

HSBC Private Investment Funds

Annual Report and Accounts

31 August 2017

Company Information

Company

HSBC Private Investment Funds
Registered in England with
Company Number IC000465

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

C.A. Berman

C.S. Cheetham

A.S. Clark

A.C. Corfield

P.J.F. Glaze

J.M. Munro

T.J. Palmer (appointed 1 April 2017)

E.R Stokes (resigned 5 April 2017)

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Director's Report

We are pleased to present the Annual Report and Financial Statements for HSBC Private Investment Funds Open-Ended Investment Company (OEIC), ("the Company"), covering the period from 1 September 2016 to 31 August 2017.

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

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

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

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

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

A.C. Corfield

Director

A.S. Clark

Director

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

22 November 2017

Market Review

Welcome to the Annual Report for the HSBC Private Investment Funds Open-Ended Investment Company (OEIC). The report covers the year 1 September 2016 to 31 August 2017 .

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

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

***Lines are open 9am to 5pm Monday to Friday (excluding public holidays). If you also have shares in another HSBC OEIC, you will receive a separate statement and report when it is due.**

Economic and Market Overview

The year under review was characterised by a continuing economic recovery in most regions, as well as improving corporate earnings and record-high stock-market gains for many of the world's major indexes. For the 12 months that ended 31 August 2017, emerging markets outperformed developed markets, and in regional terms, both developed and emerging economies in Asia were the strongest gainers. Bond yields overall were down (moving inversely to prices), amid a fair amount of volatility.

As the period got underway, financial markets around the world had recovered from the shock result of the Brexit referendum – the UK's decision to leave the European Union (EU) – although the effect on sterling continued to be drastic, with the currency at one point hitting a 30-year low. In November, Donald Trump's victory in the US presidential election sparked a positive reaction in the markets; contrary to expectations, investors seemed ready to embrace the potential economic upsides of a Trump presidency, which they presumed to include an easier regulatory environment, increased infrastructure spending and pro-business tax reform.

The latter part of 2016 saw a brief reversal for most global equities indices, with emerging markets underperforming amid concerns about the trade protectionism expected from the new US administration, but most markets regained lost ground in the first two months of 2017. Economic indicators from the US, the UK, Europe and Japan were mostly positive (if somewhat short of expectations), which gave a boost to markets, as did the results of elections in the Netherlands and France. These signalled reduced political risk in Europe, owing to the victories of moderate, pro-EU candidates, and helped spur a global 'relief rally' in April, marking a significant shift in what was driving markets. Rather than political events, markets were supported by healthy economic growth and corporate fundamentals. In August, however, tensions with North Korea drove investors in search of less risky assets, particularly gold and high-quality fixed-income investments such as US Treasuries.

UK Equities

During the year under review, UK equities made strong gains, despite considerable market volatility around the ongoing Brexit question. While the details remained uncertain, UK equities continued a steady rise, due in part to the weaker pound bolstering the outlook for large UK companies with overseas earnings, but also thanks to stronger-than-expected economic data. Fourth-quarter GDP figures further bolstered the impression that the controversial referendum was not yet having a negative economic impact, and industrial and manufacturing numbers showed renewed vigour on the back of the basic metals and pharmaceuticals industries. With inflation picking up and first-quarter GDP weaker than expected, however, the UK's Office for Budget Responsibility cut back its GDP estimates for 2017 and 2018.

Politics remained at the forefront in 2017: following months of Brexit discussions, Prime Minister Theresa May called a general election for June in the hope of consolidating her party's majority. However, the gamble backfired somewhat – the Conservatives failed to keep their majority and agreed to a controversial 'confidence and supply' deal with Northern Ireland's Democratic Unionist Party; Mrs May was facing talk of a possible leadership challenge over the summer. The Bank of England (BoE) kept interest rates unchanged during the period, but the five-to-three vote in June 2017 was the most hawkish the BoE has appeared, with bank governor Mark Carney suggesting that monetary tightening may be on the horizon if the economy improved. However, by August, growth was expected to remain sluggish: first-quarter GDP growth was revised downwards in June, to 0.2%, and second-quarter growth stood at 0.3%, or 1.7% year over year. Sterling rose over the timeframe, which, combined with rising inflation and low wage growth, contributed to a lacklustre backdrop for UK shares.

US Equities

US equities advanced over the year, with most major US indices nearing or achieving record highs along the way. Investor sentiment was positive in anticipation of what was generally considered to be the pro-business stance of the new president and the Republican-majority government. Tax reform and a less strict regulatory environment were expected to help bolster the outlook for US companies, many of which posted better-than-expected earnings despite no major legislation being passed by the Trump administration.

Overall, the domestic economy remained sound; annualised GDP growth as of the second quarter of 2017 was 3.0%, handily exceeding forecasts of 2.7%. Unemployment remained low and inflation edged higher, reaching 2.5% in February, its highest level in nearly five years, before retreating for the rest of the period under review. After increasing its target federal funds rate by 25 basis points in December 2016, the Federal Reserve voted for two 25-basis-point interest-rate increases (one in March and one in June), to bring the target rate to 1.25%, and announced that it would begin to scale down its massive balances from the bank bailouts that accompanied the global economic crisis nearly 10 years ago.

As March wore on, the 'Trump trade' began to unwind amid a contentious environment in Washington, DC, and failure to repeal the Affordable Care Act, aka Obamacare. Although investor optimism about the new president waned, strong earnings reports from US companies helped stocks move higher. The unemployment rate stood at 4.3% for July, although inflation data was persistently low and wages remained under pressure. After initially signalling another two rate hikes for 2017, the Fed suggested a slower rate of increases for the remainder of the year.

Japan Equities

Japanese equities made strong gains during the year, bolstered by an improving economy in the wake of the vast ¥13.5 trillion programme of economic stimulus introduced by Prime Minister Shinzo Abe in August 2016. While falling short of estimates, GDP data over the year-long period showed signs of growth, spurred by external demand from improving global economies and the depreciation of the yen for much of the period, which benefited trade data. Economic forecasts for 2017 call for the world's third-largest economy to expand for a second consecutive year of growth. Unemployment levels fell to 2.8% in February and remained there for the rest of the reporting period, with the exception of a one-time increase to 3.1% in May. Following the Trump election in the US, the dollar strengthened against the yen, pricing in expectations in the US for growth, inflation and a rate hike – all positive news for the export-reliant Japanese economy.

The Bank of Japan maintained its negative interest rate of -0.1% and in September announced a yield-curve control programme to keep the 10-year Japanese government bond yield at 0%, which included unlimited government bond purchases by the central bank. With the Japanese economy heavily reliant on exports, trade numbers were encouraging through most of the period, in part due to a more competitive yen as the year went on and the US dollar fell, as well as to improving global economic growth. At the end of the period, however, escalating tensions with North Korea – which has been testing nuclear missiles aimed at Japan – dampened investor appetite for Asian equities.

Outlook

With tensions around North Korea remaining high, a lack of substantial progress on Brexit negotiations and the US Congress facing its budget approval process soon, the influence of geopolitical events on global markets is back, after receding somewhat in the second and third quarters of 2017. While corporate earnings should remain a strong driver of equity performance in the near term, we are alert to the possibility of a 'black swan' event prompting a sudden flight to quality. We'd also expect to see central banks increasing interest rates and beginning to unwind their quantitative easing programmes over the next six months, particularly the Federal Reserve, the European Central Bank and the Bank of England.

Please note that the above information refers to the past and that past performance is not a reliable indication of future returns. Information provided by HSBC Global Asset Management (UK) Limited 31 August 2017.

Notes to the Company Financial Statements

for the year ended 31 August 2017

Accounting Policies

a. Basis of Accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in compliance with FRS102 and in accordance with the Statement of 'Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by The Investment Association' ("IA") in May 2014.

Unless otherwise stated all other accounting policies are consistent with those of the prior year.

b. Revenue

Dividends on equities are recognised when the security is quoted ex-dividend. Interest on fixed interest securities is accounted for on an effective yield basis. Interest on deposits is accounted for on an accruals basis. Other revenue is accounted for on a receipts basis.

Underwriting commission is recognised when the issue takes place.

The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Fund and, where applicable, is included in the distribution.

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

c. Expenses

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

For purposes of the distribution, transaction charges are transferred to capital.

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

d. Taxation

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

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

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

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

e. Investments

Investments are initially recognised at fair value on the date the contract is entered into. The listed investments of the Company have been valued at bid prices at the closing valuation point on 31 August 2017. The valuation of unlisted investments is based on the Authorised Corporate Director's assessment of their estimated realisable value. Suspended securities are valued initially at the suspended price but are subject to constant review. Revaluation gains or losses are recognised in the Statement of Total Return. Investments cease to be recognised on the date a contract for sale is entered into or when the Company's interest in the investment is extinguished or terminated.

f. Exchange Rates

All transactions in foreign currencies are converted into sterling at the rates of exchange ruling at the date of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates at the closing valuation point on 31 August 2017.

g. Distributions

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

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

Where coupon basis is used, this can have the effect of enhancing the distribution at the expense of capital and the impact on capital is disclosed in the note to the accounts. Ash Fund and WSSF 1-5 have all calculated distributions using this methodology. A reconciliation of the net distribution to the net revenue of the Fund as reported in the Statement of Total Return is shown in note 7.

h. Derivatives

Derivatives are initially recognised at fair value on the date the contract is entered into and are subsequently re-measured at fair value at 31 August 2017. Where the fair value of the derivative is positive, it is carried as a derivative asset and where negative as a derivative liability.

The ACD monitors that any exposure is covered globally to ensure adequate cover from within the sub-fund is available to meet the sub-fund's total exposure, taking into account the value of the underlying investments, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions. The ACD has adopted the commitment approach to determine the global market risk exposure in relation to the futures held.

Financial Instruments

In pursuing its Investment Objective, the Company holds a number of financial instruments. The Company's financial instruments, other than derivatives, comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

The main risks arising from the Company's financial instruments and the Authorised Corporate Director's policies for managing these risks in each of the Funds are summarised below. These policies have been applied throughout the year.

General Risk Management Process

The management of financial instruments is fundamental to the management of the Company's business. The Company's risk management process is managed by the ACD and oversight of these functions is carried out by the Depositary. This is organised by function with distinct separation of responsibility between managers, dealers and investment administration personnel.

Risks specific to each Fund are managed by the relevant Fund Manager. In addition, these teams are supported by a series of committees which are responsible for oversight and monitoring of the risk management process, the investment process, and performance and operational processes. Those committees and their responsibilities are discussed below.

Risk Management Committee (RMC)

The most senior risk management forum for the business is the Risk Management Committee. The RMC sits on a quarterly basis. The RMC is responsible for all aspects of risk policy and control supported by a number of specialist committees. The RMC monitors and controls key business risks, including reviewing the internal control and assurance framework and risk profile, and considering the activities of Business Risk Internal Audit. In addition the Committee considers reports from other committees that assess the nature and extent of risks.

Valuation Committee (VC)

The VC meets on a monthly basis and its role is to ensure robust pricing policies across the fund range and to provide oversight of any exception to these policies that might arise from time to time. The committee reports into the RMC.

Business Risk and Control Committee (BRCC)

The BRCC is the principal forum for overseeing the management of operational risk and internal control within HSBC Global Asset Management (UK) Limited. Where the level of risk is in excess of appetite or tolerance the BRCC must ensure appropriate action is taken to address the underlying issue or escalate to the RMC and document acceptance of the risk.

Product Committee (PC)

The PC meets monthly and provides independent oversight of product development to ensure that the investment guidelines and risks in new products, or significant changes to existing products have been reviewed and challenged from the perspective of customers, the investment teams, the systems and risk management processes used to deal and monitor positions and the wider business strategy. This includes considering whether a product is consistent with the concept of 'Treating Customers Fairly'.

The same approach applies where the use of new instruments is proposed (including derivatives), whether for a new or an existing product. All new products will in the first instance be considered by the Company. Proposed changes to existing products will be considered significant when they materially alter the product characteristics. This may occur due to changes in the market or due to changing internal or external risks.

Market Price Risk

Market price risk is the risk that the value of the Company's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Company holds. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. The Company's investment portfolio is exposed to market price fluctuations which are monitored by the Authorised Corporate Director in pursuance of the Investment Objective and Policy as set out in the Instrument of Incorporation.

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

Foreign Currency Risk

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

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

Interest Rate Risk

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

The Company invests in fixed and floating rate securities. The revenue of the Company may be affected by changes to interest rates relevant to particular securities or as a result of the Authorised Corporate Director being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. Where applicable, the value of interest bearing assets is disclosed in the Fund Financial Statements.

Liquidity Risk

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

Credit Risk

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

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

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

UK Focus Fund

Investment Objective

To provide long-term capital growth by investing predominantly in a portfolio of UK equities.

Investment Policy

To invest in a concentrated portfolio of predominantly UK equities. The ACD may also invest, at its discretion, in other transferable securities, money market instruments, deposits, cash or near cash and collective investment schemes.

Investment Strategy

To outperform the FTSE All-Share index through active stock selection to create a concentrated, high conviction portfolio. The stock selection process is based on quantitative and qualitative factors, with fundamental research being the most important aspect.

Portfolio Activity

During the period, UK equities rose. The Materials and Financials sectors outperformed while Telecommunications and Health Care lagged the market.

The Fund underperformed the benchmark.

Stock selection was negative over the period, with the holdings in IG Group, BT Group and Howden Joinery detracting from relative performance. IG Group saw the FCA announce restrictions "leverage ratios" for the industry which might dampen the group's revenues going forward. BT Group underperformed on news of a corruption scandal in their Italian business. Howden Joinery suffered after the EU Referendum on increased import costs, despite a strong market position.

The holdings in Rio Tinto and WS Atkins contributed to relative performance. Rio Tinto advanced as Glencore bid for the company's coal assets and as iron ore prices increased. WS Atkins gained as it was acquired by its Canadian rival, SNC-Lavalin.

During the period, positions were initiated in WPP, Essentra, Sage Group, National Grid, Croda, Rentokil Initial, Saga, and IWG. The positions in Howden Joinery, IG Group, WS Atkins, Kingfisher, and SSP Group were sold.

Sector allocation, while residual to stock selection, was negative, given the underweight in Materials, overweight in Telecommunications, and underweight in Investment Trusts. This was offset somewhat by the underweight in Health Care and overweight in Financials.

Investment Performance

During the year under review, the value of the shares in the Fund increased by 6.26% whilst the value of the FTSE All-Share index rose by 14.65%.

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

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

Fund Particulars

as at 1 September 2017

	Retail Income	Retail Accumulation	Institutional Income	Institutional Accumulation
Price	161.5p xd	208.2p	161.9p xd	237.7p
Distribution payable (on 31 October 2017) per share net	1.548404p	1.999300p	1.981965p	2.880105p
Current net estimated yield	3.06%	3.00%	4.06%	3.96%
Annual ACD charge	1.00%	1.00%	0.00%	0.00%

Portfolio Statement

as at 31 August 2017

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Oil & Gas - 12.08% (8.87%)			
BP	1,885,366	8,391	6.35
Royal Dutch Shell B	350,961	7,583	5.73
Total Oil & Gas		15,974	12.08
Basic Materials - 7.73% (2.32%)			
BHP Billiton	282,305	4,164	3.15
Croda International	51,406	1,974	1.49
Rio Tinto	108,991	4,083	3.09
Total Basic Materials		10,221	7.73
Industrials - 10.74% (17.85%)			
BAE Systems	718,333	4,364	3.30
DCC	26,741	1,883	1.42
Essentra	407,462	2,174	1.64
Ferguson	44,951	2,069	1.57
International Workplace Group	580,654	1,745	1.32
Rentokil Initial	647,628	1,972	1.49
Total Industrials		14,207	10.74
Consumer Goods - 16.38% (18.46%)			
British American Tobacco	130,304	6,294	4.76
Imperial Brands	147,106	4,708	3.56
Reckitt Benckiser	78,865	5,782	4.37
Unilever	108,189	4,887	3.69
Total Consumer Goods		21,671	16.38
Healthcare - 8.09% (6.38%)			
AstraZeneca	70,895	3,218	2.43
GlaxoSmithKline	488,222	7,487	5.66
Total Healthcare		10,705	8.09
Consumer Services - 10.84% (10.27%)			
Compass Group	271,961	4,490	3.40
Informa	513,573	3,546	2.68
Saga	946,891	1,919	1.45
WHSmith	99,105	1,831	1.38
WPP	179,871	2,554	1.93
Total Consumer Services		14,340	10.84
Telecommunications - 7.44% (7.77%)			
BT Group	1,654,243	4,840	3.66
Vodafone Group	2,259,322	5,000	3.78
Total Telecommunications		9,840	7.44

Portfolio Statement

as at 31 August 2017

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Financials - 19.61% (23.47%)			
AA	699,605	1,119	0.84
Aviva	538,926	2,813	2.13
Barclays	1,756,519	3,356	2.54
+HSBC Holdings (London listed)	874,912	6,565	4.96
Lloyds Banking Group	3,832,198	2,443	1.85
Prudential	330,764	6,002	4.54
Royal Bank of Scotland	1,445,829	3,641	2.75
Total Financials		25,939	19.61
Utilities - 4.68% (4.04%)			
Centrica	2,046,822	4,090	3.09
National Grid	216,315	2,108	1.59
Total Utilities		6,198	4.68
Technology - 1.60% (0.00%)			
Sage Group	305,184	2,113	1.60
Total Technology		2,113	1.60
Portfolio of investments		131,208	99.19
Net other assets		1,065	0.81
Net assets		132,273	100.00
+related party			

Figures in brackets denote comparative percentage holdings as at 31 August 2016.

Unless otherwise stated, all investments are listed equities.

Comparative Table

for the year ended 31 August 2017

Retail Income			
Change in net assets per share	31.8.17	31.8.16	31.8.15
Opening net asset value per share	155.60p	147.50p	147.80p
Return before operating charges*	12.26p	13.79p	4.63p
Operating charges	(1.73p)	(1.51p)	(1.53p)
Return after operating charges*	10.53p	12.28p	3.10p
Distributions on income share	(4.93p)	(4.18p)	(3.40p)
Closing net asset value per share	161.20p	155.60p	147.50p
*after direct transaction costs of:	0.37p	0.24p	0.30p
Performance			
Return after charges	6.77%	8.33%	2.10%
Other information			
Closing net asset value	£2,054,761	£147,031	£139,407
Closing number of shares	1,274,676	94,518	94,518
Operating charges - OCF	1.02%	1.02%	1.02%
Direct transaction costs	0.22%	0.16%	0.20%
Prices			
Highest share price	169.30p	158.70p	162.70p
Lowest share price	150.50p	131.90p	133.70p

Retail Accumulation			
Change in net assets per share	31.8.17	31.8.16	31.8.15
Opening net asset value per share	194.30p	179.20p	175.70p
Return before operating charges*	15.57p	16.95p	5.34p
Operating charges	(2.07p)	(1.85p)	(1.84p)
Return after operating charges*	13.50p	15.10p	3.50p
Distributions on accumulation share	(6.23p)	(5.13p)	(4.07p)
Retained distributions on accumulation share	6.23p	5.13p	4.07p
Closing net asset value per share	207.80p	194.30p	179.20p
*after direct transaction costs of:	0.45p	0.30p	0.36p
Performance			
Return after charges	6.95%	8.43%	1.99%
Other information			
Closing net asset value	£833,031	£820,158	£1,180,718
Closing number of shares	400,952	422,020	658,718
Operating charges - OCF	1.02%	1.02%	1.02%
Direct transaction costs	0.22%	0.16%	0.20%
Prices			
Highest share price	214.70p	196.70p	194.80p
Lowest share price	188.60p	161.20p	159.00p

Comparative Table

for the year ended 31 August 2017

Institutional Income			
Change in net assets per share	31.8.17	31.8.16	31.8.15
Opening net asset value per share	155.80p	147.70p	147.90p
Return before operating charges*	12.29p	13.81p	4.77p
Operating charges	(0.04p)	(0.04p)	(0.04p)
Return after operating charges*	12.25p	13.77p	4.73p
Distributions on income share	(6.55p)	(5.67p)	(4.93p)
Closing net asset value per share	161.50p	155.80p	147.70p
*after direct transaction costs of:	0.36p	0.24p	0.31p
Performance			
Return after charges	7.86%	9.32%	3.20%
Other information			
Closing net asset value	£120,987,194	£138,569,419	£153,708,670
Closing number of shares	74,896,899	88,969,097	104,105,512
Operating charges - OCF	0.02%	0.02%	0.02%
Direct transaction costs	0.22%	0.16%	0.20%
Prices			
Highest share price	169.90p	159.20p	163.20p
Lowest share price	150.70p	132.30p	134.00p

Institutional Accumulation			
Change in net assets per share	31.8.17	31.8.16	31.8.15
Opening net asset value per share	219.60p	200.60p	194.70p
Return before operating charges*	17.65p	19.05p	5.95p
Operating charges	(0.05p)	(0.05p)	(0.05p)
Return after operating charges*	17.60p	19.00p	5.90p
Distributions on accumulation share	(9.38p)	(7.81p)	(6.56p)
Retained distributions on accumulation share	9.38p	7.81p	6.56p
Closing net asset value per share	237.20p	219.60p	200.60p
*after direct transaction costs of:	0.51p	0.34p	0.41p
Performance			
Return after charges	8.01%	9.47%	3.03%
Other information			
Closing net asset value	£7,201,902	£8,519,667	£7,975,807
Closing number of shares	3,036,668	3,878,915	3,976,542
Operating charges - OCF	0.02%	0.02%	0.02%
Direct transaction costs	0.22%	0.16%	0.20%
Prices			
Highest share price	244.40p	222.30p	217.40p
Lowest share price	213.50p	181.20p	176.30p

Comparative Table

for the year ended 31 August 2017

Institutional A Accumulation	31.8.17	31.8.16	31.8.15
Change in net assets per share			
Opening net asset value per share	200.00p	184.40p	180.80p
Return before operating charges*	15.92p	17.51p	5.51p
Operating charges	(2.12p)	(1.91p)	(1.91p)
Return after operating charges*	13.80p	15.60p	3.60p
Distributions on accumulation share	(6.40p)	(5.28p)	(4.19p)
Retained distributions on accumulation share	6.40p	5.28p	4.19p
Closing net asset value per share	213.80p	200.00p	184.40p
*after direct transaction costs of:	0.46p	0.31p	0.38p
Performance			
Return after charges	6.90%	8.46%	1.99%
Other information			
Closing net asset value	£1,195,842	£1,984,335	£2,180,606
Closing number of shares	559,377	992,358	1,182,337
Operating charges - OCF	1.02%	1.02%	1.02%
Direct transaction costs	0.22%	0.16%	0.20%
Prices			
Highest share price	220.90p	202.40p	200.50p
Lowest share price	194.00p	165.90p	163.60p

Statement of Total Return

for the year ended 31 August 2017

	Notes	31.8.17		31.8.16	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		5,351		7,375
Revenue	3	5,858		5,821	
Expenses	4	(74)		(69)	
Net revenue before taxation		5,784		5,752	
Taxation	5	-		-	
Net revenue after taxation			5,784		5,752
Total return before distributions			11,135		13,127
Distributions	6		(5,778)		(5,752)
Change in net assets attributable to shareholders from investment activities			5,357		7,375

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 August 2017

	31.8.17		31.8.16	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		150,041		165,185
Amounts receivable on creation of shares	6,408		4,707	
Amounts payable on cancellation of shares	(29,935)		(27,642)	
		(23,527)		(22,935)
Dilution adjustment		31		16
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		5,357		7,375
Retained distribution on accumulation shares		371		398
Unclaimed distributions		-		2
Closing net assets attributable to shareholders		132,273		150,041

Balance Sheet

as at 31 August 2017

	Notes	31.8.17		31.8.16	
		£'000	£'000	£'000	£'000
Assets					
Investments			131,208		149,191
Current assets					
Debtors	8	2,015		1,144	
Cash and bank balances		907		1,200	
Total current assets			2,922		2,344
Total assets			134,130		151,535
Liabilities					
Creditors					
Distribution payable on income shares		(1,504)		(1,410)	
Other creditors	9	(353)		(84)	
Total liabilities			(1,857)		(1,494)
Net assets attributable to shareholders			132,273		150,041

Distribution Table (pence per share)

for the year ended 31 August 2017

Group 1: Shares purchased prior to 1 June 2017				
Group 2: Shares purchased from 1 June 2017 to 31 August 2017				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 31.10.17</i>	<i>Distribution paid 31.10.16</i>
Retail Income				
Group 1	1.548404	-	1.548404	1.202395
Group 2	1.548404	0.000000	1.548404	1.202395
Retail Accumulation				
Group 1	1.999300	-	1.999300	1.489292
Group 2	1.999300	0.000000	1.999300	1.489292
Institutional Income				
Group 1	1.981965	-	1.981965	1.583575
Group 2	1.186617	0.795348	1.981965	1.583575
Institutional Accumulation				
Group 1	2.880105	-	2.880105	2.214653
Group 2	2.880105	0.000000	2.880105	2.214653
Institutional A Accumulation				
Group 1	2.053170	-	2.053170	1.531062
Group 2	2.053170	0.000000	2.053170	1.531062

Distribution Table (pence per share)

for the year ended 31 August 2017

Group 1: Shares purchased prior to 1 March 2017				
Group 2: Shares purchased from 1 March 2017 to 31 May 2017				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 31.7.17</i>	<i>Distribution paid 31.7.16</i>
Retail Income				
Group 1	1.620000	-	1.620000	1.640000
Group 2	1.620000	0.000000	1.620000	1.640000
Retail Accumulation				
Group 1	2.020000	-	2.020000	2.010000
Group 2	2.020000	0.000000	2.020000	2.010000
Institutional Income				
Group 1	2.020000	-	2.020000	2.020000
Group 2	1.530000	0.490000	2.020000	2.020000
Institutional Accumulation				
Group 1	2.890000	-	2.890000	2.780000
Group 2	2.890000	0.000000	2.890000	2.780000
Institutional A Accumulation				
Group 1	2.080000	-	2.080000	2.070000
Group 2	2.080000	0.000000	2.080000	2.070000

Notes to the Financial Statements

for the year ended 31 August 2017

	31.8.17	31.8.16
	£'000	£'000
1. Accounting Policies		
The accounting policies are set out on pages 7 and 8.		
2. Net Capital Gains		
The net capital gains during the year comprise:		
Currency gains	-	9
Transaction charges	13	(1)
Capital special dividends	-	45
Gains on non-derivative securities	5,338	7,322
Net capital gains	5,351	7,375
3. Revenue		
UK dividends (net)	5,672	5,514
Overseas dividends	186	306
Bank interest	-	1
Total revenue	5,858	5,821
4. Expenses		
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
Authorised Corporate Director's charge	43	33
Safe custody fee	3	6
	46	39
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	17	19
Other expenses:		
Audit fee	6	5
Report and accounts fee	5	6
	11	11
Total expenses	74	69

31.8.17 31.8.16
£'000 £'000

5. Taxation**a) Analysis of charge in year:**

Corporation tax	-	-
Total tax for the year (note 5b)	-	-

b) Factors affecting taxation charge for the year:

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

The differences are explained below:

Net revenue before taxation	5,784	5,752
Corporation tax at 20%	1,157	1,150
Effects of:		
Revenue not subject to taxation	(1,172)	(1,164)
Current year expenses not utilised	15	14
Current tax charge for the year (note 5a)	-	-

c) Provision for deferred taxation

At 31 August 2017, there is a potential deferred tax asset of £144,082 (31.8.16: £129,327) in relation to surplus management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or prior year.

6. Distributions

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

Interim dividend distribution	4,095	4,187
Final dividend distribution	1,611	1,518
	5,706	5,705
Add: Amounts deducted on cancellation of shares	94	72
Deduct: Amounts received on issue of shares	(22)	(25)
Net distribution for the year	5,778	5,752

7. Movement Between Net Revenue and Distributions

Net revenue after taxation	5,784	5,752
Equalisation on conversions	(6)	-
Net distribution for the year	5,778	5,752

8. Debtors

Amounts receivable for creation of shares	77	36
Sales awaiting settlement	801	-
Accrued revenue	1,134	1,105
Corporation tax recoverable	3	3
Total debtors	2,015	1,144

9. Other creditors

Amounts payable for cancellation of shares	113	71
Purchases awaiting settlement	228	-
Accrued expenses	12	13
Total other creditors	353	84

10. Reconciliation of Shares

	<i>Retail Income</i>	<i>Retail Accumulation</i>	<i>Institutional Income</i>	<i>Institutional Accumulation</i>	<i>Institutional A Accumulation</i>
Opening Shares issued at 1.9.16	94,518	422,020	88,969,097	3,878,915	992,358
Share movements 1.9.16 to 31.8.17					
Shares issued	171,255	26,878	3,930,982	-	-
Shares cancelled	(2,930,083)	(47,946)	(14,234,645)	(728,388)	(432,981)
Shares converted	3,938,986	-	(3,768,535)	(113,859)	-
Closing Shares issued at 31.8.17	1,274,676	400,952	74,896,899	3,036,668	559,377

11. Related Party Transactions

The balance due to HSBC Global Asset Management (UK) Limited and their associates at the year end was £39,111 (31.8.16: £38,762).

The following party holds a material holding in the Fund as at the year end date:

HSBC Bank plc - none (31.8.16 - 100.00%) and Rathbone Nominees Limited - 63.12% (31.8.16: none) of the Retail Income shares.

Trustees of the TP Hague Comp Protection Bare Trust 56.79% (31.8.16 - 53.87%) and Mr David Anthony Coldrick - 22.00% (31.8.16 - 20.90%) of the Retail Accumulation shares.

Turnsonic (Nominees) Limited 41.01% (31.8.16 - 34.60%) and HSBC Wealth Client Nominee Limited - 50.60% (31.8.16 - 56.37%) of the Institutional Income shares.

HSBC Private Bank UK Limited - 91.65% (31.8.16 - 75.30%) of the Institutional Accumulation shares.

Miss A.O. Plant - 78.21% (31.8.16 - none) and HSBC Bank plc 21.79% (31.8.16 - none) and Turnsonic (Nominees) Limited none (31.8.16 - 99.96%) of the Institutional A Accumulation shares.

The ACD does not have information to determine if individuals' holdings within the nominee accounts are material. Related party transactions are disclosed within notes 3 and 4. Investments in related parties are disclosed in the Portfolio Statement.

12. Financial Instruments

The financial instrument risks and risk management policies are set out on pages 9 and 10.

Foreign Currency Risk

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

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>		<i>Net other assets</i>		<i>Net assets</i>	
	31.8.17	31.8.16	31.8.17	31.8.16	31.8.17	31.8.16
	£'000	£'000	£'000	£'000	£'000	£'000
* Sterling	131,208	149,191	664	708	131,872	149,899
United States dollar	-	-	401	142	401	142
Total	131,208	149,191	1,065	850	132,273	150,041

*No currency risk as base currency.

Interest Rate Risk

At the year end 0.69% (31.8.16: 0.80%) of the Fund's assets by value were interest-bearing.

Interest rates are based upon LIBOR (London interbank offered rate).

13. Shareholders' Funds

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

The annual ACD charge on the retail share class is 1.00%, 0.00% on the institutional class and 1.00% on the institutional A share class.

The net asset value of the share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 14 to 16. The distribution per share class is given in the Distribution Tables on pages 18 and 19. All share classes within the OEIC have the same rights on winding up.

14. Contingent Liabilities and Commitments

At the year end the Fund had no contingent liabilities or commitments: (31.8.16: none).

15. Portfolio Transaction Costs

For the year ended 31 August 2017	<i>Purchases</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total purchases costs							
Equity transactions	49,854	43	0.09	-	-	217	0.44
Corporate actions	664	-	-	-	-	-	-
Total purchases before transaction costs	50,518	43		-		217	
Transaction costs	260						
Total purchases after commission, tax and fees	50,778						
	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total sales costs							
Equity transactions	72,769	62	0.09	-	-	-	-
Corporate actions	1,391	-	-	-	-	-	-
Total sales before transaction costs	74,160	62		-		-	
Transaction costs	(62)						
Total sales after commission, tax and fees	74,160						
Commissions, taxes and fees as % of average Net Assets							
Commissions	0.07%						
Taxes	0.00%						
Other expenses	0.15%						

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

For the year ended 31 August 2016	<i>Purchases</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total purchases costs							
Equity transactions	34,095	33	0.10	20	0.06	143	0.42
Total purchases before transaction costs	34,095	33		20		143	
Transaction costs	196						
Total purchases after commission, tax and fees	34,291						

	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total sales costs							
Equity transactions	55,836	56	0.10	-	-	-	-
Total sales before transaction costs	55,836	56		-		-	
Transaction costs	(56)						
Total sales after commission, tax and fees	55,780						

Commissions, taxes and fees as % of average Net Assets

Commissions	0.06%
Taxes	0.01%
Other expenses	0.09%

At the balance sheet date the portfolio dealing spread was 0.06%, being the difference between the respective bid and offer prices for the Fund's investments.

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

16. Fair Value of Investments

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

- Level 1: unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 31 August 2017

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	131,208	-	-	131,208
	131,208	-	-	131,208

For the year ended 31 August 2016

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	149,191	-	-	149,191
	149,191	-	-	149,191

17. Sensitivity Analysis

If the price of investments at 31 August 2017 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £13,120,829 (31.8.16: £14,919,136).

Currency risk sensitivity:

At the balance sheet date, the Fund did not have a significant exposure to non-Sterling currency, therefore no sensitivity analysis is disclosed (2016: no significant exposure).

Interest rate risk sensitivity:

At the balance sheet date, the Fund did not have a significant exposure to interest rate risk, therefore no sensitivity analysis is disclosed (2016: no significant exposure).

Ash Fund

Investment Objective

To provide principally capital growth, but also income from investment in a diversified range of UK and international securities.

Investment Policy

To invest in a diversified range of UK and international securities. The ACD may also invest, at its discretion, in other transferable securities, money market instruments, deposits, cash or near cash and collective investment schemes.

Investment Strategy

To outperform the FTSE Private Investor index* through tactical asset allocation and active stock and fund selection. Clear, but not extreme tactical asset allocation positions are taken around the APCIMS benchmark positions and aim to capitalise on areas which the Fund Manager believes present near-term opportunities. UK equity stock selection is based on quantitative and qualitative factors, with fundamental research being the most important element. Fund selection aims to select high-quality active Fund Managers, although some passive exposure can be used.

Portfolio Activity

The 12 month period was defined by a synchronised upturn in economic momentum across the world's major economies, strong corporate earnings, subdued inflation and low market volatility. This provided a constructive backdrop for risk assets, with global equity markets making steady progress higher throughout the period. In the US, Donald Trump won a surprise victory in the US Presidential election, while the US Federal Reserve continued to gradually tighten monetary policy, increasing interest rates in December 2016, and again in March and June 2017. Elsewhere, the results of the Dutch and French elections saw victories for centrist parties, removing what had been substantial political risks for the Eurozone. Economic activity in Europe continued to strengthen, propelling the euro and European equity markets higher and prompting a more upbeat outlook from the European Central Bank. In the UK, Theresa May called a surprise general election only to lose the Conservative's majority in Parliament. The pound fell sharply in October 2016 on concerns over Brexit but enjoyed a recovery, particularly against the dollar, in 2017.

Major purchases comprised: Treasury 1.375% 31/7/2018, Treasury 1.75% 22/7/2019 and HSBC American Index Fund.

Major sales included: Treasury 1.75% 22/7/2019, Findlay Park American Fund and Treasury 1% 07/9/2017.

Investment Performance

During the year under review, the value of the shares in the Fund increased by 8.40% whilst the value of the FTSE Private Investor index rose by 11.62%.

The Fund prices fortnightly on a Wednesday; performance figures for the Fund and the benchmark do not report on exactly the same period.

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

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

*formerly known as FTSE WMA Stock Market Balanced TR index.

Fund Particulars

as at 1 September 2017

	Institutional A Accumulation
Price	222.0p
Distribution payable (on 31 October 2017)	2.345622p
Current net estimated yield	1.73%
Annual ACD charge	0.75%

Portfolio Statement

as at 31 August 2017

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
UNITED KINGDOM - 75.00% (75.20%)			
Government Bonds - 16.21% (20.54%)			
Treasury 1.50% 22/7/2047	£44,408	42	0.35
Treasury 1.75% 22/7/2019	£618,724	637	5.22
Treasury 1.75% 7/9/2022	£352,940	376	3.08
Treasury 2.75% 7/9/2024	£78,318	89	0.73
Treasury 3.25% 22/1/2044	£265,520	350	2.87
Treasury 4.25% 7/12/2027	£273,851	359	2.95
Treasury 4.25% 7/6/2032	£89,228	123	1.01
Total Government Bonds		1,976	16.21
Oil & Gas - 4.03% (2.87%)			
BP	58,265	259	2.12
Royal Dutch Shell B	10,775	233	1.91
Total Oil & Gas		492	4.03
Basic Materials - 2.67% (1.03%)			
BHP Billiton	8,831	130	1.07
Croda International	1,823	70	0.57
Rio Tinto	3,363	126	1.03
Total Basic Materials		326	2.67
Industrials - 2.24% (2.95%)			
BAE Systems	23,331	142	1.17
Essentra	12,468	66	0.54
Rentokil Initial	21,489	65	0.53
Total Industrials		273	2.24
Consumer Goods - 5.93% (6.66%)			
British American Tobacco	4,359	211	1.73
Imperial Brands	5,019	161	1.32
Reckitt Benckiser	2,539	186	1.53
Unilever	3,643	165	1.35
Total Consumer Goods		723	5.93
Healthcare - 2.57% (2.49%)			
AstraZeneca	1,931	88	0.72
GlaxoSmithKline	14,675	225	1.85
Total Healthcare		313	2.57
Consumer Services - 3.13% (3.74%)			
Compass Group	9,403	155	1.27
Informa	17,481	121	0.99
Saga	27,328	55	0.45
WH Smith	2,749	51	0.42
Total Consumer Services		382	3.13

Portfolio Statement

as at 31 August 2017

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Technology - 0.53% (0.00%)			
Sage Group	9,426	65	0.53
Total Technology		65	0.53
Telecommunications - 2.53% (2.61%)			
BT Group	49,758	146	1.20
Vodafone Group	73,270	162	1.33
Total Telecommunications		308	2.53
Utilities - 1.52% (1.39%)			
Centrica	61,144	122	1.00
National Grid	6,587	64	0.52
Total Utilities		186	1.52
Financials - 33.64% (30.92%)			
AA	21,795	35	0.29
Aviva	17,859	93	0.76
Barclays	57,600	110	0.90
Edinburgh Dragon Investment Trust	32,548	117	0.96
Fidelity European Values Investment Trust	162,873	365	2.99
*+HSBC European Index Fund	17,203	164	1.34
*+HSBC Global Asset Management American Index Fund	35,365	183	1.50
*+HSBC Global Asset Management Japan Index Fund	83,303	99	0.81
+HSBC Holdings (London listed)	28,467	214	1.76
JPMorgan American Investment Trust	143,794	560	4.59
JPMorgan Emerging Markets Investment Trust	33,422	286	2.35
JPMorgan European Investment Trust	112,924	344	2.82
Lloyds Banking Group	117,064	75	0.62
North American Income Trust	51,128	608	4.99
Prudential	9,916	180	1.48
Royal Bank Of Scotland	49,997	126	1.03
Schroder Japan Growth Investment Trust	213,401	426	3.49
TR Property Investment Trust	32,076	117	0.96
Total Financials		4,102	33.64
Total United Kingdom		9,146	75.00
CHANNEL ISLANDS - 3.96% (4.10%)			
Industrials - 0.95% (1.52%)			
Ferguson	1,396	64	0.52
International Workplace	17,237	52	0.43
Total Industrials		116	0.95

Portfolio Statement

as at 31 August 2017

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Consumer Services - 0.66% (0.00%)			
WPP	5,621	80	0.66
Total Consumer Services		80	0.66
Financials - 2.35% (2.58%)			
F&C Commercial Property Trust	114,040	171	1.40
Schroder Oriental Income Fund	44,279	115	0.95
Total Financials		286	2.35
Total Channel Islands		482	3.96
IRELAND - 6.65% (9.97%)			
Industrials - 0.51% (1.60%)			
DCC (London listed)	888	62	0.51
Total Industrials		62	0.51
Financials - 6.14% (8.37%)			
*+HSBC MSCI Emerging Markets UCITS ETF	16,500	141	1.15
*+HSBC S&P 500 UCITS ETF	28,453	546	4.48
*iShares UK Property UCITS ETF	10,338	62	0.51
Total Financials		749	6.14
Total Ireland		811	6.65
UNITED STATES - 4.97%(0.00%)			
Financials - 4.97% (0.00%)			
US Treasury 1.375% 31/7/2018	£779,500	606	4.97
Total Financials		606	4.97
Total United States		606	4.97
Portfolio of investments		11,045	90.58
Net other assets		1,148	9.42
Net assets		12,193	100.00

+related party

*collective investment schemes

Figures in brackets denote comparative percentage holdings as at 31 August 2016.

Unless otherwise stated, all investments are listed equities.

Comparative Table

for the year ended 31 August 2017

Institutional A Accumulation	31.8.17	31.8.16	31.8.15
Change in net assets per share			
Opening net asset value per share	206.40p	184.00p	178.50p
Return before operating charges*	19.26p	23.91p	7.03p
Operating charges	(1.76p)	(1.54p)	(1.53p)
Return after operating charges*	17.50p	22.37p	5.50p
Distributions on accumulation share	(3.82p)	(3.41p)	(3.43p)
Retained distributions on accumulation share	3.82p	3.41p	3.43p
Closing net asset value per share	223.90p	206.37p	184.00p
*after direct transaction costs of:	0.14p	0.10p	0.12p
Performance			
Return after charges	8.48%	12.16%	3.08%
Other information			
Closing net asset value	£12,193,235	£11,312,054	£10,147,005
Closing number of shares	5,445,860	5,481,492	5,515,609
Operating charges - OCF	0.82%	0.82%	0.82%
Direct transaction costs	0.06%	0.05%	0.06%
Prices			
Highest share price	226.00p	208.30p	197.10p
Lowest share price	203.30p	176.90p	172.20p

Statement of Total Return

for the year ended 31 August 2017

		31.8.17		31.8.16	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains	2		767		1,053
Revenue	3	288		259	
Expenses	4	(96)		(85)	
Net revenue before taxation		192		174	
Taxation	5	-		-	
Net revenue after taxation			192		174
Total return before distributions			959		1,227
Distributions	6		(208)		(188)
Change in net assets attributable to shareholders from investment activities			751		1,039

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 August 2017

	31.8.17		31.8.16	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		11,312		10,147
Amounts payable on cancellation of shares	(78)		(61)	
		(78)		(61)
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		751		1,039
Retained distribution on accumulation shares		208		187
Closing net assets attributable to shareholders		12,193		11,312

Balance Sheet

as at 31 August 2017

		31.8.17		31.8.16	
	Notes	£'000	£'000	£'000	£'000
Assets					
Investment assets			11,045		10,098
Current assets					
Debtors	8	54		263	
Cash and bank balances		1,126		963	
Total current assets			1,180		1,226.00
Total assets			12,225		11,324.00
Liabilities					
Creditors					
Other creditors	9	(32)		(12)	
Total liabilities			(32)		(12)
Net assets attributable to shareholders			12,193		11,312

Distribution Table (pence per share)

for the year ended 31 August 2017

Group 1: Shares purchased prior to 1 March 2017				
Group 2: Shares purchased from 1 March 2017 to 31 August 2017				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 31.10.17</i>	<i>Distribution paid 31.10.16</i>
Institutional A Accumulation				
Group 1	2.345622	-	2.345622	2.074909
Group 2	2.345622	0.000000	2.345622	2.074909

Notes to the Financial Statements

for the year ended 31 August 2017

	31.8.17 £'000	31.8.16 £'000
1. Accounting Policies		
The accounting policies are set out on pages 7 and 8.		
2. Net Capital Gains		
The net capital gains during the year comprise:		
Currency (losses)/gains	(3)	5
Capital special dividends	-	1
Gains on non-derivative securities	770	1,047
Net capital gains	767	1,053
3. Revenue		
UK dividends (net)	219	190
Unfranked dividends	1	-
Overseas dividends	16	20
Dividend distributions from overseas authorised ICVCs and unit trusts	13	13
Franked distributions from UK authorised ICVCs and unit trusts	4	3
Interest on bonds and other debt securities	35	33
Total revenue	288	259
4. Expenses		
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
Authorised Corporate Director's charge	89	78
Safe custody fee	-	1
	89	79
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	1	1
Other expenses:		
Audit fee	6	5
Total expenses	96	85

	31.8.17	31.8.16
	£'000	£'000
5. Taxation		
a) Analysis of charge in year:		
Corporation tax	-	-
Total tax for the year (note 5b)	-	-
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	192	174
Corporation tax at 20%	38	35
Effects of:		
Revenue not subject to taxation	(50)	(45)
Current year expenses not utilised	12	10
Current tax charge for the year (note 5a)	-	-
c) Provision for deferred taxation		
At 31 August 2017, there is a potential deferred tax asset of £55,751 (31.8.16: £43,993) in relation to surplus management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.		
6. Distributions		
The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:		
Interim dividend distributions	81	73
Final dividend distributions	127	114
	208	187
Add: Amounts deducted on cancellation of shares	-	1
Net distribution for the year	208	188
7. Movement Between Net Revenue and Distributions		
Net revenue after taxation	192	174
Effective yield transferred from capital	16	14
Net distribution for the year	208	188
8. Debtors		
Sales awaiting settlement	-	222
Accrued revenue	53	40
Income tax recoverable	1	1
Total debtors	54	263
9. Other Creditors		
Purchases awaiting settlement	18	-
Accrued expenses	14	12
Total other creditors	32	12

10. Reconciliation of Shares

	<i>Institutional A Accumulation</i>
Opening Shares issued at 1.9.16	5,481,492
Share movements 1.9.16 to 31.8.17	
Shares issued	-
Shares cancelled	(35,632)
Closing Shares issued at 31.8.17	5,445,860

11. Related Party Transactions

The balance due to HSBC Global Asset Management (UK) Limited and their associates at the year end was £7,744 (31.8.16: £7,224).

The following party holds a material holding in the Fund as at the year end date:

Turnsonic (Nominees) Limited - 99.96% (31.8.16: 99.96%) of the Institutional A Accumulation shares.

The ACD does not have information to determine if individuals holdings within the nominee accounts are material.

Related party transactions are disclosed within notes 3 and 4. Investments in related parties are disclosed in the Portfolio Statement.

12. Financial Instruments

The financial instrument risks and risk management policies are set out in the Company Financial Statements on pages 9 and 10.

Foreign Currency Risk

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

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>		<i>Net other assets</i>		<i>Net assets</i>	
	31.8.17	31.8.16	31.8.17	31.8.16	31.8.17	31.8.16
	£'000	£'000	£'000	£'000	£'000	£'000
*Sterling	10,439	9,882	1,136	979	11,575	10,861
United States dollar	606	216	12	235	618	451
Total	11,045	10,098	1,148	1,214	12,193	11,312

*No currency risk as base currency

Interest Rate Risk

The interest rate profile of the Fund's financial assets and liabilities at 31 August 2017:

	<i>Floating rate financial assets**</i>		<i>Fixed rate financial assets</i>		<i>Financial assets/(liabilities) not carrying interest</i>		<i>Total</i>	
	31.8.17	31.8.16	31.8.17	31.8.16	31.8.17	31.8.16	31.8.17	31.8.16
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Sterling	1,126	963	1,977	2,324	8,472	7,574	11,575	10,861
United States dollar	-	-	606	-	12	451	618	451
Total	1,126	963	2,583	2,324	8,484	8,025	12,193	11,312

**Floating rate interest was earned at rates based on LIBOR (London interbank offered rate) or international equivalent.

	<i>Fixed rate financial assets weighted average interest rate</i>		<i>Fixed rate financial assets weighted average period for which rate is fixed</i>	
	31.8.17	31.8.16	31.8.17	31.8.16
	%	%	Years	Years
Sterling	2.07	0.50	10.92	9.53

13. Shareholders' Funds

This Fund has an institutional A share class.

The annual ACD charge on the institutional A share class is 0.75%.

The net asset value of the share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on page 30. The distribution per share class is given in the Distribution Table on page 32.

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

14. Contingent Liabilities and Commitments

At the year end the Fund had no contingent liabilities or commitments: (31.8.16: none).

15. Portfolio Transaction Costs

For the year ended 31 August 2017	<i>Purchases</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total purchases costs							
Equity transactions	1,458	1	0.07	2	-	4	0.27
Bond transactions	1,161	-	-	-	-	-	-
Pooled investment vehicles	250	-	-	-	-	-	-
Corporate actions	17	-	-	-	-	-	-
Total purchases before transaction costs	2,886	1		2		4	
Transaction costs	7						
Total purchases after commission, tax and fees	2,893						

	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total sales costs							
Equity transactions	1,459	1	0.07	-	-	-	-
Bond transactions	825	-	-	-	-	-	-
Pooled investment vehicles	322	-	-	-	-	-	-
Corporate actions	98	-	-	-	-	-	-
Total sales before transaction costs	2,704	1		-		-	
Transaction costs	(1)						
Total sales after commission, tax and fees	2,703						

Commissions, taxes and fees as % of average Net Assets

Commissions 0.01%

Taxes 0.01%

Other expenses 0.04%

At the balance sheet date the portfolio dealing spread was 0.27%, being the difference between the respective bid and offer prices for the Funds investments.

For the year ended 31 August 2016	<i>Purchases</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total purchases costs							
Equity transactions	674	1	0.15	2	0.30	1	0.15
Bond transactions	1,476	-	-	-	-	-	-
Total purchases before transaction costs	2,150	1		2		1	
Transaction costs	4						
Total purchases after commission, tax and fees	2,154						

	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total sales costs							
Equity transactions	1,123	1	0.09	-	-	-	-
Bond transactions	207	-	-	-	-	-	-
Pooled investment vehicles	86	-	-	-	-	-	-
Corporate actions	934	-	-	-	-	-	-
Total sales before transaction costs	2,350	1		-		-	
Transaction costs	(1)						
Total sales after commission, tax and fees	2,349						

Commissions, taxes and fees as % of average Net Assets

Commissions 0.02%

Taxes 0.02%

Other expenses 0.01%

At the balance sheet date the portfolio dealing spread was 0.27%, being the difference between the respective bid and offer prices for the Fund's investments.

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

16. Fair Value of Investments

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

- Level 1: unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 31 August 2017

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	7,268	-	-	7,268
Bonds	2,583	-	-	2,583
Pooled investment vehicles	749	445	-	1,194
	10,600	445	-	11,045

For the year ended 31 August 2016

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	6,685	-	-	6,685
Bonds	2,324	-	-	2,324
Pooled investment vehicles	730	359	-	1,089
	9,739	359	-	10,098

17. Sensitivity Analysis

Price risk sensitivity:

If the price of investments at 31 August 2017 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £1,104,536 (31.8.16: £1,009,824).

Currency risk sensitivity:

At the balance sheet date, the Fund did not have a significant exposure to non-Sterling currency, therefore no sensitivity analysis is disclosed (2016: no significant exposure).

Interest rate risk:

At the balance sheet date, the Fund did not have a significant exposure to interest rate risk, therefore no sensitivity analysis is disclosed (2016: no significant exposure).

Wealth Strategic Solutions Fund (1) - Conservative Portfolio (WSSF1)

Investment Objective

To seek capital growth relative to a given level of risk by investing in a diversified range of global securities. The level of risk in this Portfolio is rated as 1*, where 1 is the lowest level of risk and 5 is the highest.

*The level of risk stated in the objective is to allow investors to compare the risk relative to other Wealth Strategic Solutions Funds. This differs from the Risk and Reward Profile on page 128. This is information we are required to provide by regulation, which allows investors to compare the risk for different funds.

Investment Policy

The Fund will invest in a broad range of global securities and equivalent equity-related securities with the aim of delivering capital growth consistent with the given level of risk as set out in the Objective. Such securities may include companies or other eligible vehicles (including, without limitation, exchange traded commodities) that in turn invest directly or indirectly into property and commodities. The Fund may also invest in eligible collective investment schemes.

Investment Strategy

The strategy of the Fund is capital growth with a conservative risk profile and a major bias towards fixed income assets and liquidity. The remainder of the assets are invested almost entirely in global equities, with emphasis on developed markets and UK equities in particular. The majority of fixed income assets are invested in conventional bonds issued by governments and inflation-protected bonds.

Portfolio Activity

The 12 month period was defined by a synchronised upturn in economic momentum across the world's major economies, strong corporate earnings, subdued inflation and low market volatility. This provided a constructive backdrop for risk assets, with global equity markets making steady progress higher throughout the period. In the US, Donald Trump won a surprise victory in the US Presidential election, while the US Federal Reserve continued to gradually tighten monetary policy, increasing interest rates in December 2016, and again in March and June 2017. Elsewhere, the results of the Dutch and French elections saw victories for centrist parties, removing what had been substantial political risks for the Eurozone. Economic activity in Europe continued to strengthen, propelling the euro and European equity markets higher and prompting a more upbeat outlook from the European Central Bank. In the UK, Theresa May called a surprise general election only to lose the Conservative's majority in Parliament. UK Gilts registered negative performance for the period, selling off in tandem with global bond markets following Trump's election victory and coming under pressure again in June 2017 following hawkish comments from the Bank of England. The pound fell sharply in October 2016 on concerns over Brexit but enjoyed a recovery, particularly against the dollar, in 2017.

Sales exceeded purchase over the reporting period due to redemptions of the Fund.

Major purchases comprised: Treasury 1.5% 22/1/2021, iShares Core GBP Corporate Bond UCITS ETF and HSBC GIF Global Emerging Markets Local Debt Fund.

Major sales included: HSBC Corporate Bond Fund, Treasury 1.75% 22/1/2017 and HSBC GIF Global High Yield Bond Fund.

Investment Performance

During the year under review, the value of the shares in the Fund increased by 3.05% whilst the value of the Conservative benchmark rose by 3.43%.

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

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

Fund Particulars

as at 1 September 2017

	Retail Accumulation	Retail X Income	Retail X Accumulation
Price	1,379p	1,156p xd	0.0000p
Distribution payable (on 31 October 2017) per share net	13.595235p	11.638140p	0.000000p
Current net estimated yield	2.68%	2.73%	0.00%
Annual ACD charge	1.25%	1.00%	1.00%
		Institutional Income	Institutional Accumulation
Price		1,386p xd	1,463p
Distribution payable (on 31 October 2017) per share net		15.027990p	15.737672p
Current net estimated yield		2.81%	2.78%
Annual ACD charge		0.00%	0.00%

Portfolio Statement

as at 31 August 2017

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
UNITED KINGDOM - 53.34% (61.59%)			
AA	1,506	2	0.05
AstraZeneca	160	7	0.16
Aviva	1,292	7	0.16
BAE Systems	1,680	10	0.23
Barclays	3,809	7	0.16
BHP Billiton	664	10	0.23
BP	4,184	19	0.43
British American Tobacco	320	16	0.37
BT Group	3,896	11	0.25
Centrica	4,671	9	0.20
Compass Group	688	11	0.25
Croda International	138	5	0.11
Essentra	909	5	0.11
GlaxoSmithKline	1,112	17	0.39
*+HSBC Corporate Bond Fund	117,176	273	6.22
+HSBC Holdings (London listed)	2,044	15	0.34
Imperial Brands	355	11	0.25
Informa	1,216	8	0.18
Lloyds Banking Group	8,775	6	0.14
*M&G Corporate Bond Fund	380,077	160	3.64
National Grid	496	5	0.11
Prudential	784	14	0.32
Reckitt Benckiser	187	15	0.32
Rentokil Initial	1,635	5	0.11
Rio Tinto	249	9	0.21
Royal Bank of Scotland Group	3,259	8	0.18
Royal Dutch Shell B	794	17	0.39
Saga	2,131	4	0.09
Sage Group	686	5	0.11
Treasury 1% 7/9/2017	£599,548	599	13.64
Treasury 1.50% 22/1/2021	£302,693	315	7.17
Treasury 1.75% 22/7/2019	£320,237	330	7.52
Treasury 3.75% 7/9/2020	£339,997	377	8.59
Unilever	278	13	0.30
Vodafone Group	5,170	12	0.30
WHSmith	261	5	0.11
Total United Kingdom		2,342	53.34
CHANNEL ISLANDS - 0.34% (0.33%)			
International Workplace	1,262	4	0.09
Ferguson Group	102	5	0.11
WPP	417	6	0.14
Total Channel Islands		15	0.34

Portfolio Statement

as at 31 August 2017

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
IRELAND - 18.08% (7.25%)			
DCC	62	4	0.09
*Findlay Park American Fund	324	25	0.57
*iShares Core £ Corporate Bond UCITS ETF	2,539	377	8.58
*iShares Core MSCI Emerging Markets IMI UCITS ETF	5,441	119	2.71
*iShares Core MSCI Japan IMI UCITS ETF	3,642	111	2.53
*iShares Core MSCI Pacific ex Japan UCITS ETF	234	25	0.57
*iShares MSCI Europe ex-UK UCITS ETF	2,961	85	1.94
*Vanguard FTSE All World UCITS ETF	777	48	1.09
Total Ireland		794	18.08
LUXEMBOURG - 27.33% (29.84%)			
*+HSBC GIF Global Corporate Bond Fund	10,092	107	2.44
*+HSBC GIF Global Emerging Markets Bond Fund	20,741	222	5.05
*+HSBC GIF Global Emerging Markets Local Debt Fund	50,706	407	9.27
*+HSBC GIF Global High Yield Bond Fund	34,822	357	8.13
*+HSBC GIF Global Real Estate Equity Fund	11,455	89	2.03
*+HSBC GIF US Equity Fund	562	18	0.41
Total Luxembourg		1,200	27.33
Portfolio of investments		4,351	99.09
Net other assets		40	0.91
Net assets		4,391	100.00
Total equities		2,730	62.74
Bond credit ratings^			
AA		1,621	37.26
Portfolio of investments		4,351	100.00

+related party

*collective investment schemes

^ratings supplied by Standard & Poor's

Figures in brackets denote comparative percentage holdings as at 31 August 2016.

Unless otherwise stated, all investments are listed securities.

Comparative Table

for the year ended 31 August 2017

Retail Accumulation			
Change in net assets per share	31.8.17	31.8.16	31.8.15
Opening net asset value per share	1,316.00p	1,218.00p	1,193.00p
Return before operating charges*	76.90p	114.84p	41.19p
Operating charges	(18.90p)	(16.84p)	(16.19p)
Return after operating charges*	58.00p	98.00p	25.00p
Distributions on accumulation share	(35.51p)	(23.73p)	(17.04p)
Retained distributions on accumulation share	35.51p	23.73p	17.04p
Closing net asset value per share	1,374.00p	1,316.00p	1,218.00p
*after direct transaction costs of:	0.26p	0.16p	0.07p
Performance			
Return after charges	4.41 %	8.05%	2.10%
Other information			
Closing net asset value	£224,305	£214,834	£213,855
Closing number of shares	16,326	16,326	17,561
Operating charges - OCF	1.56%	1.55%	1.50%
Direct transaction costs	0.02 %	0.01 %	0.01 %
Prices			
Highest share price	1,376.00p	1,319.00p	1,259.00p
Lowest share price	1,301.00p	1,203.00p	1,183.00p

Retail X Income			
Change in net assets per share	31.8.17	31.8.16	31.8.15
Opening net asset value per share	1,131.00p	1,065.00p	1,057.00p
Return before operating charges*	66.66p	97.78p	34.53p
Operating charges	(13.28p)	(11.77p)	(11.62p)
Return after operating charges*	53.38p	86.01p	22.91p
Distributions on income share	(30.38p)	(20.01p)	(14.91p)
Closing net asset value per share	1,154.00p	1,131.00p	1,065.00p
*after direct transaction costs of:	0.22p	0.13p	0.06p
Performance			
Return after charges	4.72%	8.08%	2.17%
Other information			
Closing net asset value	£155,169	£177,744	£4,071,373
Closing number of shares	13,450	15,722	382,128
Operating charges - OCF	1.31 %	1.28%	1.25%
Direct transaction costs	0.02 %	0.01 %	0.01 %
Prices			
Highest share price	1,171.00p	1,140.00p	1,110.00p
Lowest share price	1,118.00p	1,049.00p	1,047.00p

Comparative Table

for the year ended 31 August 2017

Retail X Accumulation#	31.8.17	31.8.16	31.8.15
Change in net assets per share			
Opening net asset value per share	1,323.00p	1,222.00p	1,196.00p
Return before operating charges*	36.20p	114.54p	39.24p
Operating charges	(7.20p)	(13.54p)	(13.24p)
Return after operating charges*	29.00p	101.00p	26.00p
Distributions on accumulation share	(9.09p)	(23.31p)	(16.88p)
Retained distributions on accumulation share	9.09p	23.31p	16.88p
Cancellation Price	(1,352.00p)	-	-
Closing net asset value per share	0.00p	1,323.00p	1,222.00p
*after direct transaction costs of:	0.26p	0.16p	0.07p
Performance			
Return after charges	2.19%	8.27%	2.17%
Other information			
Closing net asset value	£0	£185,166	£4,264,637
Closing number of shares	0	13,994	348,865
Operating charges - OCF	1.25%	1.28%	1.25%
Direct transaction costs	0.02%	0.01%	0.01%
Prices			
Highest share price	1,352.00p	1,326.00p	1,264.00p
Lowest share price	1,308.00p	1,208.00p	1,185.00p

#The Retail X Accumulation share class was launched on 9 January 2014 and closed on 13 January 2017.

Institutional Income##	31.8.17	31.8.16	31.8.15
Change in net assets per share			
Opening net asset value per share	1,374.00p	1,286.00p	1,330.00p
Return before operating charges*	47.46p	115.40p	(34.09p)
Operating charges	(2.02p)	(2.41p)	(0.49p)
Return after operating charges*	45.44p	112.99p	(34.58p)
Distributions on income share	(37.44p)	(24.99p)	(9.42p)
Closing net asset value per share	1,382.00p	1,374.00p	1,286.00p
*after direct transaction costs of:	0.27p	0.17p	0.07p
Performance			
Return after charges	3.31%	8.79%	(2.60%)
Other information			
Closing net asset value	£2,092,039	£2,940,052	£181,807
Closing number of shares	151,342	213,950	14,143
Operating charges - OCF	0.29%	0.37%	0.22%
Direct transaction costs	0.02%	0.01%	0.01%
Prices			
Highest share price	1,398.00p	1,385.00p	1,335.00p
Lowest share price	1,336.00p	1,270.00p	1,285.00p

##The Institutional Income share class was launched on 24 March 2015.

Comparative Table

for the year ended 31 August 2017

Institutional Accumulation	31.8.17	31.8.16	31.8.15
Change in net assets per share			
Opening net asset value per share	1,411.00p	1,295.00p	1,257.00p
Return before operating charges*	49.08p	117.94p	39.02p
Operating charges	(2.08p)	(1.94p)	(1.02p)
Return after operating charges*	47.00p	116.00p	38.00p
Distributions on accumulation share	(38.94p)	(25.38p)	(17.95p)
Retained distributions on accumulation share	38.94p	25.38p	17.95p
Closing net asset value per share	1,458.00p	1,411.00p	1,295.00p
*after direct transaction costs of:	0.28p	0.17p	0.07p
Performance			
Return after charges	3.33%	8.96%	3.02%
Other information			
Closing net asset value	£1,919,378	£2,866,522	£888,351
Closing number of shares	131,634	203,132	68,597
Operating charges - OCF	0.29%	0.33%	0.25%
Direct transaction costs	0.02%	0.01%	0.01%
Prices			
Highest share price	1,457.00p	1,413.00p	1,335.00p
Lowest share price	1,382.00p	1,284.00p	1,247.00p

Statement of Total Return

for the year ended 31 August 2017

	Notes	31.8.17		31.8.16	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		52		468
Revenue	3	175		182	
Expenses	4	(12)		(76)	
Net revenue before taxation		163		106	
Taxation	5	(24)		12	
Net revenue after taxation			139		118
Total return before distributions			191		586
Distributions	6		(157)		(150)
Change in net assets attributable to shareholders from investment activities			34		436

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 August 2017

	31.8.17		31.8.16	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		6,384		9,620
Amounts receivable on creation of shares	368		397	
Amounts payable on cancellation of shares	(2,471)		(4,146)	
		(2,103)		(3,749)
Dilution adjustment		4		6
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		34		436
Retained distribution on accumulation shares		72		71
Closing net assets attributable to shareholders		4,391		6,384

Balance Sheet

as at 31 August 2017

	Notes	31.8.17		31.8.16	
		£'000	£'000	£'000	£'000
Assets					
Investment assets			4,351		6,321
Current assets					
Debtors	8	123		44	
Cash and bank balances		309		45	
Total current assets			432		89
Total assets			4,783		6,410
Liabilities					
Creditors					
Distribution payable on income shares		(24)		(19)	
Other creditors	9	(368)		(7)	
Total liabilities			(392)		(26)
Net assets attributable to shareholders			4,391		6,384

Distribution Table (pence per share)

for the year ended 31 August 2017

Group 1: Shares purchased prior to 1 June 2017				
Group 2: Shares purchased from 1 June 2017 to 31 August 2017				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 31.10.17</i>	<i>Distribution paid 31.10.16</i>
Retail Accumulation				
Group 1	13.595235	-	13.595235	8.015879
Group 2	13.595235	0.000000	13.595235	8.015879
Retail X Income				
Group 1	11.638140	-	11.638140	6.310359
Group 2	11.638140	0.000000	11.638140	6.310359
Retail X Accumulation†				
Group 1	0.000000	-	0.000000	7.539126
Group 2	0.000000	0.000000	0.000000	7.539126
Institutional Accumulation				
Group 1	15.737672	-	15.737672	8.622561
Group 2	13.929531	1.808141	15.737672	8.622561
Institutional Income				
Group 1	15.027990	-	15.027990	8.445001
Group 2	6.161290	8.866700	15.027990	8.445001
†The Retail X Income share class closed on 13 January 2017.				

Distribution Table (pence per share)

for the year ended 31 August 2017

Group 1: Shares purchased prior to 1 March 2017				
Group 2: Shares purchased from 1 March 2017 to 31 May 2017				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 31.07.17</i>	<i>Distribution paid 31.10.17</i>
Retail Accumulation				
Group 1	6.550000	-	6.550000	6.630000
Group 2	6.550000	0.000000	6.550000	6.630000
Retail X Income				
Group 1	5.540000	-	5.540000	5.770000
Group 2	5.540000	0.000000	5.540000	5.770000
Retail X Accumulation†				
Group 1	0.000000	-	0.000000	6.650000
Group 2	0.000000	0.000000	0.000000	6.650000
Institutional Income				
Group 1	6.610000	-	6.610000	6.950000
Group 2	4.450000	2.160000	6.610000	6.950000
Institutional Accumulation				
Group 1	6.930000	-	6.930000	7.080000
Group 2	3.960000	2.970000	6.930000	7.080000

†The Retail X Income share class closed on 13 January 2017.

Notes to the Financial Statements

for the year ended 31 August 2017

	31.8.17	<i>31.8.16</i>
	£'000	<i>£'000</i>
1. Accounting Policies		
The accounting policies are set out on pages 7 and 8.		
2. Net Capital Gains		
The net capital gains during the year comprise:		
Currency gains	1	1
Transaction charges	(1)	(1)
Management fee rebates	-	1
Gains on non-derivative securities	52	467
Net capital gains	52	468
3. Revenue		
UK dividends (net)	22	21
Overseas dividends	1	1
Dividend distributions from overseas authorised ICVCs and unit trusts	4	3
Franked distributions from UK authorised ICVCs and unit trusts	-	10
Interest on bonds and other debt securities	148	147
Total revenue	175	182
4. Expenses		
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
Authorised Corporate Director's periodic charge	5	69
Safe custody fee	-	1
	5	70
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	1	1
Other expenses:		
Audit fee	6	5
	6	5
Total expenses	12	76

	31.8.17 £'000	31.8.16 £'000
5. Taxation		
a) Analysis of charge in year:		
Corporation tax	12	-
Total current tax charge for the year (note 5b)	12	-
Deferred tax (note 5c)	12	(12)
Total tax for the year (note 5b)	24	(12)
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	163	106
Corporation tax at 20%	33	21
Effects of:		
Revenue not subject to taxation	(6)	(7)
Tax relief on index-linked gilts	(3)	(3)
Utilisation of excess management expenses	-	(23)
Total tax charge for the year (note 5a)	24	(12)
c) Provision for deferred taxation		
Provision at start of year	(12)	-
Deferred tax charge in profit and loss account for the year (note 5a)	12	(12)
Provision at end of year (note 5a)	-	(12)
6. Distributions		
The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:		
Interim dividend distribution	99	102
Final dividend distribution	47	39
	146	141
Add: Amounts deducted on cancellation of shares	12	10
Deduct: Amounts received on issue of shares	(1)	(1)
Net distribution for the year	157	150
7. Movement Between Net Revenue and Distributions		
Net revenue after taxation	139	118
Authorised Corporate Director's charge charged transferred to capital	5	69
Corporation tax on taxable items in capital	(5)	(37)
Effective yield transferred from capital	18	-
Net distribution for the year	157	150
8. Debtors		
Sales awaiting settlement	102	-
Accrued revenue	21	25
Monies due from ACD	-	1
Income tax recoverable	-	6
Deferred tax	-	12
Total debtors	123	44

	31.8.17	31.8.16
	£'000	£'000
9. Other Creditors		
Amounts payable for cancellation of shares	350	-
Purchases awaiting settlement	1	-
Accrued expenses	8	7
Corporation tax payable	9	-
Total other creditors	368	7

10. Reconciliation of Shares

	<i>Retail Accumulation</i>	<i>Retail X Income</i>	<i>Retail X Accumulation</i>	<i>Institutional Accumulation</i>	<i>Institutional Income</i>
Opening Shares issued at 1.9.16	16,326	15,722	13,994	203,132	213,950
Share movements 1.9.16 to 31.8.17					
Shares issued	-	-	-	11,511	14,679
Shares cancelled	-	(2,272)	(13,994)	(83,009)	(77,287)
Closing Shares issued at 31.8.17	16,326	13,450	-	131,634	151,342

11. Related Party Transactions

The balance due to HSBC Global Asset Management (UK) Limited and their associates at the year end was £351,763 (31.8.16: £798).

The following party holds a material holding in the Fund as at the year end date:

HSBC Private Bank UK Limited - 100.00% (31.8.16: 100.00%) of the Retail Accumulation Shares.

HSBC Private Bank UK Limited - 47.08% (31.8.16: 40.28%) and HSBC Wealth Client Nominee Limited - 52.92% (31.8.16 - 59.72%) of the Retail X Income Shares.

HSBC Wealth Client Nominee Limited - none (31.8.16: 92.08%) of the Retail X Accumulation Shares.

HSBC Wealth Client Nominee Limited - 100.00% (31.8.16: 100.00%) of the Institutional Accumulation Shares.

HSBC Wealth Client Nominee Limited - 100.00% (31.8.16: 100.00%) of the Institutional Income Shares.

The ACD does not have information to determine if individuals' holdings within the nominee accounts are material. Related party transactions are disclosed within notes 3 and 4. Investments in related parties are disclosed in the Portfolio Statement.

12. Financial Instruments

The financial instrument risks and risk management policies are set out in the Company Financial Statements on pages 9 and 10.

Foreign Currency Risk

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

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>		<i>Net other assets</i>		<i>Net assets</i>	
	31.8.17	31.8.16	31.8.17	31.8.16	31.8.17	31.8.16
	£'000	£'000	£'000	£'000	£'000	£'000
* Sterling	3,675	5,749	39	57	3,714	5,806
United States dollar	676	572	1	6	677	578
Total	4,351	6,321	40	63	4,391	6,384

*No currency risk as base currency

Interest Rate Risk

The interest rate profile of the Fund's financial assets and liabilities at 31 August 2017:

	<i>Floating rate financial assets**</i>		<i>Fixed rate financial assets</i>		<i>Financial assets/(liabilities) not carrying interest</i>		<i>Total</i>	
	31.8.17	31.8.16	31.8.17	31.8.16	31.8.17	31.8.16	31.8.17	31.8.16
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Sterling*	-	346	1,621	2,078	2,053	3,325	3,674	5,749
United States dollar	-	-	-	-	677	572	677	572
Cash at bank	309	45	-	-	-	-	309	45
Other assets	-	-	-	-	123	44	123	44
Liabilities	-	-	-	-	(392)	(26)	(392)	(26)
Total	309	391	1,621	2,078	2,461	3,915	4,391	6,384

**Floating rate interest was earned at rates based on LIBOR (London interbank offered rate) or international equivalent.

	<i>Fixed rate financial assets weighted average interest rate</i>		<i>Fixed rate financial assets weighted average period for which rate is fixed</i>	
	31.8.17	31.8.16	31.8.17	31.8.16
	%	%	Years	Years
Sterling	0.21	0.14	1.75	1.95

At the year end 7.04% (31.8.16: 6.12%) of the Fund's assets by value were interest-bearing.

Interest rates are based upon LIBOR (London Interbank Offered Rate).

13. Shareholders' Funds

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

The annual ACD charge on the retail share class is 1.25%, 1% on the retail X share class and nil on the Institutional share class.

The net asset value of the share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 42 to 44. The distribution per share class is given in the Distribution Table on pages 46 and 47. All share classes within the OEIC have the same rights on winding up.

14. Contingent Liabilities and Commitments

At the year end, the Fund had no contingent liabilities or commitments (31.8.16: £none).

15. Portfolio Transaction Costs

For the year ended 31 August 2017	<i>Purchases</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total purchases costs							
Equity transactions	182	-	-	-	-	-	-
Bond transactions	349	-	-	-	-	-	-
Pooled investment vehicles	822	-	-	-	-	-	-
Corporate actions	3	-	-	-	-	-	-
Total purchases before transaction costs	1,356	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-
Total purchases after commission, tax and fees	1,356	-	-	-	-	-	-
Analysis of total sales costs							
	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Equity transactions	437	-	-	-	-	-	-
Bond transactions	762	-	-	-	-	-	-
Pooled investment vehicles	1,817	-	-	-	-	-	-
Corporate actions	365	-	-	-	-	-	-
Total sales before transaction costs	3,381	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-
Total sales after commission, tax and fees	3,381	-	-	-	-	-	-
Commissions, taxes and fees as % of average Net Assets							
Commissions	0.01 %						
Taxes	0.00 %						
Other expenses	0.01 %						

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

For the year ended 31 August 2016	<i>Purchases</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total purchases costs							
Equity transactions	110	-	-	-	-	-	-
Bond transactions	1,997	-	-	-	-	-	-
Pooled investment vehicles	1,823	-	-	-	-	-	-
Corporate actions	2	-	-	-	-	-	-
Total purchases before transaction costs	3,932	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-
Total purchases after commission, tax and fees	3,932	-	-	-	-	-	-

	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total sales costs							
Equity transactions	219	-	-	-	-	-	-
Bond transactions	3,141	-	-	-	-	-	-
Pooled investment vehicles	3,306	-	-	-	-	-	-
Corporate actions	646	-	-	-	-	-	-
Total sales before transaction costs	7,312	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-
Total sales after commission, tax and fees	7,312	-	-	-	-	-	-

Commissions, taxes and fees as % of average Net Assets

Commissions	0.01 %
Taxes	0.01 %
Other expenses	0.00 %

At the balance sheet date the portfolio dealing spread was 0.01 %, being the difference between the respective bid and offer prices for the Fund's investments.

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

16. Fair Value of Investments

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

- Level 1: unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 31 August 2017

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	307	-	-	307
Bonds	1,621	-	-	1,621
Pooled investment vehicles	765	1,658	-	2,423
	2,693	1,658	-	4,351

For the year ended 31 August 2016

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	549	-	-	549
Bonds	2,425	-	-	2,425
Pooled investment vehicles	241	3,106	-	3,347
	3,215	3,106	-	6,321

17. Sensitivity analysis

Price risk sensitivity:

If the price of investments at 31 August 2017 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £435,068 (31.8.16: £632,142).

Currency risk sensitivity:

If the exchange rate at 31 August 2017 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £67,785 (31.8.16: £57,832).

Interest rate risk:

If the interest rate at 31 August 2017 had increased or decreased by 1 basis point with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £273.03.

Wealth Strategic Solutions Fund (2) - Defensive Portfolio (WSSF2)

Investment Objective

To seek capital growth relative to a given level of risk by investing in a diversified range of global securities. The level of risk in this Portfolio is rated as 2*, where 1 is the lowest level of risk and 5 is the highest.

*The level of risk stated in the objective is to allow investors to compare the risk relative to other Wealth Strategic Solutions Funds. This differs from the Risk and Reward Profile on page 128. This is information we are required to provide by regulation, which allows investors to compare the risk for different funds.

Investment Policy

The Fund will invest in a broad range of global securities and equivalent equity-related securities with the aim of delivering capital growth consistent with the given level of risk as set out in the Objective. Such securities may include companies or other eligible vehicles (including, without limitation, exchange traded commodities) that, in turn, invest directly or indirectly in property and commodities. The Fund may also invest in eligible collective investment schemes.

Investment Strategy

The strategy of the Fund is capital growth with a defensive risk profile and has a bias towards fixed income assets and liquidity. The remainder of the assets are invested mostly in equities. However a minor proportion is also invested in alternative investment and strategies, like hedge funds, property, commodities and listed private equities. The majority of fixed income assets are invested in government bonds and liquidity, whilst equities are invested globally, with a bias towards UK equities and including emerging markets.

Portfolio Activity

The 12 month period was defined by a synchronised upturn in economic momentum across the world's major economies, strong corporate earnings, subdued inflation and low market volatility. This provided a constructive backdrop for risk assets, with global equity markets making steady progress higher throughout the period. In the US, Donald Trump won a surprise victory in the US Presidential election, while the US Federal Reserve continued to gradually tighten monetary policy, increasing interest rates in December 2016, and again in March and June 2017. Elsewhere, the results of the Dutch and French elections saw victories for centrist parties, removing what had been substantial political risks for the Eurozone. Economic activity in Europe continued to strengthen, propelling the euro and European equity markets higher and prompting a more upbeat outlook from the European Central Bank. In the UK, Theresa May called a surprise general election only to lose the Conservative's majority in Parliament. UK Gilts registered negative performance for the period, selling off in tandem with global bond markets following Trump's election victory and coming under pressure again in June 2017 following hawkish comments from the Bank of England. The pound fell sharply in October 2016 on concerns over Brexit but enjoyed a recovery, particularly against the dollar, in 2017.

Sales exceeded purchase over the reporting period due to redemptions of the Fund.

Major purchases comprised: iShares Core GBP Corporate Bond UCITS ETF, HSBC GIF Global Emerging Markets Local Debt Fund and SPDR MSCI World Financials UCITS ETF.

Major sales included: HSBC Corporate Bond Fund, Baring Europe Select Trust and Treasury 1% 07/9/2017.

Investment Performance

During the year under review, the value of the shares in the Fund increased by 3.75% whilst the Defensive benchmark rose by 4.51%.

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

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

Fund Particulars

as at 1 September 2017

	Retail Accumulation	Retail X Income	Retail X Accumulation
Price	1,469p	1,199p xd	1,485p
Distribution payable (on 31 October 2017) per share net	14.401441p	11.878016p	14.333216p
Current net estimated yield	2.52%	2.56%	2.50%
Annual ACD charge	1.25%	1.00%	1.00%
		Institutional Income	Institutional Accumulation
Price		1,289p xd	1,594p
Distribution payable (on 31 October 2017) per share net		12.733703p	15.557653p
Current net estimated yield		2.55%	2.51%
Annual ACD charge		0.00%	0.00%

Portfolio Statement

as at 31 August 2017

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
UNITED KINGDOM - 55.11% (51.21%)			
AA	40,854	65	0.20
AstraZeneca	3,185	145	0.44
Aviva	22,147	116	0.35
BAE Systems	32,226	196	0.59
Barclays	80,586	154	0.46
BHP Billiton	12,136	179	0.54
BP	69,557	310	0.93
British American Tobacco	5,484	265	0.80
BT Group	60,382	177	0.53
Centrica	78,061	156	0.47
Compass Group	11,776	194	0.58
Croda International	2,314	89	0.27
Essentra	16,457	88	0.26
GlaxoSmithKline	17,506	268	0.80
*+HSBC Corporate Bond Fund	904,294	2,098	6.30
+HSBC Holdings (London listed)	33,711	253	0.76
Imperial Brands	6,280	201	0.60
Informa	23,140	160	0.48
*Invesco Perpetual Corporate Bond Fund	265,616	574	1.72
*JPMorgan Emerging Markets Fund	38,094	338	1.02
Lloyds Banking Group	158,750	101	0.30
*M&G Corporate Bond Fund	2,968,008	1,249	3.75
National Grid	8,140	79	0.24
Prudential	14,048	255	0.77
Reckitt Benckiser	2,170	159	0.48
Rentokil Initial	26,554	81	0.24
Rio Tinto	4,451	167	0.50
Royal Bank of Scotland Group	67,082	169	0.51
Royal Dutch Shell B	9,558	206	0.62
Saga	34,694	70	0.21
Sage Group	11,613	80	0.24
*Stewart Investments Global Emerging Markets Leaders Fund	60,767	391	1.17
Treasury 1% 7/9/2017	£870,528	871	2.62
Treasury 1.125% Index-Linked 22/11/2037	£358,511	820	2.46
Treasury 1.75% 22/7/2019	£1,294,201	1,333	4.00
Treasury 1.75% 7/9/2022	£1,875,035	1,997	5.99
Treasury 2.5% Index-Linked 16/4/2020	£238,428	883	2.65
Treasury 2.5% Index-Linked 17/7/2024	£100,613	373	1.12
Treasury 2.75% 7/9/2024	£367,733	420	1.26
Treasury 3.25% 22/1/2044	£1,173,145	1,547	4.64
Treasury 4.25% 7/6/2032	£467,769	644	1.93
Unilever	4,387	198	0.59
Vodafone Group	78,326	173	0.52
WHSmith	3,574	66	0.20
Total United Kingdom		18,358	55.11

Portfolio Statement

as at 31 August 2017

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
CHANNEL ISLANDS - 3.27% (3.11%)			
F&C Commercial Property Trust	556,410	834	2.50
International Workplace Group	23,309	70	0.21
Ferguson	1,839	85	0.26
WPP Group	6,980	99	0.30
Total Channel Islands		1,088	3.27
IRELAND - 12.23% (8.33%)			
DCC (London listed)	1,111	78	0.23
*Invesco Japanese Equity Core Fund	21,554	363	1.09
*iShares Core £ Corporate Bond UCITS ETF	12,986	1,931	5.80
*iShares Core MSCI Emerging Markets ETF	23,026	702	2.11
*iShares MSCI Europe ex-UK UCITS ETF	29,315	837	2.51
*Vangaurd S&P 500 ETF	4,491	164	0.49
Total Ireland		4,075	12.23
LUXEMBOURG - 27.38% (28.92%)			
*+HSBC GIF Global Corporate Bond Fund	61,314	651	1.95
*+HSBC GIF Global Emerging Markets Bond Fund	98,649	1,054	3.16
*+HSBC GIF Global Real Estate Equity Fund	107,285	837	2.51
*+HSBC GIF Global High Yield Bond Fund	279,059	2,857	8.58
*+HSBC GIF US Equity Fund	22,449	735	2.21
*+HSBC Global Emerging Markets Local Debt Fund	372,268	2,989	8.97
Total Luxembourg		9,123	27.38
Portfolio of investments		32,644	97.99
Net other assets		670	2.01
Net assets		33,314	100.00
Total equities		23,756	72.77
Bond credit ratings^			
AA		8,888	27.23
Portfolio of investments		32,644	100.00

+related party

*collective investment schemes

^ratings supplied by Standard & Poor's

Figures in brackets denote comparative percentage holdings as at 31 August 2016.

Unless otherwise stated, all investments are listed securities.

Comparative Table

for the year ended 31 August 2017

Retail Accumulation			
Change in net assets per share	31.8.17	31.8.16	31.8.15
Opening net asset value per share	1,419.00p	1,276.00p	1,252.00p
Return before operating charges*	68.43p	159.75p	40.45p
Operating charges	(18.43p)	(16.75p)	(16.45p)
Return after operating charges*	50.00p	143.00p	24.00p
Distributions on accumulation share	(37.29p)	(29.02p)	(22.82p)
Retained distributions on accumulation share	37.29p	29.02p	22.82p
Closing net asset value per share	1,469.00p	1,419.00p	1,276.00p
*after direct transaction costs of:	0.36p	0.30p	0.11p
Performance			
Return after charges	3.52%	11.21%	1.92%
Other information			
Closing net asset value	£815,602	£1,167,219	£1,279,244
Closing number of shares	55,513	82,234	100,291
Operating charges - OCF	1.46%	1.48%	1.53%
Direct transaction costs	0.03%	0.02%	0.01%
Prices			
Highest share price	1,473.00p	1,426.00p	1,340.00p
Lowest share price	1,378.00p	1,244.00p	1,226.00p

Retail X Income			
Change in net assets per share	31.8.17	31.8.16	31.8.15
Opening net asset value per share	1,187.00p	1,088.00p	1,082.00p
Return before operating charges*	56.13p	131.98p	37.02p
Operating charges	(12.30p)	(11.38p)	(11.42p)
Return after operating charges*	43.83p	120.60p	25.60p
Distributions on income share	(30.83p)	(21.60p)	(19.60p)
Closing net asset value per share	1,200.00p	1,187.00p	1,088.00p
*after direct transaction costs of:	0.30p	0.25p	0.09p
Performance			
Return after charges	3.69%	11.08%	2.37%
Other information			
Closing net asset value	£902,045	£1,662,163	£18,193,075
Closing number of shares	75,198	140,053	1,672,204
Operating charges - OCF	1.21%	1.23%	1.28%
Direct transaction costs	0.03%	0.02%	0.01%
Prices			
Highest share price	1,216.00p	1,198.00p	1,151.00p
Lowest share price	1,146.00p	1,058.00p	1,059.00p

Comparative Table

for the year ended 31 August 2017

Retail X Accumulation			
Change in net assets per share	31.8.17	31.8.16	31.8.15
Opening net asset value per share	1,431.00p	1,283.00p	1,254.00p
Return before operating charges*	68.73p	161.52p	42.33p
Operating charges	(14.73p)	(13.52p)	(13.33p)
Return after operating charges*	54.00p	148.00p	29.00p
Distributions on accumulation share	(37.36p)	(28.78p)	(22.84p)
Retained distributions on accumulation share	37.36p	28.78p	22.84p
Closing net asset value per share	1,485.00p	1,431.00p	1,283.00p
*after direct transaction costs of:	0.37p	0.30p	0.11p
Performance			
Return after charges	3.77%	11.54%	2.31%
Other information			
Closing net asset value	£452,771	£3,494,696	£9,125,897
Closing number of shares	30,489	244,211	711,151
Operating charges - OCF	1.21%	1.23%	1.28%
Direct transaction costs	0.03%	0.02%	0.01%
Prices			
Highest share price	1,489.00p	1,437.00p	1,344.00p
Lowest share price	1,390.00p	1,253.00p	1,227.00p

Institutional Income			
Change in net assets per share	31.8.17	31.8.16	31.8.15
Opening net asset value per share	1,266.00p	1,150.00p	1,136.00p
Return before operating charges*	56.49p	142.81p	35.04p
Operating charges	(0.50p)	(0.45p)	(0.38p)
Return after operating charges*	55.99p	142.36p	34.66p
Distributions on income share	(32.99p)	(26.36p)	(20.66p)
Closing net asset value per share	1,289.00p	1,266.00p	1,150.00p
*after direct transaction costs of:	0.32p	0.28p	0.10p
Performance			
Return after charges	4.42%	12.38%	3.05%
Other information			
Closing net asset value	£17,397,257	£19,176,484	£4,096,580
Closing number of shares	1,349,528	1,515,098	356,137
Operating charges - OCF	0.21%	0.23%	0.28%
Direct transaction costs	0.03%	0.02%	0.01%
Prices			
Highest share price	1,304.00p	1,280.00p	1,214.00p
Lowest share price	1,224.00p	1,123.00p	1,113.00p

Comparative Table

for the year ended 31 August 2017

Institutional Accumulation	31.8.17	31.8.16	31.8.15
Change in net assets per share			
Opening net asset value per share	1,525.00p	1,356.00p	1,316.00p
Return before operating charges*	69.61p	169.50p	40.45p
Operating charges	(0.61p)	(0.50p)	(0.45p)
Return after operating charges*	69.00p	169.00p	40.00p
Distributions on accumulation share	(40.25p)	(31.11p)	(24.08p)
Retained distributions on accumulation share	40.25p	31.11p	24.08p
Closing net asset value per share	1,594.00p	1,525.00p	1,356.00p
*after direct transaction costs of:	0.39p	0.32p	0.11p
Performance			
Return after charges	4.52%	12.46%	3.04%
Other information			
Closing net asset value	£13,745,962	£16,641,394	£12,247,922
Closing number of shares	862,410	1,091,572	903,065
Operating charges - OCF	0.21%	0.23%	0.28%
Direct transaction costs	0.03%	0.02%	0.01%
Prices			
Highest share price	1,595.00p	1,531.00p	1,417.00p
Lowest share price	1,484.00p	1,329.00p	1,289.00p

Statement of Total Return

for the year ended 31 August 2017

	Notes	31.8.17		31.8.16	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		675		3,958
Revenue	3	1,105		1,064	
Expenses	4	(62)		(269)	
Net revenue before taxation		1,043		795	
Taxation	5	(118)		(61)	
Net revenue after taxation			925		734
Total return before distributions			1,600		4,692
Distributions	6		(964)		(939)
Change in net assets attributable to shareholders from investment activities			636		3,753

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 August 2017

	31.8.17		31.8.16	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		42,142		44,943
Amounts receivable on creation of shares	4,733		2,286	
Amounts payable on cancellation of shares	(14,654)		(9,308)	
		(9,921)		(7,022)
Dilution adjustment		10		2
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		636		3,753
Retained distribution on accumulation shares		447		466
Closing net assets attributable to shareholders		33,314		42,142

Balance Sheet

as at 31 August 2017

	Notes	31.8.17		31.8.16	
		£'000	£'000	£'000	£'000
Assets					
Investment assets			32,644		38,591
Current assets					
Debtors	8	107		149	
Cash and bank balances		888		3,634	
Total current assets			995		3,783
Total assets			33,639		42,374
Liabilities					
Creditors					
Distribution payable on income shares		(181)		(152)	
Other creditors	9	(144)		(80)	
Total liabilities			(325)		(232)
Net assets attributable to shareholders			33,314		42,142

Distribution Table (pence per share)

for the year ended 31 August 2017

Group 1: Shares purchased prior to 1 June 2017				
Group 2: Shares purchased from 1 June 2017 to 31 August 2017				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 31.10.17</i>	<i>Distribution paid 31.10.16</i>
Retail Accumulation				
Group 1	14.401441	-	14.401441	10.308672
Group 2	14.401441	0.000000	14.401441	10.308672
Retail X Income				
Group 1	11.878016	-	11.878016	5.704243
Group 2	11.878016	0.000000	11.878016	5.704243
Retail X Accumulation				
Group 1	14.333216	-	14.333216	9.933591
Group 2	14.333216	0.000000	14.333216	9.933591
Institutional Income				
Group 1	12.733703	-	12.733703	9.481959
Group 2	8.957916	3.775787	12.733703	9.481959
Institutional Accumulation				
Group 1	15.557653	-	15.557653	11.133483
Group 2	13.500653	2.057000	15.557653	11.133483

Distribution Table (pence per share)

for the year ended 31 August 2017

Group 1: Shares purchased prior to 1 March 2017				
Group 2: Shares purchased from 1 March 2017 to 31 May 2017				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 31.7.17</i>	<i>Distribution paid 31.7.16</i>
Retail Accumulation				
Group 1	7.810000	-	7.810000	8.800000
Group 2	7.810000	0.000000	7.810000	8.800000
Retail X Income				
Group 1	6.450000	-	6.450000	6.610000
Group 2	6.450000	0.000000	6.450000	6.610000
Retail X Accumulation				
Group 1	7.820000	-	7.820000	7.870000
Group 2	7.820000	0.000000	7.820000	7.870000
Institutional Income				
Group 1	6.930000	-	6.930000	7.000000
Group 2	3.220000	3.710000	6.930000	7.000000
Institutional Accumulation				
Group 1	8.450000	-	8.450000	8.230000
Group 2	6.600000	1.850000	8.450000	8.230000

Notes to the Financial Statements

for the year ended 31 August 2017

	31.8.17	31.8.16
	£'000	£'000
1. Accounting Policies		
The accounting policies are set out on pages 7 and 8.		
2. Net Capital Gains		
The net capital gains during the year comprise:		
Currency (losses)/gains	(11)	7
Transaction charges	1	(1)
Capital special dividends	-	1
Management fee rebates charged to capital	2	7
Gains on non-derivative securities	683	3,944
Net capital gains	675	3,958
3. Revenue		
UK dividends (net)	206	228
Overseas dividends	49	65
Dividend distributions from overseas authorised ICVCs and unit trusts	69	61
Franked distributions from UK authorised ICVCs and unit trusts	5	64
Interest on bonds and other debt securities	776	645
Bank interest	-	1
Total revenue	1,105	1,064
4. Expenses		
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
Authorised Corporate Director's periodic charge	49	254
Safe custody fee	1	2
	50	256
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	5	6
Other expenses:		
Audit fee	6	5
Report and accounts fee	1	2
	7	7
Total expenses	62	269

	31.8.17 £'000	31.8.16 £'000
5. Taxation		
a) Analysis of charge in year:		
Corporation tax	118	61
Overseas tax	-	-
Total current tax charge for the year (note 5b)	118	61
Deferred tax (note 5c)	-	-
Total tax for the year (note 5b)	118	61
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	1,043	795
Corporation tax at 20%	209	159
Effects of:		
Revenue not subject to taxation	(66)	(84)
Taxable revenue reflected in capital	-	2
Tax relief on index-linked gilts	(25)	(16)
Current tax charge for the year (note 5a)	118	61
c) Provision for deferred taxation		
At 31 August 2017, there is no potential deferred tax asset (31.8.16: Same) in relation to surplus management expenses.		
6. Distributions		
The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:		
Interim dividend distribution	610	618
Final dividend distribution	327	306
	937	924
Add: Amounts deducted on cancellation of shares	37	24
Deduct: Amounts received on issue of shares	(10)	(9)
Net distribution for the year	964	939
7. Movement Between Net Revenue and Distributions		
Net revenue after taxation	925	734
Authorised Corporate Director's charge charged to capital	49	254
Tax relief on expenses transferred to capital	(10)	(49)
Net distribution for the year	964	939
8. Debtors		
Amounts receivable for creation of shares	-	34
Accrued revenue	107	112
Management fee rebates receivable	-	3
Total debtors	107	149
9. Other Creditors		
Amounts payable for cancellation of shares	11	35
Purchases awaiting settlement	22	-
Accrued expenses	9	13
Corporation tax payable	102	32
Total other creditors	144	80

10. Reconciliation of Shares

	<i>Retail Accumulation</i>	<i>Retail X Income</i>	<i>Retail X Accumulation</i>	<i>Institutional Income</i>	<i>Institutional Accumulation</i>
Opening Shares issued at 1.9.16	82,234	140,053	244,211	1,515,098	1,091,572
Share movements 1.9.16 to 31.8.17					
Shares issued		-	11,707	188,544	138,070
Shares cancelled	(26,721)	(51,168)	(225,429)	(366,791)	(367,232)
Shares converted	-	(13,687)	-	12,677	-
Closing Shares issued at 31.8.17	55,513	75,198	30,489	1,349,528	862,410

11. Related Party Transactions

The balance due to HSBC Global Asset Management (UK) Limited and their associates at the year end was £13,148 (31.8.16: £6,479).

The following party holds a material holding in the Fund as at the year end date:

HSBC Private Bank UK Limited - 79.94% (31.8.16: 70.98%) and Lawshare Nominees Limited - none (31.8.16: 23.01%) of the Retail Accumulation shares.

HSBC Wealth Client Nominee Limited 4 - 53.13% (31.8.16: 6.83%), Rathbone Nominees Limited - none (31.8.16: 23.01%) and HSBC Private Bank UK Limited - 29.88% (31.8.16: none). of the Retail X Income shares.

HSBC Private Bank UK Limited - 77.68% (31.8.16: 98.57%) of the Retail X Accumulation shares.

HSBC Wealth Client Nominee Limited - 91.14% (31.8.16: 90.99%) of the Institutional Income shares.

HSBC Client Wealth Nominee Limited - 99.54% (31.8.16: 99.64%) of the Institutional Accumulation shares.

The ACD does not have information to determine if individuals' holdings within the nominee accounts are material.

Related party transactions are disclosed within notes 3 and 4. Investments in related parties are disclosed in the Portfolio Statement.

12. Financial Instruments

The financial instrument risks and risk management policies are set out on pages 9 and 10.

Foreign Currency Risk

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

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>		<i>Net other assets</i>		<i>Net assets</i>	
	31.8.17	31.8.16	31.8.17	31.8.16	31.8.17	31.8.16
	£'000	£'000	£'000	£'000	£'000	£'000
*Sterling	27,018	33,279	656	3,416	27,674	36,695
Euro	-	-	-	80	-	80
United States dollar	5,626	5,312	14	55	5,640	5,367
Total	32,644	38,591	670	3,551	33,314	42,142

*No currency risk as base currency

Interest Rate Risk

The interest rate profile of the Fund's financial assets and liabilities at 31 August 2017:

	<i>Floating rate financial assets**</i>		<i>Fixed rate financial assets</i>		<i>Financial assets not carrying interest</i>		<i>Total</i>	
	31.8.17	31.8.16	31.8.17	31.8.16	31.8.17	31.8.16	31.8.17	31.8.16
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Sterling*	2,964	7,223	6,812	7,885	17,898	21,587	27,674	36,695
Euro	-	80	-	-	-	-	-	80
United States dollar	-	38	-	-	5,640	5,329	5,640	5,367
Total	2,964	7,341	6,812	7,885	23,538	26,916	33,314	42,142

**Floating rate interest was earned at rates based on LIBOR (London interbank offered rate) or international equivalent.

	<i>Fixed rate financial assets weighted average interest rate</i>		<i>Fixed rate financial assets weighted average period for which rate is fixed</i>	
	31.8.17	31.8.16	31.8.17	31.8.16
	%	%	Years	Years
Sterling	0.76	0.53	9.67	10.31

13. Shareholders' Funds

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

The annual ACD charge on the retail share class is 1.25%, 1.00% on the retail X share class and 0.00% on the institutional share class.

The net asset value of the share classes, the net asset value per share and the number of shares in each class are given in the Comparative Tables on pages 58 to 60. The distribution per share class is given in the Distribution Tables on pages 62 and 63. All share classes within the OEIC have the same rights on winding up.

14. Contingent Liabilities and Commitments

At the year end, the Fund had no contingent liabilities or commitments (31.8.16: none).

15. Portfolio Transaction Costs

For the year ended 31 August 2017	<i>Purchases</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total purchases costs							
Equity transactions	1,660	-	-	2	0.12	5	0.30
Bond transactions	126	-	-	-	-	-	-
Pooled investment vehicles	3,913	1	0.03	-	-	-	-
Corporate actions	24	-	-	-	-	-	-
Total purchases before transaction costs	5,723	1		2		5	
Transaction costs	8						
Total purchases after commission, tax and fees	5,731						
	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total sales costs							
Equity transactions	2,270	1	0.04	-	-	-	-
Bond transactions	2,491	-	-	-	-	-	-
Pooled investment vehicles	7,540	-	-	-	-	-	-
Corporate actions	133	-	-	-	-	-	-
Total sales before transaction costs	12,434	1		-		-	
Transaction costs	(1)						
Total sales after commission, tax and fees	12,433						
Commissions, taxes and fees as % of average Net Assets							
Commissions	0.01 %						
Taxes	0.01 %						
Other expenses	0.01 %						

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

For the year ended 31 August 2016	<i>Purchases</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total purchases costs							
Equity transactions	1,094	-	-	5	0.46	1	0.09
Bond transactions	6,885	-	-	-	-	-	-
Pooled investment vehicles	8,520	-	-	-	-	-	-
Corporate actions	6	-	-	-	-	-	-
Total purchases before transaction costs	16,505	-	-	5	-	1	-
Transaction costs	6	-	-	-	-	-	-
Total purchases after commission, tax and fees	16,511	-	-	-	-	-	-

	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total sales costs							
Equity transactions	3,466	1	0.03	-	-	-	-
Bond transactions	8,577	-	-	-	-	-	-
Pooled investment vehicles	13,207	2	0.02	-	-	-	-
Corporate actions	1,177	-	-	-	-	-	-
Total sales before transaction costs	26,427	3	-	-	-	-	-
Transaction costs	(3)	-	-	-	-	-	-
Total sales after commission, tax and fees	26,424	-	-	-	-	-	-

Commissions, taxes and fees as % of average Net Assets

Commissions	0.01%
Taxes	0.01%
Other expenses	0.00%

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

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

16. Fair Value of Investments

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

- Level 1: unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 31 August 2017

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	5,986	-	-	5,986
Bonds	8,888	-	-	8,888
Pooled investment vehicles	3,634	14,136	-	17,770
	18,508	14,136	-	32,644

For the year ended 31 August 2016

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	6,348	-	-	6,348
Bonds	11,592	-	-	11,592
Pooled investment vehicles	1,317	19,334	-	20,651
	19,257	19,334	-	38,591

17. Sensitivity analysis

Price risk sensitivity:

If the price of investments at 31 August 2017 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £3,264,436 (31.8.16: £3,859,074).

Currency risk sensitivity:

If the exchange rate at 31 August 2017 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £563,948 (31.8.16: £544,659).

Interest rate risk:

If the interest rate at 31 August 2017 had increased or decreased by 1 basis point with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £7,076.42.

Wealth Strategic Solutions Fund (3) - Balanced Portfolio (WSSF3)

Investment Objective

To seek capital growth relative to a given level of risk by investing in a diversified range of global securities. The level of risk in this Portfolio is rated as 3*, where 1 is the lowest level of risk and 5 is the highest.

*The level of risk stated in the objective is to allow investors to compare the risk relative to other Wealth Strategic Solutions Funds. This differs from the Risk and Reward Profile on page 128. This is information we are required to provide by regulation, which allows investors to compare the risk for different funds.

Investment Policy

The Fund will invest in a broad range of global securities and equivalent equity-related securities with the aim of delivering capital growth consistent with the given level of risk as set out in the Objective. Such securities may include companies or other eligible vehicles (including, without limitation, exchange traded commodities) that, in turn, invest directly or indirectly into property and commodities. The Fund may also invest in eligible collective investment schemes.

Investment Strategy

The strategy of the Fund is capital growth with a balanced risk profile and seeks to achieve returns mainly by investing in equities and fixed income securities. A portion of the Portfolio is invested in alternative investments and strategies, like hedge funds, property, commodities and listed private equities. Fixed income assets are invested in a portfolio of conventional government bonds, inflation-protected government bonds, corporate bonds and liquidity.

Portfolio Activity

The 12 month period was defined by a synchronised upturn in economic momentum across the world's major economies, strong corporate earnings, subdued inflation and low market volatility. This provided a constructive backdrop for risk assets, with global equity markets making steady progress higher throughout the period. In the US, Donald Trump won a surprise victory in the US Presidential election, while the US Federal Reserve continued to gradually tighten monetary policy, increasing interest rates in December 2016, and again in March and June 2017. Elsewhere, the results of the Dutch and French elections saw victories for centrist parties, removing what had been substantial political risks for the Eurozone. Economic activity in Europe continued to strengthen, propelling the euro and European equity markets higher and prompting a more upbeat outlook from the European Central Bank. In the UK, Theresa May called a surprise general election only to lose the Conservative's majority in Parliament. UK Gilts registered negative performance for the period, selling off in tandem with global bond markets following Trump's election victory and coming under pressure again in June 2017 following hawkish comments from the Bank of England. The pound fell sharply in October 2016 on concerns over Brexit but enjoyed a recovery, particularly against the dollar, in 2017.

Sales exceeded purchase over the reporting period due to redemptions of the Fund.

Major purchases comprised: HSBC GIF Global Emerging Markets Bond, iShares MSCI World GBP Hedged UCITS ETF and iShares Core GBP Corporate Bond UCITS ETF.

Major sales included: HSBC GIF Global High Yield Bond Fund, Vanguard FTSE All-World UCITS ETF and HSBC Corporate Bond Fund.

Investment Performance

During the year under review, the value of the shares in the Fund increased by 6.68% whilst the value of the Balanced benchmark rose by 8.18%.

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

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

Fund Particulars

as at 1 September 2017

	Retail Income	Retail Accumulation	Retail X Income
Price	1,303p xd	1,635p	1,312p xd
Distribution payable (on 31 October 2017) per share net	12.472893p	15.503461p	12.669951p
Current net estimated yield	2.54%	2.50%	2.54%
Annual ACD charge	1.25%	1.25%	1.00%
	Retail X Accumulation	Institutional Income	Institutional Accumulation
Price	1,655p	1,407p xd	1,774p
Distribution payable (on 31 October 2017) per share net	15.582552p	13.361843p	16.702517p
Current net estimated yield	2.49%	2.52%	2.48%
Annual ACD charge	1.00%	0.00%	0.00%

Portfolio Statement

as at 31 August 2017

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
UNITED KINGDOM - 44.49% (45.44%)			
AA	219,860	352	0.23
AstraZeneca	18,018	818	0.54
Aviva	136,258	711	0.46
BAE Systems	201,459	1,224	0.80
Barclays	489,151	934	0.61
BHP Billiton	76,370	1,126	0.74
BP	445,326	1,982	1.30
British American Tobacco	33,652	1,626	1.06
BT Group	364,819	1,067	0.70
Centrica	477,246	954	0.62
Compass Group	72,348	1,194	0.78
Croda International	14,047	539	0.35
Essentra	96,389	514	0.34
GlaxoSmithKline	112,785	1,730	1.13
*+HSBC European Index Fund	925,182	8,635	5.65
+HSBC Holdings (London listed)	217,644	1,633	1.07
Imperial Brands	38,553	1,234	0.81
Informa	134,153	926	0.61
*Invesco Perpetual Corporate Bond Fund	1,075,284	2,325	1.52
*JPMorgan Emerging Markets Fund	206,355	1,830	1.20
Lloyds Banking Group	895,528	571	0.37
*M&G Corporate Bond Fund	13,671,816	5,753	3.77
National Grid	49,895	486	0.32
Prudential	82,731	1,501	0.98
Reckitt Benckiser	15,345	1,125	0.74
Rentokil Initial	165,421	504	0.33
Rio Tinto	25,806	967	0.63
Royal Bank of Scotland	380,848	959	0.63
Royal Dutch Shell 'B'	62,782	1,356	0.89
Saga	209,477	425	0.28
Sage Group	72,612	503	0.33
*Stewart Investors Asia Pacific Leaders Fund	766,922	1,689	1.11
*Stewart Investors Global Emerging Markets Leaders Fund	580,148	3,731	2.44
Treasury 0.625% Index-Linked 22/11/2042	£727,583	1,621	1.06
Treasury 1% 7/9/2017	£408,591	409	0.27
Treasury 1.125% Index-Linked 22/11/2037	£1,362,751	3,119	2.04
Treasury 1.75% 22/7/2019	£678,343	698	0.46
Treasury 1.75% 7/9/2022	£893,478	952	0.62
Treasury 2.5% Index-Linked 16/4/2020	£1,158,401	4,290	2.81
Treasury 2.5% Index-Linked 17/7/2024	£452,931	1,681	1.10
Treasury 2.75% 7/9/2024	£171,639	196	0.13
Treasury 3.25% 22/1/2044	£656,194	865	0.57
Treasury 4.25% 7/6/2032	£236,501	326	0.21
Unilever	27,747	1,253	0.82
Vodafone Group	553,851	1,226	0.80
WHSmith	21,196	392	0.26
Total United Kingdom		67,952	44.49

Portfolio Statement

as at 31 August 2017

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
CHANNEL ISLANDS - 3.21% (3.64%)			
F&C Commercial Property Trust	1,402,887	2,103	1.38
Ferguson	10,832	499	0.33
+HICL Infrastructure	801,083	1,301	0.85
International Workplace	127,438	383	0.25
WPP	42,656	606	0.40
Total Channel Islands		4,892	3.21
IRELAND - 22.57% (18.85%)			
DCC (London listed)	6,756	476	0.31
*Findlay Park American Fund	57,390	4,437	2.90
*+HSBC MSCI Japan UCITS ETF	102,803	2,508	1.64
*Invesco Japanese Equity Core Fund	167,686	2,828	1.85
*iShares Core GBP Corporate Bond UCITS ETF	28,312	4,209	2.76
*iShares Core MSCI Emerging Markets IMI UCITS ETF	80,775	1,762	1.15
*iShares III Core MSCI Japan IMI UCITS ETF	99,112	3,021	1.98
*iShares V MSCI World GBP Hedged UCITS ETF	141,468	6,912	4.53
*Vanguard FTSE All-World UCITS ETF	73,874	4,549	2.98
*Vanguard S&P 500 UCITS ETF	103,430	3,771	2.47
Total Ireland		34,473	22.57
LUXEMBOURG - 25.00% (24.04%)			
*+HSBC GIF Global Emerging Markets Bond Fund	534,077	5,708	3.74
*+HSBC GIF Global Emerging Markets Local Debt Fund	1,740,032	13,972	9.15
*+HSBC GIF Global High Yield Bond Fund	898,410	9,198	6.02
*+HSBC GIF Global Real Estate Equity Fund	564,524	4,402	2.88
*+HSBC GIF US Equity Fund	149,821	4,903	3.21
Total Luxembourg		38,183	25.00
Portfolio of investments		145,500	95.27
Net other assets		7,227	4.73
Net assets		152,727	100.00
Total equities		131,343	90.27
Bond credit ratings^			
AA		14,157	9.73
Portfolio of investments		145,500	100.00

+related party

*collective investment schemes

^ratings supplied by Standard & Poor's

Figures in brackets denote comparative percentage holdings as at 31 August 2016.

Unless otherwise stated, all investments are listed securities.

Comparative Table

for the year ended 31 August 2017

Retail Income			
Change in net assets per share	31.8.17	31.8.16	31.8.15
Opening net asset value per share	1,237.00p	1,121.00p	1,119.00p
Return before operating charges*	115.62p	159.54p	38.49p
Operating charges	(16.21p)	(14.38p)	(14.60p)
Return after operating charges*	99.41p	145.16p	23.89p
Distributions on income share	(33.41p)	(29.16p)	(21.89p)
Closing net asset value per share	1,303.00p	1,237.00p	1,121.00p
*after direct transaction costs of:	0.44p	0.32p	0.14p
Performance			
Return after charges	8.04%	12.95%	2.13%
Other information			
Closing net asset value	£436,016	£457,312	£1,623,106
Closing number of shares	33,465	36,965	144,852
Operating charges - OCF	1.52%	1.51%	1.55%
Direct transaction costs	0.03%	0.03%	0.01%
Prices			
Highest share price	1,320.00p	1,256.00p	1,205.00p
Lowest share price	1,215.00p	1,069.00p	1,081.00p

Retail Accumulation			
Change in net assets per share	31.8.17	31.8.16	31.8.15
Opening net asset value per share	1,512.00p	1,339.00p	1,313.00p
Return before operating charges*	141.95p	190.48p	43.21p
Operating charges	(19.95p)	(17.48p)	(17.21p)
Return after operating charges*	122.00p	173.00p	26.00p
Distributions on accumulation share	(41.23p)	(33.12p)	(25.84p)
Retained distributions on accumulation share	41.23p	33.12p	25.84p
Closing net asset value per share	1,634.00p	1,512.00p	1,339.00p
*after direct transaction costs of:	0.54p	0.39p	0.16p
Performance			
Return after charges	8.07%	12.92%	1.98%
Other information			
Closing net asset value	£6,729,319	£8,759,287	£9,803,094
Closing number of shares	411,755	579,485	731,949
Operating charges - OCF	1.52%	1.51%	1.55%
Direct transaction costs	0.03%	0.03%	0.01%
Prices			
Highest share price	1,640.00p	1,525.00p	1,424.00p
Lowest share price	1,487.00p	1,284.00p	1,267.00p

Comparative Table

for the year ended 31 August 2017

Retail X Income			
	31.8.17	31.8.16	31.8.15
Change in net assets per share			
Opening net asset value per share	1,241.00p	1,121.00p	1,117.00p
Return before operating charges*	116.75p	159.15p	37.61p
Operating charges	(13.06p)	(11.61p)	(11.74p)
Return after operating charges*	103.69p	147.54p	25.87p
Distributions on income share	(33.69p)	(27.54p)	(21.87p)
Closing net asset value per share	1,311.00p	1,241.00p	1,121.00p
*after direct transaction costs of:	0.44p	0.32p	0.14p
Performance			
Return after charges	8.36%	13.16%	2.32%
Other information			
Closing net asset value	£2,413,705	£5,307,738	£49,310,104
Closing number of shares	184,075	427,670	4,400,546
Operating charges - OCF	1.27%	1.26%	1.30%
Direct transaction costs	0.03%	0.03%	0.01%
Prices			
Highest share price	1,328.00p	1,258.00p	1,204.00p
Lowest share price	1,218.00p	1,070.00p	1,079.00p

Retail X Accumulation			
	31.8.17	31.8.16	31.8.15
Change in net assets per share			
Opening net asset value per share	1,527.00p	1,346.00p	1,316.00p
Return before operating charges*	143.27p	195.06p	43.91p
Operating charges	(16.27p)	(14.06p)	(13.91p)
Return after operating charges*	127.00p	181.00p	30.00p
Distributions on accumulation share	(41.59p)	(33.39p)	(25.95p)
Retained distributions on accumulation share	41.59p	33.39p	25.95p
Closing net asset value per share	1,654.00p	1,527.00p	1,346.00p
*after direct transaction costs of:	0.55p	0.39p	0.16p
Performance			
Return after charges	8.32%	13.45%	2.28%
Other information			
Closing net asset value	£20,669,497	£21,134,045	£65,831,241
Closing number of shares	1,249,324	1,384,166	4,891,790
Operating charges - OCF	1.27%	1.26%	1.30%
Direct transaction costs	0.03%	0.03%	0.01%
Prices			
Highest share price	1,659.00p	1,536.00p	1,430.00p
Lowest share price	1,498.00p	1,292.00p	1,271.00p

Comparative Table

for the year ended 31 August 2017

Institutional Income			
Change in net assets per share	31.8.17	31.8.16	31.8.15
Opening net asset value per share	1,321.00p	1,188.00p	1,175.00p
Return before operating charges*	121.15p	162.58p	36.38p
Operating charges	(0.32p)	(0.30p)	(0.28p)
Return after operating charges*	120.83p	162.28p	36.10p
Distributions on income share	(35.83p)	(29.28p)	(23.10p)
Closing net asset value per share	1,406.00p	1,321.00p	1,188.00p
*after direct transaction costs of:	0.47p	0.35p	0.14p
Performance			
Return after charges	9.15%	13.66%	3.07%
Other information			
Closing net asset value	£56,350,286	£59,047,383	£22,491,397
Closing number of shares	4,007,090	4,469,392	1,893,027
Operating charges - OCF	0.27%	0.26%	0.30%
Direct transaction costs	0.03%	0.03%	0.01%
Prices			
Highest share price	1,422.00p	1,344.00p	1,272.00p
Lowest share price	1,301.00p	1,139.00p	1,136.00p

Institutional Accumulation			
Change in net assets per share	31.8.17	31.8.16	31.8.15
Opening net asset value per share	1,624.00p	1,426.00p	1,383.00p
Return before operating charges*	149.40p	198.36p	43.33p
Operating charges	(0.40p)	(0.36p)	(0.33p)
Return after operating charges*	149.00p	198.00p	43.00p
Distributions on accumulation share	(44.46p)	(35.53p)	(27.38p)
Retained distributions on accumulation share	44.46p	35.53p	27.38p
Closing net asset value per share	1,773.00p	1,624.00p	1,426.00p
*after direct transaction costs of:	0.59p	0.43p	0.17p
Performance			
Return after charges	9.17%	13.88%	3.11%
Other information			
Closing net asset value	£66,128,198	£72,580,045	£33,201,353
Closing number of shares	3,728,754	4,470,289	2,328,912
Operating charges - OCF	0.27%	0.26%	0.30%
Direct transaction costs	0.03%	0.03%	0.01%
Prices			
Highest share price	1,776.00p	1,639.00p	1,510.00p
Lowest share price	1,600.00p	1,373.00p	1,337.00p

Statement of Total Return

for the year ended 31 August 2017

	Notes	31.8.17		31.8.16	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		9,963		17,504
Revenue	3	4,564		4,429	
Expenses	4	(381)		(1,148)	
Net revenue before taxation		4,183		3,281	
Taxation	5	(317)		170	
Net revenue after taxation			3,866		3,451
Total return before distributions			13,829		20,955
Distributions	6		(4,144)		(4,084)
Change in net assets attributable to shareholders from investment activities			9,685		16,871

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 August 2017

	31.8.17		31.8.16	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		167,286		182,260
Amounts receivable on creation of shares	14,577		11,686	
Amounts payable on cancellation of shares	(41,303)		(45,943)	
		(26,726)		(34,257)
Dilution adjustment		-		7
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		9,685		16,871
Retained distribution on accumulation shares		2,482		2,405
Closing net assets attributable to shareholders		152,727		167,286

Balance Sheet

as at 31 August 2017

	Notes	31.8.17		31.8.16	
		£'000	£'000	£'000	£'000
Assets					
Investments			145,500		153,855
Current assets					
Debtors	8	371		606	
Cash and bank balances		8,039		13,547	
Total current assets			8,410		14,153
Total assets			153,910		168,008
Liabilities					
Creditors					
Distribution payable on income shares		(563)		(485)	
Other creditors	9	(620)		(237)	
Total liabilities			(1,183)		(722)
Net assets attributable to shareholders			152,727		167,286

Distribution Table (pence per share)

for the year ended 31 August 2017

Group 1: Shares purchased prior to 1 June 2017				
Group 2: Shares purchased from 1 June 2017 to 31 August 2017				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 31.10.17</i>	<i>Distribution paid 31.10.16</i>
Retail Income				
Group 1	12.472893	-	12.472893	9.803413
Group 2	12.472893	0.000000	12.472893	9.803413
Retail Accumulation				
Group 1	15.503461	-	15.503461	11.212435
Group 2	15.503461	0.000000	15.503461	11.212435
Retail X Income				
Group 1	12.669951	-	12.669951	9.278222
Group 2	12.669951	0.000000	12.669951	9.278222
Retail X Accumulation				
Group 1	15.582552	-	15.582552	11.335132
Group 2	15.582552	0.000000	15.582552	11.335132
Institutional Income				
Group 1	13.361843	-	13.361843	9.873632
Group 2	8.731658	4.630185	13.361843	9.873632
Institutional Accumulation				
Group 1	16.702517	-	16.702517	12.090854
Group 2	13.466641	3.235876	16.702517	12.090854

Distribution Table (pence per share)

for the year ended 31 August 2017

Group 1: Shares purchased prior to 1 March 2017				
Group 2: Shares purchased from 1 March 2017 to 31 May 2017				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 31.7.17</i>	<i>Distribution paid 31.7.16</i>
Retail Income				
Group 1	8.080000	-	8.080000	10.040000
Group 2	8.080000	0.000000	8.080000	10.040000
Retail Accumulation				
Group 1	9.970000	-	9.970000	10.360000
Group 2	9.970000	0.000000	9.970000	10.360000
Retail X Income				
Group 1	8.120000	-	8.120000	8.310000
Group 2	8.120000	0.000000	8.120000	8.310000
Retail X Accumulation				
Group 1	10.090000	-	10.090000	10.110000
Group 2	10.090000	0.000000	10.090000	10.110000
Institutional Income				
Group 1	8.680000	-	8.680000	8.770000
Group 2	5.340000	3.340000	8.680000	8.770000
Institutional Accumulation				
Group 1	10.780000	-	10.780000	10.690000
Group 2	7.880000	2.900000	10.780000	10.690000

Notes to the Financial Statements

for the year ended 31 August 2017

	31.8.17	31.8.16
	£'000	£'000
1. Accounting Policies		
The accounting policies are set out on pages 7 and 8.		
2. Net Capital Gains		
The net capital gains during the year comprise:		
Currency losses	(14)	(56)
Transaction charges	10	(1)
Management fee rebates	8	26
Capital special dividends	-	7
Gains on non-derivative securities	9,959	17,528
Net capital gains	9,963	17,504
3. Revenue		
UK dividends (net)	1,235	1,209
Overseas dividends	193	300
Dividend distributions from overseas authorised ICVCs and unit trusts	551	510
Unfranked distributions from UK authorised ICVCs and unit trusts	-	4
Franked distributions from UK authorised ICVCs and unit trusts	230	612
Interest on bonds and other debt securities	2,354	1,791
HMRC interest received	-	1
Bank interest	1	2
Total revenue	4,564	4,429
4. Expenses		
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	345	1,108
Safe custody fee	5	7
	350	1,115
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	19	21
Other expenses:		
Audit fee	6	5
Report and accounts fee	6	7
	12	12
Total expenses	381	1,148

	31.8.17 £'000	31.8.16 £'000
5. Taxation		
a) Analysis of charge in year:		
Corporation tax	146	-
Irrecoverable overseas tax	-	-
Total current tax charge for the year (note 5b)	146	1
Deferred tax (note 5c)	171	(171)
Total tax for the year (note 5b)	317	(170)
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	4,183	3,281
Corporation tax at 20%	837	656
Effects of:		
Revenue not subject to taxation	(442)	(526)
Tax relief on index-linked gilts	(80)	(48)
Taxable revenue reflected in capital	2	5
Utilisation of excess management expenses	-	(258)
Current tax charge for the year (note 5a)	317	(171)
c) Provision for deferred taxation	-	-
Provision at start of year	171	-
Deferred tax charge in profit and loss account for the year (note 5a)	(171)	(171)
Provision at end of year (note 5a)	-	(171)
6. Distributions		
The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:		
Interim dividend distribution	2,609	2,735
Final dividend distribution	1,444	1,247
	4,053	3,982
Add: Amounts deducted on cancellation of shares	128	131
Deduct: Amounts received on issue of shares	(37)	(29)
Net distribution for the year	4,144	4,084
7. Movement Between Net Revenue and Distributions		
Net revenue after taxation	3,866	3,451
Authorised Corporate Director's charge charged to capital	345	1,108
Equalisation on conversions	-	(1)
Tax relief on expenses transferred to capital	(67)	(474)
Net distribution for the year	4,144	4,084
8. Debtors		
Amounts receivable for creation of shares	21	15
Accrued revenue	349	336
Monies due from ACD	1	7
Income tax recoverable	-	77
Deferred tax	-	171
Total debtors	371	606

	31.8.17	31.8.16
	£'000	£'000
9. Other Creditors		
Amounts payable for cancellation of shares	333	194
Purchases awaiting settlement	141	-
Accrued expenses	38	43
Corporation tax payable	108	-
Total other creditors	620	237

10. Reconciliation of Shares

	<i>Retail Income</i>	<i>Retail Accumulation</i>	<i>Retail X Income</i>	<i>Retail X Accumulation</i>	<i>Institutional Income</i>	<i>Institutional Accumulation</i>
Opening Shares issued at 1.9.16	36,965	579,485	427,670	1,384,166	4,469,392	4,470,289
Share movements 1.9.16 to 31.8.17						
Shares issued	5,071	-	21,770	944	511,362	413,257
Shares cancelled	(3,500)	(197,706)	(271,710)	(306,472)	(1,053,340)	(902,134)
Shares converted	(5,071)	29,976	6,345	170,686	79,676	(252,658)
Closing Shares issued at 31.8.17	33,465	411,755	184,075	1,249,324	4,007,090	3,728,754

11. Related Party Transactions

The balance due to HSBC Global Asset Management (UK) Limited and their associates at the year end was £339,023 (31.8.16: £205,568).

The following party holds a material holding in the Fund as at the year end date:

HSBC Private Bank UK Limited - 100.00% (31.8.16: 90.53%) of the Retail Income Shares.

HSBC Private Bank UK Limited - 84.11% (31.8.16: 88.15%) of the Retail Accumulation Shares.

HSBC Wealth Client Nominee Limited - none (31.8.16: 47.83%), Cheviot Capital Nominees Limited - 23.38% (31.8.16: none) and HSBC Private Bank UK Limited - 29.64% (31.8.16: none) of the Retail X Income Shares.

HSBC Private Bank UK Limited - 63.52% (31.8.16: 72.87%) of the Retail X Accumulation Shares.

HSBC Wealth Client Nominee Limited - 82.75% (31.8.16: 83.66%) of the Institutional Income Shares.

HSBC Wealth Client Nominee Limited - 100.00% (31.8.16: 100.00%) of the Institutional Accumulation Shares.

The ACD does not have information to determine if individual holdings within the nominee accounts are material. Related party transactions are disclosed within notes 3 and 4. Investments in related parties are disclosed in the Portfolio Statement.

12. Financial Instruments

The financial instrument risks and risk management policies are set out in the Company Financial Statements on pages 9 and 10.

Foreign Currency Risk

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

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>		<i>Net other assets</i>		<i>Net assets</i>	
	31.8.17	31.8.16	31.8.17	31.8.16	31.8.17	31.8.16
	£'000	£'000	£'000	£'000	£'000	£'000
*Sterling	107,388	118,096	7,140	13,295	114,528	131,391
Euro	-	-	-	1	-	1
United States dollar	38,112	35,759	87	135	38,199	35,894
Total	145,500	153,855	7,227	13,431	152,727	167,286

*No currency risk as base currency

Interest Rate Risk

The interest rate profile of the Fund's financial assets and liabilities at 31 August 2017:

	<i>Floating rate financial assets**</i>		<i>Fixed rate financial assets</i>		<i>Financial assets/(liabilities) not carrying interest</i>		<i>Total</i>	
	31.8.17	31.8.16	31.8.17	31.8.16	31.8.17	31.8.16	31.8.17	31.8.16
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Sterling	18,750	24,275	3,446	3,603	92,332	103,513	114,528	131,391
Euro	-	-	-	-	-	1	-	1
United States dollar	-	34	-	-	38,199	35,860	38,199	35,894
Total	18,750	24,309	3,446	3,603	130,531	139,374	152,727	167,286

**Floating rate interest was earned at rates based on LIBOR (London interbank offered rate) or international equivalent.

	<i>Fixed rate financial assets weighted average interest rate</i>		<i>Fixed rate financial assets weighted average period for which rate is fixed</i>	
	31.8.17	31.8.16	31.8.17	31.8.16
	%	%	Years	Years
Sterling	0.79	0.60	10.20	11.58

13. Shareholders' Funds

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

The annual ACD charge on the retail share class is 1.25%, 1.00% on the retail X share class and 0.00% on the institutional share class.

The net asset value of the share class, the net asset value per share and the number of shares in each class are given in the Comparative Tables on pages 74 and 76. The distribution per share class is given in the Distribution Table on pages 78 and 79. All share classes within the OEIC have the same rights on winding up.

14. Contingent Liabilities and Commitments

At the year end the Fund had no contingent liabilities or commitments: (31.8.16: none).

15. Portfolio Transaction Costs

For the year ended 31 August 2017	<i>Purchases</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total purchases costs							
Equity transactions	9,449	4	0.04	11	0.12	28	0.30
Pooled investment vehicles	24,498	4	0.02	-	-	-	-
Corporate actions	181	-	-	-	-	-	-
Total purchases before transaction costs	34,128	8		11		28	
Transaction costs	47						
Total purchases after commission, tax and fees	34,175						
	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total sales costs							
Equity transactions	10,486	5	0.05	-	-	-	-
Pooled investment vehicles	41,646	3	0.01	-	-	-	-
Corporate actions	758	-	-	-	-	-	-
Total sales before transaction costs	52,890	8		-		-	
Transaction costs	(8)						
Total sales after commission, tax and fees	52,882						
Commissions, taxes and fees as % of average Net Assets							
Commissions	0.01 %						
Taxes	0.00 %						
Other expenses	0.02 %						

At the balance sheet date the portfolio dealing spread was 0.06%, being the difference between the respective bid and offer prices for the Funds investments.

For the year ended 31 August 2016	<i>Purchases</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total purchases costs							
Equity transactions	5,969	2	0.03	25	0.42	6	0.10
Bond transactions	5,556	-	-	-	-	-	-
Pooled investment vehicles	43,721	4	0.01	-	-	-	-
Corporate actions	26	-	-	-	-	-	-
Total purchases before transaction costs	55,272	6		25		6	
Transaction costs	37						
Total purchases after commission, tax and fees	55,309						
	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total sales costs							
Equity transactions	14,255	6	0.04	-	-	-	-
Bond transactions	18,740	-	-	-	-	-	-
Pooled investment vehicles	59,813	7	0.01	-	-	-	-
Corporate actions	2,701	-	-	-	-	-	-
Total sales before transaction costs	95,509	13		-		-	
Transaction costs	(13)						
Total sales after commission, tax and fees	95,496						
Commissions, taxes and fees as % of average Net Assets							
Commissions	0.01 %						
Taxes	0.01 %						
Other expenses	0.00 %						

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

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

16. Fair Value of Investments

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

- Level 1: unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 31 August 2017

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	35,199	-	-	35,199
Bonds	14,157	-	-	14,157
Pooled investment vehicles	26,733	69,411	-	96,144
	76,089	69,411	-	145,500

For the year ended 31 August 2016

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	35,338	-	-	35,338
Bonds	14,366	-	-	14,366
Pooled investment vehicles	19,434	84,717	-	104,151
	69,138	84,717	-	153,855

17. Sensitivity analysis

Price risk sensitivity:

If the price of investments at 31 August 2017 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £14,549,970 (31.8.16: £15,385,510).

Currency risk sensitivity:

If the exchange rate at 31 August 2017 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £3,819,921 (31.8.16: £3,589,494).

Interest rate risk:

If the interest rate at 31 August 2017 had increased or decreased by 1 basis point with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £14,432.32.

Wealth Strategic Solutions Fund (4) - Progressive Portfolio (WSSF4)

Investment Objective

To seek capital growth relative to a given level of risk by investing in a diversified range of global securities. The level of risk in this Portfolio is rated as 4*, where 1 is the lowest level of risk and 5 is the highest.

*The level of risk stated in the objective is to allow investors to compare the risk relative to other Wealth Strategic Solutions Funds. This differs from the Risk and Reward Profile on page 128. This is information we are required to provide by regulation, which allows investors to compare the risk for different funds.

Investment Policy

The Fund will invest in a broad range of global securities and equivalent equity-related securities with the aim of delivering capital growth consistent with the given level of risk as set out in the Objective. Such securities may include companies or other eligible vehicles (including, without limitation, exchange traded commodities) that in turn invest directly or indirectly into property and commodities. The Fund may also invest in eligible collective investment schemes.

Investment Strategy

The strategy of the Fund is capital growth with a growth risk profile and seeks to achieve the Objective by investing the majority of the assets in equities. A portion of the Portfolio is also invested in fixed income securities and alternative investments and strategies. Fixed income assets are invested in a portfolio of conventional government bonds, inflation-protected government bonds, corporate bonds and liquidity; the focus of the Portfolio is towards corporate bonds. Alternative investments are hedge funds, property, commodities and listed private equities.

Portfolio Activity

The 12 month period was defined by a synchronised upturn in economic momentum across the world's major economies, strong corporate earnings, subdued inflation and low market volatility. This provided a constructive backdrop for risk assets, with global equity markets making steady progress higher throughout the period. In the US, Donald Trump won a surprise victory in the US Presidential election, while the US Federal Reserve continued to gradually tighten monetary policy, increasing interest rates in December 2016, and again in March and June 2017. Elsewhere, the results of the Dutch and French elections saw victories for centrist parties, removing what had been substantial political risks for the Eurozone. Economic activity in Europe continued to strengthen, propelling the euro and European equity markets higher and prompting a more upbeat outlook from the European Central Bank. In the UK, Theresa May called a surprise general election only to lose the Conservative's majority in Parliament. UK Gilts registered negative performance for the period, selling off in tandem with global bond markets following Trump's election victory and coming under pressure again in June 2017 following hawkish comments from the Bank of England. The pound fell sharply in October 2016 on concerns over Brexit but enjoyed a recovery, particularly against the dollar, in 2017.

Sales exceeded purchase over the reporting period due to redemptions of the Fund.

Major purchases comprised: iShares MSCI World GBP Hedged UCITS ETF, Vanguard S&P 500 ETF and HSBC GIF Global Emerging Markets Local Debt Fund.

Major sales included: Vanguard FTSE All-World UCITS ETF, HSBC American Index Fund and HSBC GIF Global High Yield Bond Fund.

Investment Performance

During the year under review, the value of the shares in the Fund increased by 9.48% whilst the value of the Progressive benchmark rose by 10.76%.

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

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

Fund Particulars

as at 1 September 2017

	Retail Income	Retail Accumulation	Retail X Income
Price	1,361p xd	1,729p	1,368p xd
Distribution payable (on 31 October 2017) per share net	14.211336p	17.869030p	14.277953p
Current net estimated yield	2.39%	2.36%	2.39%
Annual ACD charge	1.25%	1.25%	1.00%
	Retail X Accumulation	Institutional Income	Institutional Accumulation
Price	1,748p	1,477p xd	1,889p
Distribution payable (on 31 October 2017) per share net	18.059937p	15.391577p	19.478093p
Current net estimated yield	2.35%	2.38%	2.34%
Annual ACD charge	1.00%	0.00%	0.00%

Portfolio Statement

as at 31 August 2017

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
UNITED KINGDOM - 32.56% (42.09%)			
AA	180,042	288	0.26
AstraZeneca	14,829	673	0.61
Aviva	121,082	632	0.58
BAE Systems	181,838	1,105	1.01
Barclays	402,556	769	0.70
BHP Billiton	63,642	939	0.86
BP	398,442	1,773	1.61
British American Tobacco	29,907	1,445	1.32
BT Group	325,690	953	0.87
Centrica	423,468	846	0.77
Compass Group	64,570	1,066	0.97
Croda International	12,577	483	0.44
Essentra	86,494	461	0.42
*First State Asia Pacific Leaders Fund	1,740,966	3,835	3.49
GlaxoSmithKline	100,205	1,537	1.40
+HSBC Holdings (London listed)	193,724	1,454	1.32
Imperial Brands	34,142	1,093	1.00
Informa	118,588	819	0.75
*JP Morgan Emerging Markets Fund	241,834	2,145	1.95
Lloyds Banking Group	810,829	517	0.47
National Grid	44,582	435	0.40
Prudential	69,227	1,256	1.14
Reckitt Benckiser	16,135	1,183	1.08
Rentokil Initial	146,137	445	0.40
Rio Tinto	22,812	855	0.78
Royal Bank of Scotland Group	343,517	865	0.79
Royal Dutch Shell B	56,677	1,224	1.11
Saga	186,671	378	0.34
Sage Group	64,697	448	0.41
*Stewart Investments Global Emerging Markets Leaders Fund	481,401	3,096	2.82
Unilever	24,727	1,117	1.02
Vodafone Group	568,450	1,258	1.15
WHSmith	19,046	352	0.32
Total United Kingdom		35,745	32.56
CHANNEL ISLANDS - 3.56% (3.92%)			
F&C Commercial Property Trust	1,092,279	1,637	1.49
+HICL Infrastructure	578,277	939	0.86
International Workplace Group	116,812	351	0.32
Ferguson	9,562	440	0.40
WPP Group	38,045	540	0.49
Total Channel Islands		3,907	3.56

Portfolio Statement

as at 31 August 2017

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
IRELAND - 37.45% (31.53%)			
DCC (London listed)	6,049	426	0.39
*Findlay Park American Fund	21,878	1,691	1.54
*+HSBC MSCI Japan UCITS ETF	194,799	4,752	4.33
*Invesco Japanese Equity Core Fund	85,177	1,436	1.31
*iShares MSCI Emerging Markets ETF	57,930	1,766	1.61
*iShares MSCI Emerging Markets UCITS ETF	98,280	2,144	1.95
*iShares MSCI Europe ex-UK UCITS ETF	226,640	6,471	5.89
*iShares MSCI Pacific ex Japan UCITS ETF	11,818	1,279	1.16
*iShares MSCI World GBP Hedged UCITS ETF	215,665	10,537	9.60
*Vangaurd S&P 500 ETF	291,146	10,615	9.67
Total Ireland		41,117	37.45
LUXEMBOURG - 23.32% (19.89%)			
*+HSBC GIF Global Emerging Markets Bond Fund	228,704	2,444	2.23
*+HSBC GIF Global Real Estate Equity Fund	386,808	3,016	2.75
*+HSBC GIF Global Short Duration High Yield Bond Fund	118,698	1,207	1.10
*+HSBC GIF Global Yield Bond Fund	429,037	4,392	4.00
*+HSBC GIF US Equity Fund	148,035	4,845	4.41
*+HSBC Global Emerging Markets Local Debt Fund	1,206,823	9,691	8.83
Total Luxembourg		25,595	23.32
Portfolio of investments		106,364	96.89
Net other assets		3,410	3.11
Net assets		109,774	100.00

+related party

*collective investment schemes

Figures in brackets denote comparative percentage holdings as at 31 August 2016.

Unless otherwise stated, all investments are listed securities.

Comparative Table

for the year ended 31 August 2017

Retail Income			
Change in net assets per share	31.8.17	31.8.16	31.8.15
Opening net asset value per share	1,253.00p	1,129.00p	1,136.00p
Return before operating charges*	159.60p	167.10p	31.72p
Operating charges	(16.82p)	(14.71p)	(14.80p)
Return after operating charges*	142.78p	152.39p	16.92p
Distributions on income share	(32.78p)	(28.39p)	(23.92p)
Closing net asset value per share	1,363.00p	1,253.00p	1,129.00p
*after direct transaction costs of:	0.62p	0.38p	0.17p
Performance			
Return after charges	11.40%	13.50%	1.49%
Other information			
Closing net asset value	£369,556	£447,636	£401,300
Closing number of shares	27,118	35,737	35,530
Operating charges - OCF	1.54%	1.58%	1.60%
Direct transaction costs	0.05%	0.03%	0.02%
Prices			
Highest share price	1,382.00p	1,281.00p	1,235.00p
Lowest share price	1,233.00p	1,053.00p	1,077.00p

Retail Accumulation			
Change in net assets per share	31.8.17	31.8.16	31.8.15
Opening net asset value per share	1,553.00p	1,367.00p	1,347.00p
Return before operating charges*	199.89p	203.91p	37.75p
Operating charges	(20.89p)	(17.91p)	(17.75p)
Return after operating charges*	179.00p	186.00p	20.00p
Distributions on accumulation share	(41.00p)	(34.67p)	(28.59p)
Retained distributions on accumulation share	41.00p	34.67p	28.59p
Closing net asset value per share	1,732.00p	1,553.00p	1,367.00p
*after direct transaction costs of:	0.77p	0.47p	0.21p
Performance			
Return after charges	11.53%	13.61%	1.48%
Other information			
Closing net asset value	£6,944,723	£9,133,817	£9,085,251
Closing number of shares	401,056	588,065	664,562
Operating charges - OCF	1.54%	1.58%	1.60%
Direct transaction costs	0.05%	0.03%	0.02%
Prices			
Highest share price	1,737.00p	1,578.00p	1,477.00p
Lowest share price	1,529.00p	1,282.00p	1,278.00p

Comparative Table

for the year ended 31 August 2017

Retail X Income			
	31.8.17	31.8.16	31.8.15
Change in net assets per share			
Opening net asset value per share	1,256.00p	1,130.00p	1,134.00p
Return before operating charges*	160.52p	166.18p	31.88p
Operating charges	(13.58p)	(11.76p)	(11.94p)
Return after operating charges*	146.94p	154.42p	19.94p
Distributions on income share	(32.94p)	(28.42p)	(23.94p)
Closing net asset value per share	1,370.00p	1,256.00p	1,130.00p
*after direct transaction costs of:	0.62p	0.38p	0.17p
Performance			
Return after charges	11.70%	13.67%	1.76%
Other information			
Closing net asset value	£1,607,127	£1,746,531	£14,467,034
Closing number of shares	117,330	139,059	1,280,361
Operating charges - OCF	1.30%	1.33%	1.35%
Direct transaction costs	0.05%	0.03%	0.02%
Prices			
Highest share price	1,388.00p	1,285.00p	1,235.00p
Lowest share price	1,237.00p	1,055.00p	1,076.00p

Retail X Accumulation			
	31.8.17	31.8.16	31.8.15
Change in net assets per share			
Opening net asset value per share	1,567.00p	1,376.00p	1,352.00p
Return before operating charges*	201.15p	205.38p	38.35p
Operating charges	(17.15p)	(14.38p)	(14.35p)
Return after operating charges*	184.00p	191.00p	24.00p
Distributions on accumulation share	(41.42p)	(34.95p)	(28.76p)
Retained distributions on accumulation share	41.42p	34.95p	28.76p
Closing net asset value per share	1,751.00p	1,567.00p	1,376.00p
*after direct transaction costs of:	0.78p	0.47p	0.21p
Performance			
Return after charges	11.74%	13.88%	1.78%
Other information			
Closing net asset value	£6,321,939	£5,502,265	£51,505,176
Closing number of shares	361,093	351,203	3,743,343
Operating charges - OCF	1.30%	1.33%	1.35%
Direct transaction costs	0.05%	0.03%	0.02%
Prices			
Highest share price	1,756.00p	1,592.00p	1,486.00p
Lowest share price	1,542.00p	1,291.00p	1,283.00p

Comparative Table

for the year ended 31 August 2017

Institutional Income			
Change in net assets per share	31.8.17	31.8.16	31.8.15
Opening net asset value per share	1,342.00p	1,197.00p	1,191.00p
Return before operating charges*	172.76p	175.60p	31.56p
Operating charges	(0.37p)	(0.32p)	(0.30p)
Return after operating charges*	172.39p	175.28p	31.26p
Distributions on income share	(35.39p)	(30.28p)	(25.26p)
Closing net asset value per share	1,479.00p	1,342.00p	1,197.00p
*after direct transaction costs of:	0.67p	0.41p	0.18p
Performance			
Return after charges	12.85%	14.64%	2.62%
Other information			
Closing net asset value	£27,877,560	£29,378,509	£16,294,914
Closing number of shares	1,884,891	2,188,372	1,360,814
Operating charges - OCF	0.29%	0.33%	0.35%
Direct transaction costs	0.05%	0.03%	0.02%
Prices			
Highest share price	1,496.00p	1,373.00p	1,304.00p
Lowest share price	1,322.00p	1,123.00p	1,132.00p

Institutional Accumulation			
Change in net assets per share	31.8.17	31.8.16	31.8.15
Opening net asset value per share	1,676.00p	1,459.00p	1,422.00p
Return before operating charges*	216.46p	217.40p	37.36p
Operating charges	(0.46p)	(0.40p)	(0.36p)
Return after operating charges*	216.00p	217.00p	37.00p
Distributions on accumulation share	(44.57p)	(37.24p)	(30.39p)
Retained distributions on accumulation share	44.57p	37.24p	30.39p
Closing net asset value per share	1,892.00p	1,676.00p	1,459.00p
*after direct transaction costs of:	0.84p	0.51p	0.22p
Performance			
Return after charges	12.89%	14.87%	2.60%
Other information			
Closing net asset value	£66,652,852	£76,215,014	£32,157,122
Closing number of shares	3,523,630	4,548,422	2,203,974
Operating charges - OCF	0.29%	0.33%	0.35%
Direct transaction costs	0.05%	0.03%	0.02%
Prices			
Highest share price	1,893.00p	1,702.00p	1,570.00p
Lowest share price	1,650.00p	1,375.00p	1,351.00p

Statement of Total Return

for the year ended 31 August 2017

		31.8.17		31.8.16	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains	2		10,801		13,716
Revenue	3	3,057		3,152	
Expenses	4	(186)		(736)	
Interest payable and similar charges		(1)		-	
Net revenue before taxation		2,870		2,416	
Taxation	5	231		(1)	
Net revenue after taxation			3,101		2,415
Total return before distributions			13,902		16,131
Distributions	6		(2,822)		(2,985)
Change in net assets attributable to shareholders from investment activities			11,080		13,146

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 August 2017

	31.8.17		31.8.16	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		122,424		123,911
Amounts receivable on creation of shares	8,744		11,040	
Amounts payable on cancellation of shares	(34,508)		(27,874)	
		(25,764)		(16,834)
Dilution adjustment		16		10
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		11,080		13,146
Retained distribution on accumulation shares		2,018		2,191
Closing net assets attributable to shareholders		109,774		122,424

Balance Sheet

as at 31 August 2017

		31.8.17		31.8.16	
	Notes	£'000	£'000	£'000	£'000
Assets					
Investments			106,364		119,273
Current assets					
Debtors	8	514		272	
Cash and bank balances		3,640		3,130	
Total current assets			4,154		3,402
Total assets			110,518		122,675
Liabilities					
Creditors					
Distribution payable on income shares		(311)		(214)	
Other creditors	9	(433)		(37)	
Total liabilities			(744)		(251)
Net assets attributable to shareholders			109,774		122,424

Distribution Table (pence per share)

for the year ended 31 August 2017

Group 1: Shares purchased prior to 1 June 2017				
Group 2: Shares purchased from 1 June 2017 to 31 August 2017				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 31.10.17</i>	<i>Distribution paid 31.10.16</i>
Retail Income				
Group 1	14.211336	-	14.211336	8.495451
Group 2	1.469020	12.742316	14.211336	8.495451
Retail Accumulation				
Group 1	17.869030	-	17.869030	10.463728
Group 2	17.869030	0.000000	17.869030	10.463728
Retail X Income				
Group 1	14.277953	-	14.277953	8.519543
Group 2	1.197153	13.080800	14.277953	8.519543
Retail X Accumulation				
Group 1	18.059937	-	18.059937	10.560822
Group 2	18.059937	0.000000	18.059937	10.560822
Institutional Income				
Group 1	15.391577	-	15.391577	9.091082
Group 2	11.670490	3.721087	15.391577	9.091082
Institutional Accumulation				
Group 1	19.478093	-	19.478093	11.277118
Group 2	5.188312	14.289781	19.478093	11.277118

Distribution Table (pence per share)

for the year ended 31 August 2017

Group 1: Shares purchased prior to 1 March 2017				
Group 2: Shares purchased from 1 March 2017 to 31 May 2017				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 31.7.17</i>	<i>Distribution paid 31.7.16</i>
Retail Income				
Group 1	6.360000	-	6.360000	9.520000
Group 2	1.800000	4.560000	6.360000	9.520000
Retail Accumulation				
Group 1	7.690000	-	7.690000	11.630000
Group 2	6.570000	1.120000	7.690000	11.630000
Retail X Income				
Group 1	6.180000	-	6.180000	9.520000
Group 2	6.180000	0.000000	6.180000	9.520000
Retail X Accumulation				
Group 1	8.030000	-	8.030000	11.720000
Group 2	8.030000	0.000000	8.030000	11.720000
Institutional Income				
Group 1	6.830000	-	6.830000	10.160000
Group 2	4.470000	2.360000	6.830000	10.160000
Institutional Accumulation				
Group 1	8.650000	-	8.650000	12.490000
Group 2	4.640000	4.010000	8.650000	12.490000

Notes to the Financial Statements

for the year ended 31 August 2017

	31.8.17	31.8.16
	£'000	£'000
1. Accounting Policies		
The accounting policies are set out on pages 7 and 8.		
2. Net Capital Gains		
The net capital gains during the year comprise:		
Currency gains	70	78
Transaction charges	6	(1)
Management fee rebates	4	16
Capital special dividends	-	6
Gains on non-derivative securities	10,721	13,617
Net capital gains	10,801	13,716
3. Revenue		
UK dividends (net)	1,104	1,004
Overseas dividends	154	222
Dividend distributions from overseas authorised ICVCs and unit trusts	663	492
Unfranked distributions from UK authorised ICVCs and unit trusts	-	3
Franked distributions from UK authorised ICVCs and unit trusts	77	720
Interest on bonds and other debt securities	1,059	709
Bank interest	-	2
Total revenue	3,057	3,152
4. Expenses		
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
Authorised Corporate Director's charge	158	706
Safe custody fee	4	5
	162	711
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	14	15
Other expenses:		
Audit fee	6	5
Report and accounts fee	4	5
	10	10
Total expenses	186	736

	31.8.17	31.8.16
	£'000	£'000
5. Taxation		
a) Analysis of charge in year:		
Overseas tax	-	1
Total current tax charge for the year (note 5b)	-	1
Deferred tax (note 5c)	(231)	-
Total tax for the year (note 5b)	(231)	1
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	2,870	2,416
Corporation tax at 20%	574	483
Effects of:		
Revenue not subject to taxation	(400)	(488)
Taxable income reflected in capital	1	3
Current year expenses not utilised	-	2
Irrecoverable overseas tax	-	1
Utilisation of excess management expenses	(406)	-
Current tax charge for the year (note 5a)	(231)	1
c) Provision for deferred taxation		
Provision at start of year	-	-
Deferred tax charge in profit and loss account for the year (note 5a)	(231)	-
	(231)	-
At 31 August 2017, there is no deferred tax asset (31.8.16: £406,000) in relation to surplus management expenses.		
6. Distributions		
The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:		
Interim dividend distribution	1,630	2,107
Final dividend distribution	1,134	826
	2,764	2,933
Add: Amounts deducted on cancellation of shares	80	92
Deduct: Amounts received on issue of shares	(22)	(40)
Net distribution for the year	2,822	2,985
7. Movement Between Net Revenue and Distributions		
Net revenue after taxation	3,101	2,415
Authorised Corporate Director's charge charged to capital	158	706
Tax relief on expenses transferred to capital	(437)	(136)
Net distribution for the year	2,822	2,985
8. Debtors		
Accrued revenue	266	239
Monies due from ACD	1	3
Income tax recoverable	16	30
Deferred tax	231	-
Total debtors	514	272

31.8.17
£'000

31.8.16
£'000

9. Other Creditors

Amounts payable for cancellation of shares	284	11
Purchases awaiting settlement	125	-
Accrued expenses	24	26
Total other creditors	433	37

10. Reconciliation of Shares

	<i>Retail Income</i>	<i>Retail Accumulation</i>	<i>Retail X Income</i>	<i>Retail X Accumulation</i>	<i>Institutional Income</i>	<i>Institutional Accumulation</i>
Opening Shares issued at 1.9.16	35,737	588,065	139,059	351,203	2,188,372	4,548,422
Share movements 1.9.16 to 31.8.17						
Shares issued	195	4,523	79	3,874	271,370	259,115
Shares cancelled	(8,814)	(96,312)	(122,593)	(236,130)	(481,229)	(1,146,983)
Shares converted	-	(95,220)	100,785	242,146	(93,622)	(136,924)
Closing Shares issued at 31.8.17	27,118	401,056	117,330	361,093	1,884,891	3,523,630

11. Related Party Transactions

The balance due to HSBC Global Asset Management (UK) Limited and their associates at the year end was £299,007 (31.8.16: (£28,558)).

The following party holds a material holding in the Fund as at the year end date:

Cofunds Limited - none (31.8.16: 33.07%), Zeban Nominees Limited - 43.95% (31.8.16: 33.07%) and Hargreaves Lansdown (Nominees) Limited 36.90% (31.8.16: 27.45%) of the Retail Income shares.

HSBC Private Bank UK Limited - 86.12% (31.8.16: 84.13%) of the Retail Accumulation shares.

HSBC Wealth Client Nominee Limited - none (31.8.16: 68.88%) of the Retail X Income shares.

HSBC Private Bank UK Limited - 39.73% (31.8.16: 41.52%), HSBC Wealth Client Nominee Limited - none% (31.8.16: 32.57%) and Rathbone Nominees Limited - 21.41% (31.8.16: none) of the Retail X Accumulation shares.

HSBC Wealth Client Nominee Limited - 95.79% (31.8.16: 95.83%) of the Institutional Income shares.

HSBC Wealth Client Nominee Limited - 99.89% (31.8.16: 99.88%) of the Institutional Accumulation shares.

The ACD does not have information to determine if individuals' holdings within the nominee accounts are material. Related party transactions are disclosed within notes 3 and 4. Investments in related parties are disclosed in the Portfolio Statement.

12. Financial Instruments

The financial instrument risks and risk management policies are set out in the Company Financial Statements on pages 9 and 10.

Foreign Currency Risk

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

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>		<i>Net other assets</i>		<i>Net assets</i>	
	31.8.17	31.8.16	31.8.17	31.8.16	31.8.17	31.8.16
	£'000	£'000	£'000	£'000	£'000	£'000
*Sterling	82,640	90,663	3,333	2,887	85,973	93,550
United States dollar	23,724	28,610	77	264	23,801	28,874
Total	106,364	119,273	3,410	3,151	109,774	122,424

*No currency risk as base currency

Interest Rate Risk

At the year end 3.32% (30.09.16: 2.56%) of the Fund's assets by value were interest-bearing. Interest rates are based upon LIBOR (London Interbank Offered Rate).

13. Shareholders' Funds

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

The annual ACD charge on the retail share class is 1.25%, retail X share class is 1.00% and 0.00% on the institutional share class.

The net asset value of the share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 89 to 91. The distribution per share class is given in the Distribution Table on pages 93 and 94. All share classes within the OEIC have the same rights on winding up.

14. Contingent Liabilities and Commitments

At the year end the Fund had no contingent liabilities or commitments (31.8.16: none).

15. Portfolio Transaction Costs

For the year ended 31 August 2017	<i>Purchases</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total purchases costs							
Equity transactions	8,649	3	0.04	10	0.12	26	0.30
Pooled investment vehicles	27,319	6	0.02	-	-	-	-
Corporate actions	145	-	-	-	-	-	-
Total purchases before transaction costs	36,113	9		10		26	
Transaction costs	45						
Total purchases after commission, tax and fees	36,158						
	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total sales costs							
Equity transactions	9,229	4	0.04	-	-	-	-
Pooled investment vehicles	50,028	5	0.01	-	-	-	-
Corporate actions	676	-	-	-	-	-	-
Total sales before transaction costs	59,933	9		-		-	
Transaction costs	(9)						
Total sales after commission, tax and fees	59,924						
Commissions, taxes and fees as % of average Net Assets							
Commissions	0.02%						
Taxes	0.01%						
Other expenses	0.02%						

At the balance sheet date the portfolio dealing spread was 0.06%, being the difference between the respective bid and offer prices for the Funds investments.

For the year ended 31 August 2016	<i>Purchases</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total purchases costs							
Equity transactions	5,197	2	0.04	21	0.40	6	0.12
Pooled investment vehicles	44,057	5	0.01	-	-	-	-
Corporate actions	19	-	-	-	-	-	-
Total purchases before transaction costs	49,273	7		21		6	
Transaction costs	34						
Total purchases after commission, tax and fees	49,307						
	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total sales costs							
Equity transactions	8,994	3	0.03	-	-	-	-
Bond transactions	3,267	-	-	-	-	-	-
Pooled investment vehicles	47,227	4	0.01	-	-	-	-
Total sales before transaction costs	59,488	7		-		-	
Transaction costs	(7)						
Total sales after commission, tax and fees	59,481						
Commissions, taxes and fees as % of average Net Assets							
Commissions	0.01%						
Taxes	0.02%						
Other expenses	0.00%						

At the balance sheet date the portfolio dealing spread was 0.06%, being the difference between the respective bid and offer prices for the Funds investments.

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

16. Fair Value of Investments

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

- Level 1: unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 31 August 2017

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	31,002	-	-	31,002
Pooled investment vehicles	37,564	37,798	-	75,362
	68,566	37,798	-	106,364

For the year ended 31 August 2016

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	30,895	-	-	30,895
Pooled investment vehicles	27,866	60,512	-	88,378
	58,761	60,512	-	119,273

17. Sensitivity Analysis

Price risk sensitivity:

If the price of investments at 31 August 2017 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £10,636,378 (31.8.16: £11,927,294).

Currency risk sensitivity:

If the exchange rate at 31 August 2017 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £2,380,061 (31.8.16: £2,887,380).

Interest rate risk:

At the balance sheet date, the Fund did not have a significant exposure to interest rate risk, therefore no sensitivity analysis is disclosed (2016: no significant exposure).

Wealth Strategic Solutions Fund (5) - Aggressive Portfolio (WSSF5)

Investment Objective

To seek capital growth relative to a given level of risk by investing in a diversified range of global securities. The level of risk in this Portfolio is rated as 5*, where 1 is the lowest level of risk and 5 is the highest.

*The level of risk stated in the objective is to allow investors to compare the risk relative to other Wealth Strategic Solutions Funds. This differs from the Risk and Reward Profile on page 128. This is information we are required to provide by regulation, which allows investors to compare the risk for different funds.

Investment Policy

The Fund will invest in a broad range of global securities and equivalent equity-related securities with the aim of delivering capital growth consistent with the given level of risk as set out in the Objective. Such securities may include companies or other eligible vehicles (including, without limitation, exchange traded commodities) that in turn invest directly or indirectly into property and commodities. The Fund may also invest in eligible collective investment schemes.

Investment Strategy

The strategy of the Fund is capital growth with an aggressive risk profile and seeks to achieve returns mainly by investing almost exclusively in equities and alternative investments and strategies. A small portion of the Portfolio can be invested in fixed income assets and liquidity. Equities are invested globally, with a bias towards UK equities and including emerging markets.

Portfolio Activity

The 12 month period was defined by a synchronised upturn in economic momentum across the world's major economies, strong corporate earnings, subdued inflation and low market volatility. This provided a constructive backdrop for risk assets, with global equity markets making steady progress higher throughout the period. In the US, Donald Trump won a surprise victory in the US Presidential election, while the US Federal Reserve continued to gradually tighten monetary policy, increasing interest rates in December 2016, and again in March and June 2017. Elsewhere, the results of the Dutch and French elections saw victories for centrist parties, removing what had been substantial political risks for the Eurozone. Economic activity in Europe continued to strengthen, propelling the euro and European equity markets higher and prompting a more upbeat outlook from the European Central Bank. In the UK, Theresa May called a surprise general election only to lose the Conservative's majority in Parliament. The pound fell sharply in October 2016 on concerns over Brexit but enjoyed a recovery, particularly against the dollar, in 2017.

Sales exceeded purchase over the reporting period due to redemptions of the Fund.

Major purchases comprised: iShares MSCI World GBP Hedged UCITS ETF, Vanguard S&P 500 UCITS ETF and HSBC GIF Global Emerging Markets Local Debt.

Major sales included: Vanguard FTSE All-World UCITS ETF, HSBC American Index Fund and Findlay Park American Fund.

Investment Performance

During the year under review, the value of the shares in the Fund increased by 10.25% whilst the value of the Aggressive benchmark rose by 12.09%.

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

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

Fund Particulars

as at 1 September 2017

	Retail Accumulation	Retail X Income	Retail X Accumulation
Price	1,812p	1,438p xd	1,832p
Distribution payable (on 31 October 2017) per share net	15.793799p	12.632415p	15.969884p
Current net estimated yield	2.25%	2.28%	2.25%
Annual ACD charge	1.25%	1.00%	1.00%
		Institutional Income	Institutional Accumulation
Price		1,571p xd	1,995p
Distribution payable (on 31 October 2017) per share net		13.809149p	17.380802p
Current net estimated yield		2.27%	2.24%
Annual ACD charge		0.00%	0.00%

Portfolio Statement

as at 31 August 2017

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
UNITED KINGDOM - 44.63% (52.93%)			
AA	56,145	90	0.36
AstraZeneca	3,998	181	0.73
Aviva	33,678	176	0.71
BAE Systems	49,746	302	1.21
Barclays	122,961	235	0.94
BHP Billiton	19,513	288	1.15
BP	109,502	487	1.95
British American Tobacco	8,235	398	1.60
BT Group	89,900	263	1.05
Centrica	116,974	234	0.94
Compass Group	17,771	293	1.17
Croda International	3,447	132	0.53
Essentra	23,951	128	0.51
*First State Asia Pacific Leaders Fund	348,303	767	3.07
GlaxoSmithKline	27,571	423	1.70
*+HSBC European Index Fund	223,519	2,086	8.36
HSBC Holdings (London listed)	53,464	401	1.61
Imperial Brands	9,426	302	1.21
Informa	32,698	226	0.91
*JP Morgan Emerging Markets Fund	44,890	398	1.60
Lloyds Banking Group	223,803	143	0.57
National Grid	12,181	119	0.48
Prudential	21,383	388	1.56
Reckitt Benckiser	4,009	294	1.18
Rentokil Initial	40,482	123	0.49
Rio Tinto	6,383	239	0.96
Royal Bank of Scotland	93,812	236	0.95
Royal Dutch Shell B	15,669	339	1.36
Saga	51,061	103	0.42
Sage Group	17,870	124	0.50
*First State Global Emerging Market Leaders Fund	77,752	500	2.00
Unilever	6,864	310	1.24
Vodafone Group	137,846	305	1.22
WHSmith	5,288	98	0.39
Total United Kingdom		11,131	44.63
CHANNEL ISLANDS - 3.89% (3.99%)			
F&C Commercial Property Trust	207,122	310	1.24
Ferguson	2,643	122	0.49
+HICL Infrastructure	180,435	293	1.17
International Workplace Group	31,865	96	0.39
WPP Group	10,542	150	0.60
Total Channel Islands		971	3.89

Portfolio Statement

as at 31 August 2017

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
IRELAND - 32.99% (26.24%)			
DCC (London listed)	1,615	113	0.45
*+HSBC MSCI Japan UCITS ETF	24,104	588	2.36
*Invesco Japanese Equity Core Fund	24,711	417	1.67
*iShares Core MSCI Emerging Markets IMI UCITS ETF	46,596	1,017	4.08
*iShares III Core MSCI Japan IMI UCITS ETF	17,361	529	2.12
*iShares VII Core MSCI Pacific ex-Japan UCITS ETF	4,540	491	1.97
*iShares V MSCI World GBP Hedged UCITS ETF	52,408	2,561	10.27
*Vanguard S&P 500 UCITS ETF	68,936	2,513	10.07
Total Ireland		8,229	32.99
LUXEMBOURG - 16.88% (14.59%)			
*+HSBC GIF Global Emerging Markets Local Debt Fund	163,959	1,317	5.28
*+HSBC GIF Global Real Estate Equity Fund	81,635	637	2.55
*+HSBC GIF Global High Yield Bond Fund	65,588	671	2.69
*+HSBC GIF US Equity Fund	48,490	1,587	6.36
Total Luxembourg		4,212	16.88
Portfolio of investments		24,543	98.39
Net other assets		402	1.61
Net assets		24,945	100.00
+related party			
*collective investment schemes			

Figures in brackets denote comparative percentage holdings as at 31 August 2016.

Unless otherwise stated, all investments are listed securities.

Comparative Table

for the year ended 31 August 2017

Retail Income†			
Change in net assets per share	31.8.17	19.7.16	31.8.15
Opening net asset value per share	N/A	1,153.00p	1,159.00p
Return before operating charges*	N/A	152.30p	33.04p
Operating charges	N/A	(13.27p)	(15.39p)
Return after operating charges*	N/A	139.03p	17.65p
Distributions on income share	N/A	(20.03p)	(23.65p)
Cancellation price	N/A	(1,272.00p)	-
Closing net asset value per share	N/A	0.00p	1,153.00p
*after direct transaction costs of:	N/A	0.50p	0.25p
Performance			
Return after charges	N/A	12.06%	1.52%
Other information			
Closing net asset value	N/A	N/A	£211,918
Closing number of shares	N/A	N/A	18,380
Operating charges - OCF	N/A	N/A	1.58%
Direct transaction costs	N/A	0.04%	0.02%
Prices			
Highest share price	N/A	1,274.00p	1,272.00p
Lowest share price	N/A	1,064.00p	1,085.00p
†The Retail Income share class closed on 19 July 2016.			

Retail Accumulation			
Change in net assets per share	31.8.17	19.7.16	31.8.15
Opening net asset value per share	1,604.00p	1,394.00p	1,374.00p
Return before operating charges*	227.85p	228.47p	38.29p
Operating charges	(21.85p)	(18.47p)	(18.29p)
Return after operating charges*	206.00p	210.00p	20.00p
Distributions on accumulation share	(41.65p)	(35.18p)	(28.23p)
Retained distributions on accumulation share	41.65p	35.18p	28.23p
Closing net asset value per share	1,810.00p	1,604.00p	1,394.00p
*after direct transaction costs of:	0.98p	0.61p	0.29p
Performance			
Return after charges	12.84%	15.06%	1.46%
Other information			
Closing net asset value	£372,175	£1,499,006	£2,243,097
Closing number of shares	20,563	93,436	160,902
Operating charges - OCF	1.51%	1.53%	1.58%
Direct transaction costs	0.06%	0.04%	0.02%
Prices			
Highest share price	1,821.00p	1,635.00p	1,519.00p
Lowest share price	1,579.00p	1,293.00p	1,286.00p

Comparative Table

for the year ended 31 August 2017

Retail X Income	31.8.17	19.7.16	31.8.15
Change in net assets per share			
Opening net asset value per share	1,299.00p	1,154.00p	1,157.00p
Return before operating charges*	185.06p	186.13p	33.03p
Operating charges	(14.56p)	(12.25p)	(12.38p)
Return after operating charges*	170.50p	173.88p	20.65p
Distributions on income share	(33.50p)	(28.88p)	(23.65p)
Closing net asset value per share	1,436.00p	1,299.00p	1,154.00p
*after direct transaction costs of:	0.81p	0.50p	0.25p
Performance			
Return after charges	13.13%	15.07%	1.78%
Other information			
Closing net asset value	£1,975,897	£1,946,821	£3,198,637
Closing number of shares	137,620	149,828	277,275
Operating charges - OCF	1.26%	1.28%	1.33%
Direct transaction costs	0.06%	0.04%	0.02%
Prices			
Highest share price	1,457.00p	1,333.00p	1,271.00p
Lowest share price	1,279.00p	1,066.00p	1,083.00p

Retail X Accumulation	31.8.17	19.7.16	31.8.15
Change in net assets per share			
Opening net asset value per share	1,618.00p	1,402.00p	1,378.00p
Return before operating charges*	230.19p	231.00p	38.87p
Operating charges	(18.19p)	(15.00p)	(14.87p)
Return after operating charges*	212.00p	216.00p	24.00p
Distributions on accumulation share	(42.07p)	(35.40p)	(28.36p)
Retained distributions on accumulation share	42.07p	35.40p	28.36p
Closing net asset value per share	1,830.00p	1,618.00p	1,402.00p
*after direct transaction costs of:	1.01p	0.61p	0.30p
Performance			
Return after charges	13.10%	15.41%	1.74%
Other information			
Closing net asset value	£5,737,963	£7,597,899	£12,465,343
Closing number of shares	313,535	469,717	889,309
Operating charges - OCF	1.26%	1.28%	1.33%
Direct transaction costs	0.06%	0.04%	0.02%
Prices			
Highest share price	1,841.00p	1,648.00p	1,526.00p
Lowest share price	1,592.00p	1,301.00p	1,290.00p

Comparative Table

for the year ended 31 August 2017

Institutional Income	31.8.17	19.7.16	31.8.15
Change in net assets per share			
Opening net asset value per share	1,409.00p	1,238.00p	1,229.00p
Return before operating charges*	197.29p	202.72p	34.79p
Operating charges	(0.77p)	(0.54p)	(0.51p)
Return after operating charges*	196.52p	202.18p	34.28p
Distributions on income share	(36.52p)	(31.18p)	(25.28p)
Closing net asset value per share	1,569.00p	1,409.00p	1,238.00p
*after direct transaction costs of:	0.88p	0.55p	0.26p
Performance			
Return after charges	13.95%	16.33%	2.79%
Other information			
Closing net asset value	£3,724,318	£3,661,474	£2,178,277
Closing number of shares	237,392	259,929	175,933
Operating charges - OCF	0.26%	0.29%	0.33%
Direct transaction costs	0.06%	0.04%	0.02%
Prices			
Highest share price	1,591p	1,444p	1,359p
Lowest share price	1,387p	1,149p	1,152p

Institutional Accumulation	31.8.17	19.7.16	31.8.15
Change in net assets per share			
Opening net asset value per share	1,747.00p	1,500.00p	1,459.00p
Return before operating charges*	245.95p	247.66p	41.60p
Operating charges	(0.95p)	(0.66p)	(0.60p)
Return after operating charges*	245.00p	247.00p	41.00p
Distributions on accumulation share	(45.69p)	(38.11p)	(30.19p)
Retained distributions on accumulation share	45.69p	38.11p	30.19p
Closing net asset value per share	1,992.00p	1,747.00p	1,500.00p
*after direct transaction costs of:	1.09p	0.66p	0.31p
Performance			
Return after charges	14.02%	16.47%	2.81%
Other information			
Closing net asset value	£13,134,676	£4,921,453	£10,859,726
Closing number of shares	659,242	854,078	724,209
Operating charges - OCF	0.26%	0.29%	0.33%
Direct transaction costs	0.06%	0.04%	0.02%
Prices			
Highest share price	2,003.00p	1,779.00p	1,626.00p
Lowest share price	1,720.00p	1,399.00p	1,368.00p

Statement of Total Return

for the year ended 31 August 2017

		31.8.17		31.8.16	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains	2		2,931		3,751
Revenue	3	661		734	
Expenses	4	(108)		(183)	
Interest payable and similar charges		(1)		-	
Net revenue before taxation		552		551	
Taxation	5	-		-	
Net revenue after taxation			552		551
Total return before distributions			3,483		4,302
Distributions	6		(631)		(720)
Change in net assets attributable to shareholders from investment activities			2,852		3,582

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 August 2017

	31.8.17		31.8.16	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		29,627		31,157
Amounts receivable on creation of shares	1,243		3,183	
Amounts payable on cancellation of shares	(9,269)		(8,874)	
		(8,026)		(5,691)
Dilution adjustment		15		10
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		2,852		3,582
Retained distribution on accumulation shares		477		569
Closing net assets attributable to shareholders		24,945		29,627

Balance Sheet

as at 31 August 2017

		31.8.17		31.8.16	
	Notes	£'000	£'000	£'000	£'000
Assets					
Investment assets			24,543		28,959
Current assets					
Debtors	8	73		77	
Cash and bank balances		429		650	
Total current assets			502		727
Total assets			25,045		29,686
Liabilities					
Creditors					
Distribution payable on income shares		(50)		(38)	
Other creditors	9	(50)		(21)	
Total liabilities			(100)		(59)
Net assets attributable to shareholders			24,945		29,627

Distribution Table (pence per share)

for the year ended 31 August 2017

Group 1: Shares purchased prior to 1 June 2017				
Group 2: Shares purchased from 1 June 2017 to 31 August 2017				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 31.10.17</i>	<i>Distribution paid 31.10.16</i>
Retail Accumulation				
Group 1	15.793799	-	15.793799	10.843474
Group 2	15.793799	0.000000	15.793799	10.843474
Retail X Income				
Group 1	12.632415	-	12.632415	8.819984
Group 2	12.632415	0.000000	12.632415	8.819984
Retail X Accumulation				
Group 1	15.969884	-	15.969884	10.896629
Group 2	12.989784	2.980100	15.969884	10.896629
Institutional Income				
Group 1	13.809149	-	13.809149	9.545423
Group 2	7.513638	6.295511	13.809149	9.545423
Institutional Accumulation				
Group 1	17.380802	-	17.380802	11.775568
Group 2	8.202001	9.178801	17.380802	11.775568

Distribution Table (pence per share)

for the year ended 31 August 2017

Group 1: Shares purchased prior to 1 March 2017				
Group 2: Shares purchased from 1 March 2017 to 31 May 2017				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 31.7.17</i>	<i>Distribution paid 31.7.16</i>
Retail Income†				
Group 1	0.000000	-	0.000000	10.500000
Group 2	0.000000	0.000000	0.000000	10.500000
Retail Accumulation				
Group 1	11.660000	-	11.660000	12.800000
Group 2	11.660000	0.000000	11.660000	12.800000
Retail X Income				
Group 1	9.390000	-	9.390000	10.520000
Group 2	9.390000	0.000000	9.390000	10.520000
Retail X Accumulation				
Group 1	11.780000	-	11.780000	12.890000
Group 2	11.120000	0.660000	11.780000	12.890000
Institutional Income				
Group 1	10.230000	-	10.230000	11.370000
Group 2	7.500000	2.730000	10.230000	11.370000
Institutional Accumulation				
Group 1	12.800000	-	12.800000	13.880000
Group 2	8.840000	3.960000	12.800000	13.880000
†The Retail Income share class closed on 19 July 2016.				

Notes to the Financial Statements

for the year ended 31 August 2017

	31.8.17	31.8.16
	£'000	£'000
1. Accounting Policies		
The accounting policies are set out on pages 7 and 8.		
2. Net Capital Gains		
The net capital gains during the year comprise:		
Currency (losses)/gains	(3)	1
Transaction charges	-	(1)
Management fee rebates	1	2
Capital special dividends	-	2
Gains on non-derivative securities	2,933	3,747
Net capital gains	2,931	3,751
3. Revenue		
UK dividends (net)	334	326
Overseas dividends	43	54
Dividend distributions from overseas authorised ICVCs and unit trusts	126	134
Unfranked distributions from UK authorised ICVCs and unit trusts	-	1
Franked distributions from UK authorised ICVCs and unit trusts	55	185
Interest on bonds and other debt securities	103	34
Total revenue	661	734
4. Expenses		
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
Authorised Corporate Director's charge	97	171
Safe custody fee	1	2
	98	173
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	3	4
Other expenses:		
Audit fee	6	5
Report and accounts fee	1	1
	7	6
Total expenses	108	183

	31.8.17 £'000	31.8.16 £'000
5. Taxation		
a) Analysis of charge in year:		
Corporation tax	-	-
Total current tax charge for the year (note 5b)	-	-
Deferred tax (note 5c)	-	-
Total tax for the year (note 5b)	-	-
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	552	551
Corporation tax at 20%	110	110
Effects of:		
Revenue not subject to taxation	(111)	(140)
Current year expenses not utilised	1	30
Current tax charge for the year (note 5a)	-	-
c) Provision for deferred taxation		
At 31 August 2017, there is a potential deferred tax asset of £291,000 (31.8.16: £290,000) in relation to surplus management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.		
6. Distributions		
The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:		
Interim dividend distribution	393	501
Final dividend distribution	218	200
	611	701
Add: Amounts deducted on cancellation of shares	22	31
Deduct: Amounts received on issue of shares	(2)	(12)
Net distribution for the year	631	720
7. Movement Between Net Revenue and Distributions		
Net revenue after taxation	552	551
Authorised Corporate Director's charge charged to capital	97	171
Corporation tax on taxable items in capital	(18)	(2)
Net distribution for the year	631	720
8. Debtors		
Accrued revenue	72	77
Overseas tax recoverable	1	-
Total debtors	73	77
9. Other Creditors		
Amounts payable for cancellation of shares	-	5
Purchases awaiting settlement	35	-
Accrued expenses	15	16
Total other creditors	50	21

10. Reconciliation of Shares

	<i>Retail Accumulation</i>	<i>Retail X Income</i>	<i>Retail X Accumulation</i>	<i>Institutional Income</i>	<i>Institutional Accumulation</i>
Opening shares issued at 1.9.16	93,436	149,828	469,717	259,929	854,078
Share movements 1.9.16 to 31.8.17					
Shares issued	-	-	22,611	15,896	33,859
Shares cancelled	(72,873)	(12,208)	(178,793)	(38,433)	(228,695)
Closing shares issued at 31.8.17	20,563	137,620	313,535	237,392	659,242

11. Related Party Transactions

The balance due to HSBC Global Asset Management (UK) Limited and their associates at the year end was £7,281 (31.8.16: £14,909).

The following party holds a material holding in the Fund as at the year end date:

HSBC Private Bank UK Limited - 99.98% (31.8.16: 100.00%) of the Retail Accumulation Shares.

HSBC Private Bank UK Limited - 89.06% (31.8.16: 88.35%) of the Retail X Income Shares.

HSBC Private Bank UK Limited - 86.96% (31.8.16: 93.21%) of the Retail X Accumulation Shares.

HSBC Wealth Client Nominee Limited - 100.00% (31.8.16: 100.00%) of the Institutional Income Shares.

HSBC Wealth Client Nominee Limited - 52.57% (31.8.16: 100.00%) of the Institutional Accumulation Shares.

The ACD does not have information to determine if individuals holdings within the nominee accounts are material.

Related party transactions are disclosed within notes 3 and 4 Investments in related parties are disclosed in the Portfolio Statement.

12. Financial Instruments

The financial instrument risks and risk management policies are set out in the Company Financial Statements on pages 9 and 10.

Foreign Currency Risk

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

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>		<i>Net other assets</i>		<i>Net assets</i>	
	31.8.17	31.8.16	31.8.17	31.8.16	31.8.17	31.8.16
	£'000	£'000	£'000	£'000	£'000	£'000
* Sterling	19,565	21,032	380	576	19,945	21,608
Euro	-	-	1	1	1	1
United States dollar	4,978	7,927	21	91	4,999	8,018
Total	24,543	28,959	402	668	24,945	29,627

*No currency risk as base currency

Interest Rate Risk

At the year end 1.72% (31.8.16: 2.19%) of the Fund's assets by value were interest bearing.

Interest rates are based upon LIBOR (London interbank offered rate).

13. Shareholders' Funds

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

The annual ACD charge on the retail share class is 1.25%, 1.00% on the retail X share class and 0.00% on the institutional share class.

The net asset value of the share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 104 to 106. The distribution per share class is given in the Distribution Tables on pages 108 to 109. All share classes within the OEIC have the same rights on winding up.

14. Contingent Liabilities and Commitments

At the year end, the Fund had no contingent liabilities or commitments (31.8.16: none).

15. Portfolio Transaction Costs

For the year ended 31 August 2017	<i>Purchases</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total purchases costs							
Equity transactions	2,537	1	0.04	3	0.12	8	0.32
Pooled investment vehicles	5,585	1	0.02	-	-	-	-
Corporate actions	50	-	-	-	-	-	-
Total purchases before transaction costs	8,172	2		3		8	
Transaction costs	13						
Total purchases after commission, tax and fees	8,185						
	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total sales costs							
Equity transactions	3,717	2	0.05	-	-	-	-
Pooled investment vehicles	11,678	1	0.01	-	-	-	-
Corporate actions	187	-	0.00	-	-	-	-
Total sales before transaction costs	15,582	3		-		-	
Transaction costs	(3)						
Total sales after commission, tax and fees	15,579						
Commissions, taxes and fees as % of average Net Assets							
Commissions	0.02%						
Taxes	0.01%						
Other expenses	0.03%						

At the balance sheet date the portfolio dealing spread was 0.08%, being the difference between the respective bid and offer prices for the Fund's investments.

For the year ended 31 August 2016	<i>Purchases</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total purchases costs							
Equity transactions	1,754	1	0.06	7	0.40	2	0.11
Pooled investment vehicles	7,469	1	0.01	-	-	-	-
Corporate actions	6	-	-	-	-	-	-
Total purchases before transaction costs	9,229	2		7		2	
Transaction costs	11						
Total purchases after commission, tax and fees	9,240						

	<i>Sales</i>	<i>Commissions</i>		<i>Taxes</i>		<i>Other Expenses</i>	
	<i>£'000</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Analysis of total sales costs							
Equity transactions	3,715	1	0.03	-	-	-	-
Pooled investment vehicles	8,899	1	0.01	-	-	-	-
Total sales before transaction costs	12,614	2		-		-	
Transaction costs	(2)						
Total sales after commission, tax and fees	12,612						

Commissions, taxes and fees as % of average Net Assets

Commissions 0.01%

Taxes 0.02%

Other expenses 0.01%

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

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

16. Fair Value of Investments

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

- Level 1: unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 31 August 2017

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	8,464	-	-	8,464
Pooled investment vehicles	7,699	8,380	-	16,079
	16,163	8,380	-	24,543

For the year ended 31 August 2016

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	9,360	-	-	9,360
Pooled investment vehicles	4,780	14,819	-	19,599
	14,140	14,819	-	28,959

17. Sensitivity Analysis

Price risk sensitivity:

If the price of investments at 31 August 2017 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £2,454,265 (31.8.16: £2,895,858).

Currency risk sensitivity:

If the exchange rate at 31 August 2017 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £499,885 (31.8.16: £801,852).

Interest rate risk:

At the balance sheet date, the Fund did not have a significant exposure to interest rate risk, therefore no sensitivity analysis is disclosed (2016: no significant exposure).

Statement of Authorised Corporate Director's Responsibilities

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

In preparing the financial statements the ACD is responsible for:

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

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

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

For the Year 1 September 2016 to 31 August 2017

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

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

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

The Depositary must ensure that:

- the Company's cash flows are properly monitored¹ and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM") which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

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

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

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

State Street Trustees Limited
525 Ferry Road
Edinburgh

22 November 2017

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

Opinion

We have audited the financial statements of the Company for the year ended 31 August 2017 which comprise the Statements of Total Return, the Statements of Changes in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for each of the Company's sub-funds listed on page 3 and the accounting policies set out on pages 7 to 8.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the financial position of each of the sub-funds as at 31 August 2017 and of the net revenue/deficit of revenue and the net capital gains/net capital losses on the property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

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

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

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The Authorised Corporate Director is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

Based solely on that work:

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

Matters on which we are required to report by exception

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

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

Authorised Corporate Director's responsibilities

As explained more fully in their statement set out on page 116 the Authorised Corporate Director is responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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

Grant Archer

for and on behalf of
KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

22 November 2017

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 and X share classes, £1,000 for the institutional A share class and £1,000,000 for the institutional share class and £500 for the X share class.
-

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.*

Report and Accounts

Copies of the Annual and Interim long form are available free of charge on request to the Administrator. You can also view them online on the following website: www.assetmanagement.hsbc.com/uk

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 page 130.
- If you hold accumulation shares, income will be retained within the Fund. No additional shares will be bought. The price of shares will reflect the net income received.

We must disclose details of such distributions to HM Revenue and Customs (HMRC). The distribution also needs to be disclosed on your tax return.

Income Tax

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

Interest Distributions:

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 £5,000 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 £5,000 allowance. Note that dividend income within the £5,000 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 £5,000 allowance. In the Spring Budget 2017 the Government announced that from 6 April 2018 the dividend allowance will reduce to £2,000.

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 2017/2018 tax year is £11,300.

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

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

Important Notes

The Annual Report covers the year 1 September 2016 to 31 August 2017.

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 Private 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 31 August 2017. 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.

Important Changes to the Company and/or Fund Documentation

The following changes to the Company have resulted in us making changes to the Company's Prospectus.

Amendments to the Company Prospectus

Introduction

The FCA product reference number has been added.

Definitions

A definition for efficient portfolio management has been added.

Constitution of the Funds

FCA product reference number for each sub-fund has been added to the table.

Share Classes

The current share class table has been updated to remove the Retail Income Share Class for Wealth Strategic Solutions Fund (5) – Aggressive Portfolio and the Accumulation X Share Class for the Wealth Strategic Solutions Fund (1) – Conservative Portfolio.

Wording has been added to clarify that following the Finance Bill 2017 the price of Net Shares is now calculated gross of tax on income. Therefore, there is no distinction between Gross Shares and Net Shares.

The FSCS individual claim amount has been updated to remove reference to the limit changing on 1 January 2016.

Dealing in Shares

Under the heading of 'Pricing' we have referred shareholders to page 39 (in the Prospectus) which is the Fees and Expenses section.

We have explained the valuation method that is used in determining the Net Asset Value of a Fund.

Risks

Wording has been added to explain that the risks that specifically apply to each Fund are in Appendix 1.

Explanation that the Company has currently ceased undertaking any stocklending transactions but may recommence at any time has been added.

Additional wording has been added to Fixed Income Securities risk to highlight that investing in corporate bonds carries the risk of the issuer becoming insolvent.

The risk wording for cluster munitions/anti-personnel mines has been extended to include reference to depleted uranium shieldings and ammunition.

Management and Administration

The list of directors of the ACD has been updated to reflect that Philip Glaze and Timothy J Palmer have been appointed as directors and Edmund R Stokes has resigned as a director. Timothy Palmer is also a director of HSBC Investment Funds (Luxembourg).

Additional clarification of the conflicts of interest of the Depositary has been provided.

Wording has been provided to explain that where the sub-funds of the Company invest in another UCITs or Non-UCITs operated by the ACD or an associate the effect of 'double charging' will be limited by investing in a share class which has an AMC of 0% (where possible).

Fees and Expenses

The table showing the Current Initial Charge, Annual Management Charge, Registration Fee and Ongoing Charges Figure has been updated for all sub-funds with updated OCFs where applicable.

The table showing dilution adjustment figures has been updated and wording has been included showing the date of the rates and that more up to date information may be available.

The Depositary Fee section has been changed to reflect the overall reduced charges that now apply as the date 'from 1 April 2016' has been removed as it is in the past.

Taxation

The taxation section has been updated to reflect changes following the Finance Bill 2017, additional clarification of the personal savings allowance under UK legislation, the reduction of the dividend allowance under UK legislation that will come into effect from 6 April 2018, an update to FATCA date, and the removal of all text concerning the European Savings Directive.

Wording for Dividend distributions has been updated to remove any reference to April 2016 wording as now in the past.

For UK Resident Individual Shareholders we have explained that we expect to continue to deduct basic rate tax from Interest Distributions until April 2017.

Removed 1 January 2016 date for common reporting Standard as the date has now passed.

Appendix 1 - Individual Fund Information

Investment Strategy and Risk Categories have been added for each of the Funds.

The SRRI has been updated for the Ash Fund and the UK Focus Fund.

Explanation of the use of derivatives has been added for each Fund

Retail Income Share Class has been removed from the table for Wealth Strategic Solutions Fund (5) – Aggressive Portfolio. Accumulation X Share Class has been removed from the table for the Wealth Strategic Solutions Fund (1) – Conservative Portfolio.

Appendix 2 – Historical Fund Performance

The table showing the historic performance of each of the Funds of the Company has been updated.

Wealth Strategic Solutions Fund (5) – Aggressive Portfolio has been added to wording that performance is not based on a single priced Retail Income Shares and it is based on a single priced Retail Accumulation Share.

Appendix 3 – Investment Powers and Restrictions

The relevant wording has been updated to replace 'government and public securities issued or guaranteed by any one body' with 'invested in transferable securities or approved money-market instruments issued or guaranteed by a single state, local authority or public international body'.

We have added wording to clarify that the ACD has determined that the sub-funds of the Company will not invest in securities issued by companies that the ACD considers after reasonable enquiries, to be involved in the use, development, manufacturing, stockpiling, transfer or trade of cluster munitions and/or anti-personnel mines and/or depleted uranium shieldings and ammunition.

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.

Remuneration

The ACD has established a remuneration policy for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the ACD, the Company or the Funds. The remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles of the Company and the Funds or the Instrument. The ACD's remuneration policy is intended to be consistent with the obligation of the ACD to act in the best interest of the Company and the Funds.

Following the implementation of UCITS V in the UK on 18 March 2016, all authorised UCITS Managers are required to comply with the UCITS V Remuneration Code from the start of their next accounting year. Under the UCITS V Directive, the ACD is required to disclose information relating to the remuneration paid to its staff for the financial year, split into fixed and variable remuneration. The Manager's Financial Year end is 31 December, it is therefore anticipated that the ACD's Remuneration Policy and associated financial disclosures will be made within the Annual Reports starting from 31 December 2017, following its first full performance period. Prior to this date, and in line with the FCA's guidance on the UCITS V remuneration disclosures, the ACD would be part way through its first performance period and the information available would not be relevant or provide a proper basis for comparison.

The up-to-date remuneration policy of the ACD, including, but not limited to, a description of how remuneration and benefits are determined and the governance arrangements for determining remuneration and benefits is available at <http://www.global.assetmanagement.hsbc.com/about-us/governance-structure>. A paper copy is available from the ACD free of charge upon request.

Corporate Shareholders

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

Fund	Date payable/paid	Share class	Investment income	
			Franked	Unfranked
World Strategic Solutions Fund (1) - Defensive Portfolio (WSSF1)	31.10.17	Retail Accumulation	100.00%	0.00%
	31.10.17	Retail X Income	100.00%	0.00%
	31.10.17	Institutional Accumulation	41.82%	58.18%
	31.10.17	Institutional Income	37.56%	62.44%
	31.07.17	Retail Accumulation	100.00%	0.00%
	31.07.17	Retail X Income	100.00%	0.00%
	31.07.17	Institutional Accumulation	100.00%	0.00%
	31.07.17	Institutional Income	100.00%	0.00%
World Strategic Solutions Fund (2) - Defensive Portfolio (WSSF2)	31.10.17	Retail Accumulation	61.58%	38.42%
	31.10.17	Institutional Accumulation	44.06%	55.94%
	31.10.17	Institutional Income	44.16%	55.84%
	31.10.17	Retail X Accumulation	48.92%	51.08%
	31.10.17	Retail X Income	57.42%	42.58%
	31.07.17	Retail Accumulation	100.00%	0.00%
	31.07.17	Institutional Accumulation	81.30%	18.70%
	31.07.17	Institutional Income	90.79%	9.21%
	31.07.17	Retail X Accumulation	68.83%	31.17%
	31.07.17	Retail X Income	100.00%	0.00%
Wealth Strategic Solutions Fund (3) - Balanced Portfolio (WSSF3)	31.10.17	Retail Income	100.00%	0.00%
	31.10.17	Retail Accumulation	100.00%	0.00%
	31.10.17	Institutional Income	79.58%	20.42%
	31.10.17	Institutional Accumulation	70.94%	29.06%
	31.10.17	Retail X Income	100.00%	0.00%
	31.10.17	Retail X Accumulation	100.00%	0.00%
	31.07.17	Retail Income	100.00%	0.00%
	31.07.17	Retail Accumulation	100.00%	0.00%
	31.07.17	Institutional Income	100.00%	0.00%
	31.07.17	Institutional Accumulation	100.00%	0.00%
	31.07.17	Retail X Income	100.00%	0.00%
	31.07.17	Retail X Accumulation	100.00%	0.00%

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

Risk and Reward Profile

Fund	Rating*	<div> <div>Lower risk</div> <div>Higher risk</div> <div> <div>←</div> <div>→</div> </div> <div>Typically lower rewards</div> <div>Typically higher rewards</div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> </div>
UK Focus Fund	5	
Ash Fund	4	
Wealth Strategic Solutions Fund (1) - Conservative Portfolio (WSSF1)	3	
Wealth Strategic Solutions Fund (2) - Defensive Portfolio (WSSF2)	3†	
Wealth Strategic Solutions Fund (3) - Balanced Portfolio (WSSF3)	4	
Wealth Strategic Solutions Fund (4) - Progressive Portfolio (WSSF4)	4	
Wealth Strategic Solutions Fund (5) - Aggressive Portfolio (WSSF5)	5	

†The previous risk rating for this fund was 4 up until 22 May 2017.

*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 Private Investment Funds, 78 St James's Street, London SW1A 1EJ

Authorised Corporate Director (ACD) and Head Office

HSBC Global Asset Management (UK) Limited, 78 St. James's Street, London SW1A 1EJ

Investment Manager

HSBC Global Asset Management (UK) Limited, 78 St. James's Street, London SW1A 1EJ

Depositary

State Street Trustees Limited, 525 Ferry Road, Edinburgh EH5 2AW

Regulator

Financial Conduct Authority (FCA), 25 North Colonnade, Canary Wharf, London E14 5HS

Auditor

KPMG LLP, 15 Canada Square, London E14 5GL

Registrar HSBC Global Asset Management (UK) Limited (delegated to 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 Private Investment Funds

Name of OEIC Fund	UK Focus Fund	Ash Fund	WSSF1	WSSF2	WSSF3	WSSF4	WSSF5
Number of distributions per year	4	2	4	4	4	4	4
Distribution dates	31 Jan 30 Apr 31 Jul 31 Oct	30 Apr 31 Oct	31 Jan 30 Apr 31 Jul 31 Oct	31 Jan 30 Apr 31 Jul 31 Oct	31 Jan 30 Apr 31 Jul 31 Oct	31 Jan 30 Apr 31 Jul 31 Oct	31 Jan 30 Apr 31 Jul 31 Oct
Lump sum minimum investment level	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000
Authorised Corporate Director charge % †	1.00	0.75	1.25	1.25	1.25	1.25	1.25
Available as an ISA	No	No	No	No	No	No	No
In ISA can income be paid	No	No	No	No	No	No	No
Income shares available	Yes	No	Yes	Yes	Yes	Yes	Yes
Accumulation shares available	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Historic research of files*	£25 per hour including VAT - all Funds						
Duplicate tax voucher*	£5 per voucher including VAT - all Funds						
Duplicate tax vouchers* (more than one)	£25 per voucher including VAT - all Funds						

* 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 with the exception of Ash Fund which only holds an Institutional A Accumulation share class. 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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