	9.50p
Distributions on accumulation shares	(1.65p)	(3.28p)	(3.13p)	(1.81p)
Retained distributions on accumulation shares	1.65p	3.28p	3.13p	1.81p
Closing net asset value per share	128.70p	129.00p	105.20p	109.50p
*after direct transaction costs of:***	0.10p	0.08p	0.07p	0.22p
Performance				
Return after charges	(0.23%)	22.62%	(3.93%)	9.50%
Other information				
Closing net asset value	£64,370	£64,484	£52,604	£54,748
Closing number of shares	50,000	50,000	50,000	50,000
Operating charges - OCF	0.06%	0.05%	0.04%	0.05%
Direct transaction costs	0.09%	0.07%	0.06%	0.21%
Prices				
Highest share price	132.30p	129.10p	113.20p	110.00p
Lowest share price	98.24p	104.40p	100.30p	98.76p

#The Fund was launched on 24 May 2017.

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

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

Comparative Tables

Income C	15.7.20	15.1.20	15.1.19	15.1.18#
Change in net assets per share				
Opening net asset value per share	115.60p	97.77p	105.70p	100.00p
Return before operating charges*	(0.24p)	21.80p	(4.04p)	8.15p
Operating charges**	(0.49p)	(0.96p)	(0.91p)	(0.66p)
Return after operating charges*	(0.73p)	20.84p	(4.95p)	7.49p
Distributions on income shares	(1.47p)	(3.01p)	(2.98p)	(1.79p)
Closing net asset value per share	113.40p	115.60p	97.77p	105.70p
*after direct transaction costs of:***	0.09p	0.07p	0.06p	0.21p
Performance				
Return after charges	(0.63%)	21.32%	(4.68%)	7.49%
Other information				
Closing net asset value	£56,691	£57,812	£48,886	£52,867
Closing number of shares	50,000	50,000	50,000	50,000
Operating charges - OCF	0.91%	0.90%	0.89%	0.90%
Direct transaction costs	0.09%	0.07%	0.06%	0.21%
Prices				
Highest share price	118.50p	116.10p	106.80p	106.60p
Lowest share price	87.95p	97.01p	94.18p	96.65p

Accumulation C	15.7.20	15.1.20	15.1.19	15.1.18#
Change in net assets per share				
Opening net asset value per share	125.50p	103.20p	108.40p	100.00p
Return before operating charges*	(0.27p)	23.33p	(4.26p)	9.06p
Operating charges**	(0.53p)	(1.03p)	(0.94p)	(0.66p)
Return after operating charges*	(0.80p)	22.30p	(5.20p)	8.40p
Distributions on accumulation shares	(1.60p)	(3.21p)	(3.09p)	(1.80p)
Retained distributions on accumulation shares	1.60p	3.21p	3.09p	1.80p
Closing net asset value per share	124.70p	125.50p	103.20p	108.40p
*after direct transaction costs of:***	0.10p	0.08p	0.06p	0.22p
Performance				
Return after charges	(0.64%)	21.61%	(4.80%)	8.40%
Other information				
Closing net asset value	£62,361	£62,738	£51,616	£54,179
Closing number of shares	50,000	50,000	50,000	50,000
Operating charges - OCF	0.91%	0.90%	0.89%	0.90%
Direct transaction costs	0.09%	0.07%	0.06%	0.21%
Prices				
Highest share price	128.60p	125.60p	111.40p	108.80p
Lowest share price	95.44p	102.40p	98.99p	98.02p

#The Fund was launched on 24 May 2017.

**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 2020 (unaudited)

	15.7.20		15.7.19	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(296)		4,958
Revenue	616		772	
Expenses	(10)		(9)	
Net revenue before taxation	606		763	
Taxation	(64)		(63)	
Net revenue after taxation		542		700
Total return before distributions		246		5,658
Distributions		(539)		(695)
Change in net assets attributable to shareholders from investment activities		(293)		4,963

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2020 (unaudited)

	15.7.20		15.7.19	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		41,782		36,815
Amounts receivable on creation of shares	17,781		564	
Amounts payable on cancellation of shares	(4,064)		(2,603)	
		13,717		(2,039)
Dilution adjustment		35		5
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		(293)		4,963
Retained distribution on accumulation shares		2		2
Closing net assets attributable to shareholders		55,243		39,746

Balance Sheet

as at 15 July 2020 (unaudited)

	15.7.20		15.1.20	
	£'000	£'000	£'000	£'000
Assets				
Investments		54,990		41,559
Current assets				
Debtors	560		87	
Cash and bank balances	457		296	
Total current assets		1,017		383
Total assets		56,007		41,942
Liabilities				
Creditors				
Distribution payable on income shares	(475)		(148)	
Other creditors	(289)		(12)	
Total liabilities		(764)		(160)
Net assets attributable to shareholders		55,243		41,782

Distribution Tables (pence per share)

for the six months ended 15 July 2020 (unaudited)

Group 1: Shares purchased prior to 16 April 2020				
Group 2: Shares purchased from 16 April 2020 to 15 July 2020				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.9.20</i>	<i>Distribution paid 15.9.19</i>
Institutional Income				
Group 1	1.010000	-	1.010000	1.250000
Group 2	0.000000	1.010000	1.010000	1.250000
Institutional Accumulation				
Group 1	1.100000	-	1.100000	1.320000
Group 2	1.100000	0.000000	1.100000	1.320000
Income C				
Group 1	0.970000	-	0.970000	1.220000
Group 2	0.970000	0.000000	0.970000	1.220000
Accumulation C				
Group 1	1.060000	-	1.060000	1.300000
Group 2	1.060000	0.000000	1.060000	1.300000

Group 1: Shares purchased prior to 16 January 2020				
Group 2: Shares purchased from 16 January 2020 to 15 April 2020				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.6.20</i>	<i>Distribution paid 15.6.19</i>
Institutional Income				
Group 1	0.510000	-	0.510000	0.660000
Group 2	0.400000	0.110000	0.510000	0.660000
Institutional Accumulation				
Group 1	0.550000	-	0.550000	0.700000
Group 2	0.550000	0.000000	0.550000	0.700000
Income C				
Group 1	0.500000	-	0.500000	0.650000
Group 2	0.500000	0.000000	0.500000	0.650000
Accumulation C				
Group 1	0.540000	-	0.540000	0.680000
Group 2	0.540000	0.000000	0.540000	0.680000

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) Limited, PO Box 3733, Royal Wootton Bassett, Swindon, SN4 4BG.

Switching Your Investment

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

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

- Telephoning our Customer Services, on 0800 358 3011*

Minimum Additional Subscription

- The minimum additional subscription is £500 for retail share classes except those for UK Growth and Income Retail B share classes which is £100, the Income C and Accumulation C share classes which is £1,000 and Institutional share classes which is £1,000,000.

Selling your Investment

You can sell or make a withdrawal at any time.

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

When We Will Buy or Sell Your Investment

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

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

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

Cancellation Rights

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

Publication of Prices

The prices of shares are updated daily on the following website: www.assetmanagement.hsbc.com/uk
Alternatively you can call our Investments Helpline on 0800 358 3011*.

Prospectus

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

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

Income

Income is distributed or accumulated in the following way:-

- If you hold income shares, income will be distributed to you on the payment dates shown for each of the Funds in the table on pages 98 and 99.
- 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.

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 & Customs practice which may be subject to retrospective change. The future basis and rates of taxation may change without warning. Shareholders are recommended to consult their professional advisers if they are in any doubt as to their individual tax position.

Capital Gains Tax

You will not need to pay capital gains tax unless your net gains from all sources exceed the annual exemption limit. The limit for the 2020/2021 tax year is £12,300.

Assessment of Value

In 2017 the Financial Conduct Authority (FCA) published the final Asset Management Market Study. This introduced (among other reforms) new governance rules with the aim of enhancing duty of care and ensuring the industry acts in investors' best interests. The rules were outlined in the FCA policy statement PS18/8 and came into effect from 30 September 2019. As a result, the Authorised Fund Manager is required to perform a detailed assessment on whether funds are 'providing value to investors'. The resulting findings will be published in a consolidated report in October 2020 and will be published on our website within the Fund Centre page.

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

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

Important Notes

The Interim Report covers the period 16 January 2020 to 15 July 2020 .

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 2020 (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.

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

Accounting Policies

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

M.G. McDonald

Director



T.J. Palmer

Director



**For and on behalf of HSBC Global Asset Management (UK) Limited Authorised Corporate Director
4 September 2020**

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.

Amendments to the Company's Instrument of Incorporation

No changes for this accounting period.

Amendments to the Company Prospectus

No changes for this accounting period.

On 27 July 2020 the ACD provided notice to shareholders of certain changes to the Company and its Funds. The ACD is making some changes to the charging structure and the overall costs of the Funds by:

- Changing the way that fund administration charges are paid e.g. fees for calculating the value of the underlying assets in the Funds; and
- Changing the fees paid to the ACD for managing and running the Funds.

Many of the Funds will benefit from a reduction in the overall costs deducted (the Ongoing Charges Figure or "OCF") but some Funds will see an increase in the OCF as a result of these changes.

The ACD is also introducing the ability to defer the sale of shares where investors selling shares on a Business Day exceeds 10% of the value of each of the Funds. This also includes shares that are sold where investors switch out of the Funds.

The changes will take effect from 1 October 2020. For further details of the changes please refer to the shareholder notice or contact us using the telephone number or address on page 97 of this report.

Other Information

Equalisation

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

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

Corporate Shareholders

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

Fund	Date payable/paid	Share class	Investment income	
			Franked	Unfranked
Corporate Bond	15.9.20	Retail Income	0.00%	100.00%
	15.9.20	Retail Accumulation	0.00%	100.00%
	15.9.20	Institutional Accumulation	0.00%	100.00%
	15.9.20	Institutional Income	0.00%	100.00%
	15.9.20	Institutional Gross Accumulation	0.00%	100.00%
	15.9.20	Income C	0.00%	100.00%
	15.9.20	Accumulation C	0.00%	100.00%
	15.6.20	Retail Income	0.00%	100.00%
	15.6.20	Retail Accumulation	0.00%	100.00%
	15.6.20	Institutional Accumulation	0.00%	100.00%
	15.6.20	Institutional Income	0.00%	100.00%
	15.6.20	Institutional Gross Accumulation	0.00%	100.00%
	15.6.20	Income C	0.00%	100.00%
	15.6.20	Accumulation C	0.00%	100.00%
Gilt & Fixed Interest	15.9.20	Retail Income	0.00%	100.00%
	15.9.20	Retail Accumulation	0.00%	100.00%
	15.9.20	Institutional Income	0.00%	100.00%
	15.9.20	Income C	0.00%	100.00%
	15.9.20	Accumulation C	0.00%	100.00%
	15.6.20	Retail Income	0.00%	100.00%
	15.6.20	Retail Accumulation	0.00%	100.00%
	15.6.20	Institutional Income	0.00%	100.00%
	15.6.20	Income C	0.00%	100.00%
	15.6.20	Accumulation C	0.00%	100.00%
Global Equity Income	15.9.20	Institutional Accumulation	93.46%	6.54%
	15.9.20	Institutional Income	90.89%	9.11%
	15.9.20	Income C	100.00%	0.00%
	15.9.20	Accumulation C	100.00%	0.00%
	15.6.20	Institutional Accumulation	100.00%	0.00%
	15.6.20	Institutional Income	100.00%	0.00%
	15.6.20	Income C	100.00%	0.00%
	15.6.20	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	5†
UK Growth & Income	6††
Income	6††
Monthly Income	5†
Gilt & Fixed Interest	4
Corporate Bond	4†††
Global Equity Income	5

Lower risk **Higher risk**

←—————→

Typically lower rewards Typically higher rewards

1	2	3	4	5	6	7
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†The previous rating for this Fund was 4 until 4 August 2020.
 ††The previous rating for this Fund was 5 until 4 August 2020.
 †††The previous rating for this Fund was 3 until 4 August 2020.

*More About this Rating

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

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

Directory

The Company

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

Authorised Corporate Director (ACD) and Head Office

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

Investment Manager

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

Depository

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

Regulator

Financial Conduct Authority (FCA), 12 Endeavour Square, London, E20 1JN (WEF 1 July 2018)

Auditor

KPMG LLP, 15 Canada Square, London E14 5GL

Registrar

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

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

Telephone: 0800 358 3011*

+44 800 358 3011 (Overseas)*

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

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

PO Box 3733, Royal Wootton Bassett, Swindon, SN4 4BG

Website

www.assetmanagement.hsbc.com/uk

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

Quick Reference Guide to HSBC 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	£1,000	£1,000	£1,000
Regular saver minimum investment level	£50	£50	£50	£50
Authorised Corporate Director charge % †	1.50	1.50	1.50	1.25
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 retail share classes. Other share classes may differ.

Quick Reference Guide to HSBC Investment Funds

Name of OEIC Fund	Gilt & Fixed Interest	Corporate Bond	Global Equity Income
Number of distributions per year	4	4	4
Distribution dates	15 Mar, 15 Jun, 15 Sep, 15 Dec	15 Mar, 15 Jun, 15 Sep, 15 Dec	15 Mar, 15 Jun, 15 Sep, 15 Dec
Lump sum minimum investment level	£1,000	£1,000	£1,000,000
Regular saver minimum investment level	£50	£50	n/a
Authorised Corporate Director charge % †	0.60	1.00	0.75
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 retail share classes or C share classes as applicable. Other share classes may differ.

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

www.assetmanagement.hsbc.com/uk

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