Asset Management

French mutual fund (SICAV)
HSBC RESPONSIBLE INVESTMENT FUNDS

SICAV with 7 subfunds

Annual Report as at 30 December 2022

HSBC

PUBLIC

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HSBC Global Asset Management (France)

Depositary and Custodian

CACEIS Bank

Appointed accounting manager

CACEIS Fund Administration

Statutory Auditor

Ernst & Young et Autres

Activity report

Macroeconomic overview

In the first quarter of 2022 (Q1), the conflict between Russian and Ukraine led Western countries to impose sanctions on Russia progressively: freezing of Russian assets and transactions with the central bank, public enterprises and individuals, exclusion of Russian banks from the SWIFT payment system, as well as US and UK embargoes on Russian oil. Faced with these sanctions and the Russian response (ban on exports of agricultural goods, obligation to pay in roubles), the European Union (EU) economy was weakened by its heavy dependence on Russian energy: around 40% for its gas and coal imports and 35% for oil. However, this dependence was higher or lower depending on the country: for example, Russian gas imports accounted for nearly 50% of domestic consumption in Germany and Italy and even more than 70% in Austria and 90% in Finland. Russia is also a major player in global exports of agricultural (wood, fertiliser) and metallurgical (palladium, nickel, platinum) commodities. These events, along with fears of an escalation of sanctions, increased freight costs in the region. They have also exacerbated tensions in supply chains, already strained by a new pandemic wave and lockdowns in China. Against this background, commodity prices continued to rise in Q1 (CRB index +10% q/q), and inflation reached 1980s levels: 7.9% in the
United States, 7.5% in the eurozone, and 8.2% in the United Kingdom. Inflation also jumped in Eastern Europe (Poland 10.9%) and Latin America (Brazil 11.3%) but remained moderate in Asia (4.1% in South Korea and only 0.9% in China). In addition to the transmission channels linked to trade, the banking sector, or the business climate, rising commodity prices will lead to a negative shock on household purchasing power and consumption, an increase in savings, and a drop in investment. The economic and financial repercussions were particularly severe for Russia: soaring inflation (16.7% in March), depreciation of the rouble (-11% q/q), and an expected recession to -9.7% in 2022. Since last December, economies exposed to Russia have seen a sharp deterioration in their GDP forecasts for 2022[1], with an estimated growth shock of -2.0% in Germany (from 4.2% to 2.4%) and -1.4% in Italy (GDP revised down from 4.5% to 3.1%), compared with an estimated shock of -0.6% for the United States (GDP expected to be +3.3%). The Russia-Ukraine conflict significantly increased the risks of stagflation for the global economy, complicating central bank policies, torn between the urgency of price stability and the risks of recession in the medium term. In the face of record inflation and the risk of unanchoring of inflation expectations and wage-price spirals, the US Federal Reserve (Fed) was determined to speed up its cycle of rate hikes (+250 bp in total by 2023). The Fed is all the more concerned about its objective of price stability given that the labour market is very dynamic: unemployment rate of 3.6% and wage growth of +5.6% y/y. In contrast, the Bank of England opted for a more cautious approach (after three rate hikes since last December). The European Central Bank (ECB) accelerated its monetary normalisation with a reduction in its asset purchases in Q2. However, for the remainder of the year, the ECB was much more cautious than the Fed due to uncertainties about the magnitude of the energy shock and the fiscal responses of governments. Lastly, especially in the eurozone, the employment dynamic (unemployment rate at 6.8%, its lowest level since 2002) did not yet lead to wage pressures (negotiated wages up by 1.6% y/y in Q4).

[1] Bloomberg consensus as at 31/03/2022 compared with 31 December 2021

Central bankers in emerging economies had limited latitude due to risks of currency depreciation. For example, key rates were raised in Q1 by +275 bp in Poland and by +150 bp in Brazil and Chile. In China, the resurgence of the pandemic and uncertainties relating to the property sector have continued to weigh on domestic demand and GDP growth in 2022 (forecast at 5.0% in 2022, compared with 8.0% in 2021), which led the central bank down the path of monetary easing.

In the second quarter of 2022 (Q2), inflation continued to pick up speed with upward pressure spreading across all sectors of the economy, especially in food and services. Inflation reached the high levels of the 1980s in most developed countries: 8.6% in the United States, 8.7% in Germany, 6.5% in France, 10.0% in Spain, and 9.1% in the United Kingdom. In emerging markets, Eastern Europe was particularly hit hard by Russian supply difficulties, leading to record levels of inflation, above 15% in Poland, the Czech Republic, and Hungary. Only a few Asian countries managed to contain inflation at around 2.5% (China, Japan, and Malaysia). The “zero COVID” policy in China imposed drastic sanitary restrictions, which prolonged disruptions on production lines. The Russia-Ukraine conflict continues to fuel major uncertainty over the supply of commodities and high price volatility. Russia is one of the leading producers of oil, gas, metals, and fertilisers and, with Ukraine, wheat and corn. A new round of sanctions against Russia increased payment exclusions, freezes on Russian assets, and import restrictions (including an EU coal embargo). The European Union (EU) implemented an industrial strategy for energy and economic security to put an end to its dependence on Russia with the aim of diversifying sources of supplies and developing new production capacities. Lastly, in most developed countries, the second quarter was marked by the reopening of services relating to leisure and tourism. The post-pandemic recovery of services combined with industrial development strategies put the labour market under pressure, causing severe labour shortages and wage pressures. Unemployment rates fell to very low levels in the US (3.6% from March to June) and even dropped to record lows in the eurozone (6.6%) and the UK (3.7%). Overall, consensus inflation forecasts[2] continued to rise, reaching around 7.5% for 2022 in the US and the eurozone (compared with forecasts close to 5% in March), and are expected to be close to 3.5% for 2023. Faced with the risk of long-term high inflation, central bankers and especially the US Federal Reserve (Fed) were more determined to raise interest rates rapidly, even if it meant holding back growth. In the US, the end of the pandemic crisis was particularly rapid, with solid demand driven by very expansionary monetary and fiscal policies. The Fed therefore anticipated significant monetary tightening potentially leading to a recession in order to anchor inflation expectations and avoid a wage-price spiral. Meanwhile, in Europe and emerging markets, the Russia-Ukraine conflict triggered a supply shock, while household consumption failed to return to 2019 levels. The escalation of this conflict heightened the risk of a complete halt to Russian gas supplies, and rationing could be implemented after the summer, notably in Germany and Italy. Restrictive policies to control inflation could further depress consumer demand, especially for the poorest consumers, already suffering from high energy and food prices. Economic scenarios continued to point to a gradual reduction of supply/demand imbalances, which would favour a moderation of inflation in the medium term.

[2] Bloomberg consensus as at 30/06/2022

However, more structurally, the intensification of the Russia-Ukraine conflict also increased the risk of fragmentation of the global economy into geopolitical blocs that adhere to different technological standards, reserve currencies, and payment systems. This prospect, in addition to the investments needed to combat climate change, would entail significant adjustment costs, but would also probably result in higher long-term inflation than what has been seen over the past 20 years. Given these factors, forecasts continued to deteriorate in the second quarter, with risks of recession or stagflation, resulting in complex economic and monetary policy trade-offs.

Third quarter (Q3) 2022 was marked by persistent inflation and tighter monetary policies. Higher food and energy prices spread across all business sectors. Inflation reached 9.1% in the United States and the United Kingdom. In the eurozone, inflation accelerated to 10.0% with differences between 23.7% in Estonia and 6.6% in France due to the various measures taken by governments in response to the surge in prices. In Eastern Europe, inflationary pressures remained stronger (Poland 17%), compared with Mexico and Brazil (8.7%), and in Asia (South Korea 5.6% and China 2.5%). The post-COVID demand catch-up, particularly in services, and the strength of private investment led to tensions on the labour markets, unemployment rates at historical lows (US 3.5%; eurozone 6.6%), and wage increases. Especially following the pandemic crisis, participation in the labour market in the United States and the number of hours worked in Europe did not return to pre-COVID levels, contributing to a reduction in production capacity. Soaring energy costs risk reducing potential GDP with a deterioration in competitiveness, which could lead to relocations outside Europe. In the United States, budget support stimulated consumption and pushed US GDP above its potential, thus fuelling inflationary pressures. According to the central banks, the rebalancing of the economy requires a drop in demand, which means rapid monetary tightening. The Bank of England's scenario foresees a recession lasting several quarters to bring inflation back to around 2% by the end of 2024. According to the forecasts of the US Federal Reserve (Fed) and the European Central Bank (ECB), it would be possible to control inflation without causing a recession. With the rapid rise in key rates, the peak could be reached soon, but inflation would take time before moving closer to the 2% target. The ECB expects average inflation in 2024 to be 2.3% in the eurozone; the consensus of economists[3] forecasts 5.2% in 2023 and 2.1% in 2024. According to the Fed's projections, the inflation target of 2% will not be reached until 2025 in the United States. The central bankers of emerging countries also raised their key rates sharply, faced with the risks of currency depreciation against the US dollar. Ultimately, monetary tightening and higher energy prices will lead to a slowdown in the global economy. The consensus of economists thus revised the growth forecasts for 2023 downwards to 0.7% in the United States, 0.2% in the eurozone, and -0.2% in the United Kingdom. Emerging countries also saw their growth decline with forecasts for 2023 of 5% in China, 1.2% in Mexico, and 1.3% in Poland. Due to an energy mix dependent on Russian supplies, the contraction in GDP is expected to be more significant in Germany (-0.4% in 2023) compared with Italy (0.2%) and France (0.5%). The budget support announced in September could partially cushion the shock, particularly if the priority is to improve supply (via incentives for energy efficiency and the energy transition), rather than on demand (via cuts in petrol taxes at the pump or a price cap). The steering of monetary and fiscal policies is therefore crucial to cushioning the negative effects of the energy crisis.

[3] Bloomberg consensus as at 30/09/2022

In fourth quarter (Q4) 2022, in the face of the energy shock, the global economy held up better than expected in the short term. In Europe, governments took action, extending their budgetary support (tax cuts, transfers to households, or caps on gas and electricity prices). The countries of the European Union (EU) have committed certain agreements on the energy policy to be implemented with, among other things, requirements on reducing consumption (to avoid power outages), filling gas storage to more than 90% capacity, and introducing a price cap. The drop in gas prices is also the result of favourable weather conditions and massive imports of liquefied gas, particularly from the United States. Thus, the scenario of a severe recession in Europe was avoided, which would have inevitably weighed on the global economy. Despite this short-term resilience, the outlook for 2023 has deteriorated: the recession, which is more or less moderate depending on the region, is expected to continue or, at best, be followed by a weak recovery. The consensus GDP forecast for 2023[4] is +0.3% in the United States, -0.1% in the eurozone, and -0.9% in the United Kingdom. In China, economic activity deteriorated because of the zero-COVID policy, but the reopening announced in December should enable a rapid recovery in 2023, despite the increase in contamination the short term (GDP growth estimated at 4.8% in 2023 versus 3.0% in 2022). Overall, the economic outlook for 2023 has deteriorated in the wake of the necessary budget cuts and uncertainty over monetary and trade policies. With record public debt[5] (estimated in 2022 at 122% of GDP in the United States and 93% in the eurozone), governments will have to reduce and target their fiscal support. Tensions could emerge in Europe due to different budgetary margins (debt-to-GDP ratios of 71% in Germany and 147% in Italy). In the United States, the Inflation Reduction Act (including USD 391bn for the energy transition) will benefit US companies, and trading partners China, Europe, Japan, and South Korea differ on the policies to be implemented. For the EU, the measures adopted in Q4 focused on a tougher carbon market and the introduction of a border carbon tax. This environment risks pushing up production costs structurally, resulting in more persistent inflation than initially estimated: a “cost-push” effect that would structurally weigh on demand and economic growth. In the short term, the energy shock led to an acceleration of inflation in most countries, in the eurozone (from 9.1% in August to 10.1% in November), but also in Japan and the United Kingdom. However, the trend reversed in the United States (8.3% in August to 7.1% in November), but also in China and in most emerging economies. Inflation remains too high though (4.0% expected in 2023 in the United States, 6.0% in the eurozone, and 7.2% in the United Kingdom) and is not expected to decline quickly enough. Against this backdrop, central banks have largely continued to tighten their monetary policies to avoid an increase in inflation expectations, which themselves risk maintaining inflationary pressures over the long term via price-wage spirals.

Financial overview

In the first quarter of 2022 (Q1), the Russia-Ukraine conflict, sanctions against Russia, and monetary tightening by central banks led to severe turbulence in global markets, with corrections on both bond markets (Bloomberg index -6.0% q/q) and stock markets (MSCI* World -4.6% q/q). At first, soaring energy prices led to a strong risk aversion: the global equity market index (MSCI*) fell by -12% between 31 December and 8 March before later rebounding. Given Russia’s prominent position in global commodity exports, oil prices surged (Brent +33% q/q to USD 107.9/barrel) with a peak at USD 139.1 during the trading session on 7 March (following the announcements of embargoes by the US and the UK). Price volatility was fuelled by uncertainties relating to demand (rising COVID-19 cases and lockdown in China), but also relating to supply, depending on potential alternatives to Russian supplies (negotiations around production quotas in Gulf countries and release of strategic reserves). Natural gas prices in Europe hit all-time highs, driving up electricity prices, which in turn impacted metal and food prices (CRB indexes +17% q/q and +22% q/q respectively in Q1). The surge in commodity prices drove inflation expectations up in Q1, with 10-year breakeven inflation rates jumping by +23 bp to 2.83% in the US and by +83 bp to 2.64% in Germany. The equity markets (MSCI indexes*) of commodity-producing countries performed fairly well in Q1, particularly Brazil

[4] Bloomberg consensus as at 31/12/2022
[5] IMF estimates, December 2022

(+16% q/q), Mexico (+5.9% q/q), South Africa (+10.3% q/q), Canada (+3.8% q/q), the UK (+4.8% q/q), and Norway (8.7% q/q), compared with those of importing countries and regions: eurozone -9.1% q/q, Eastern Europe -8.2%, and China -13.9% q/q (further affected by the pandemic wave). Overall, global equity markets lost -4.6% q/q (MSCI World*), with underperformance in the US (MSCI US* -5.2% q/q, driven down by growth stocks, technology, and consumption) and emerging markets (-6.1% q/q), compared with developed markets (-4.5% q/q). On the currency front, investors favoured currencies of commodity-exporting countries, with variations against the US dollar (q/q) of +17% for the Brazilian real, +3% for the Mexican peso, and +9% for the South African rand. The US dollar (USD) continued to appreciate against its partner currencies (DXY[7] index +2.8% q/q) due to the Fed's expected monetary tightening and a favourable interest rate spread, while the usual safe havens lost against the US dollar (-5.4% q/q for the yen and -1.1% q/q for the Swiss franc).
On the bond side, central bankers' calls for tightening monetary policies and bullish inflation surprises led markets to integrate more than 200 bp of Fed rate hikes at the end of 2022 and around 50 bp for the ECB. In this context, 10-year sovereign yields fluctuated between 1.73% and 2.47% in the US and rebounded from -0.12% and 0.64% in Germany, ending March at 2.34% and 0.55% respectively. Movements in pressure on 10-year yields did not spare any markets, with +78 bp to 0.98% in France and +87 bp to 2.04% in Italy and 1.44% in Spain. Credit markets also struggled in Q1, especially in Europe, with spreads widening sharply at first, then narrowing slightly starting mid-March, and the riskiest bonds underperforming.

In the second quarter of 2022 (Q2), financial markets remained extremely volatile with a sharp drop in bond and equity markets (MSCI* World -13.5% q/q), including a slight outperformance by emerging markets (MSCI* EM -8.0% q/q) versus developed countries (MSCI* DM -14.2% q/q). The Russia-Ukraine crisis, as well as the risks of recession, exacerbated the volatility of energy prices, which ended June up +6% q/q for Brent oil +6% at USD 115/barrel and +14% q/q for European gas at
EUR 143/MWh. Worsening growth prospects, accelerating inflation, and monetary tightening led to a strong risk aversion, which benefited the US dollar (DXY index[6]+6.5% q/q). Central bankers sped up monetary normalisation around the world, except in China, Japan, and Russia. The US Federal Reserve (Fed) did not hold back, with a 75 bp increase in its rates (a first since 1994) to 1.50%–1.75%, and the prospect of reaching restrictive levels for the US economy between 3.50% and 4% by 2023. The acceleration of monetary tightening became more widespread globally, particularly in the UK, Switzerland, Norway, and Sweden. In emerging markets, key rates reached between 6% and 7% (Hungary, Poland, and Czech Republic) and even 9% in Chile and more than 13% in Brazil. The European Central Bank (ECB) took the step of stopping its net asset purchase programme at the end of June. The ECB also announced its intention to start the cycle of policy rate hikes in July (+25 bp), with an even greater hike in September if the inflation outlook does not improve. Stronger expectations of interest rate hikes led to a surge in sovereign bond yields and a widening of credit spreads. In the US, treasury yields increased by 68 bp to 3.0% after peaking at near 3.50% in mid-June. Eurozone bond markets were particularly affected by the prospect of forced monetary normalisation as well as the uncertainties relating to the ECB's anti-crisis plan to manage the region's interest rate dislocations. The ECB is pursuing a single monetary policy for 19 countries that do not have a common fiscal policy and have public debt between 60% of GDP (Netherlands and Ireland) and 150% (Italy) and even 200% in Greece. Without fiscal solidarity, the ECB's ongoing monetary normalisation crystallised the risks to the credibility of governments to reduce their debt. For example, between German and Italian bonds, the 10-year yield spread reached a recent high of close to 250 bp in Q2. Contrary to investors' expectations, the ECB did not specify the details of its anti-crisis plan in its June communication, resulting in high market volatility that required an emergency meeting. The meeting concluded with a commitment to a detailed plan to be presented in July. In total, the 10-year Italian bond yield reached 4.16% before falling back to 3.26% at the end

[6] The DXY USD index is a measure of the value of the US dollar against six currencies: the euro, the Swiss franc, the Japanese yen, the Canadian dollar, the pound sterling, and the Swedish krona

of June (+123 bp in Q2). The 10-year yield on the German Bund rose +79 bp in Q2 to 1.33% at the end of June after reaching a high since 2013 of 1.77%.

In third quarter (Q3) 2022, the financial markets continued to slide, interspersed with periods of rebound. In the end, however, concerns dominated amid risks of Russian gas shortages, accelerating inflation, and widespread monetary tightening. Between risks of recession and risks of energy shortages, commodity prices remained highly volatile: Brent oil prices (-23% q/q in Q3) fluctuated between USD 84 and USD 113, and the European gas price (+14% q/q in Q3) varied between EUR 147/MWh and EUR 311/MWh. Global stock markets (MSCI* World index) fell -4.7% quarter on quarter (q/q), with emerging countries (MSCI EM* -8% q/q) underperforming developed countries (MSCI DM* -4.3% q/q). The US Federal Reserve's (Fed) rapid monetary tightening and the slowdown in the technology sector weighed on the US stock market (MSCI* -4.7% q/q in Q3). In Europe, the risk of bankruptcies following the surge in energy bills and the sharp rise in interest rates led to a drop in the Euro Stoxx 600 index (-4.8% q/q). The UK and Japanese stock markets held up better, with declines of -2.9% q/q and -1.5% q/q in Q3, respectively. Performance on emerging markets was scattered. Asian stock markets (MSCI* indexes) were particularly weak, particularly China (-21% q/q) due to difficulties in the property sector and health restrictions, as well as South Korea and Taiwan. Conversely, some emerging markets jumped, such as India (+10% q/q), Brazil (+12.4% q/q) and Turkey (+29.2% q/q). These markets offer an alternative to Asia due to attractive development prospects in terms of costs and production capacity. Bond markets were adversely affected by the sharp rise in expectations of monetary tightening, after a start to the quarter that was driven by expectations of a "pivot" or reversal due to recession risks. In Q3, however, the Fed continued to raise its fed funds rate to 3.0% and 3.25%, with two hikes of 75 bp. In the United States, the yield on 10-year sovereign bonds rose +82 bp to 3.83%. At the meeting of central bankers in Jackson Hole at the end of August, the Fed chairman called for the mistakes of the past not to be repeated: during the oil shock of the 1970s, the Fed's premature monetary easing led to runaway inflation that was difficult to control afterwards. On the currency side, favourable interest rate differentials in the United States continued to push the US dollar upwards (DXY index [6] +7% q/q), despite the generalised actions of central bankers. The European Central Bank (ECB) raised its key rates twice in Q3: +50 bp in July and +75 bp in September. In this environment, sovereign bond yields jumped, with a more significant movement on the short end of the yield curve. Ten-year yields rose +77 bp to 2.11% for the German Bund, +80 bp to 2.72% for the French OAT, and especially +125 bp to 4.51% for the Italian BTP and +123 bp to 4.83% for its Greek equivalent. With the end of the negative interest rate policy in place since 2014, the ECB introduced an anti-fragmentation tool, the TPI (Transmission Protection Instrument), which aims to prevent a tightening of financial conditions for reasons not justified by fundamentals. On the fixed-income credit markets, technical factors dominated with a sharp drop in issues of securities in high-yield segments, which contributed to their outperformance of investment-grade segments. Investment-grade bonds were also adversely affected by the normalisation of central bankers' balance sheets, notably the end of the ECB's net purchases from 1 July.

In fourth quarter (Q4) 2022, the drop in gas prices to their lowest levels since the Russian-Ukrainian crisis led to renewed optimism in the markets. The stock market indexes (MSCI* World index +7.6% quarter on quarter) rebounded but did not erase the losses over the year (MSCI* World index -15.6% year on year). In 2022, the US stock markets (MSCI US -19.5% y/y) and the Chinese stock markets (MSCI China -20.6% y/y) underperformed the other regions due to falls in cyclical sectors and technology stocks. In contrast, the stock market indexes (MSCI) of the United Kingdom (+7.2% y/y), Brazil (+8.6% y/y), and India (+3% y/y) managed to increase in 2022, partly due to political developments. In a context of falling energy prices, credit markets followed equity markets, but the rebound in Q4 did not erase the year-on-year declines. The high-yield bond segments in the United States and Europe outperformed the investment-grade segments because of lower issuance volumes compared with 2021. Central banks in emerging and developed countries continued their monetary normalisation cycle. The main surprises came from the European Central Bank (ECB) and

the Bank of Japan (BoJ). Meanwhile, the US Federal Reserve (Fed) announced its guidance on rate-hike expectations (Fed Funds rate at the end of 2023 at 5.125%) in line with market expectations. In the United States, the 10-year bond yield rose slightly (+5 bp to 3.87%), compared with those observed in Europe and Japan: +46 bp to 2.57% for the German 10-year Bund, followed by French bonds (+40 bp to 3.12%), Italian bonds (+20 bp to 4.72%) and Japan bonds (+18 bp to 0.42%). The ECB had to catch up with the Fed. After raising its deposit rate (+75 bp in October and +50 bp in December to 2%), the ECB opened the door to further increases in 2023. The ECB also announced a Quantitative Tightening, with a reduction rate of €15bn per month for its regular Asset Purchase Programme starting in March. In Japan, the central bank modified its policy of controlling the yield curve, increasing the range of fluctuations in 10-year yields between -0.5% and +0.5% (versus -0.25%/+0.25% since March 2021). As a result, in Q4, the yen and the euro gained 10% q/q against the US dollar, but also the Swiss franc (+7% q/q) in the wake of the monetary tightening by the Swiss National Bank.

*MSCI equity market indexes expressed in local currencies
Source: Bloomberg data as at 31/12/2022

Remuneration information

In accordance with the applicable regulations, HSBC Global Asset Management (France) has chosen to disclose the information relating to the remuneration of its personnel for all the AIFs and UCITS under French law that it manages.

The remuneration paid by HSBC Global Asset Management (France) consists of fixed remuneration and may, if economic conditions permit, include a variable component in the form of a discretionary bonus. The variable remuneration is not linked to the performance of the vehicles managed, nor is there any incentivisation on the basis of capital gains.

HSBC Global Asset Management (France) applies the HSBC Group's remuneration policy.

This Group policy incorporates a large number of the principles set out in the AIFM regulations as well as the UCITS regulations.

From 2014 onwards, HSBC Global Asset Management (France) has made adjustments to this remuneration policy in order to comply with specific rules in the AIFM regulation and then the UCITS regulation concerning the management of funds compliant with these respective regulations.

In particular, HSBC Global Asset Management (France) has introduced a mechanism for indexation of financial instruments on the basis of an index indexed to a representative basket of all UCIs for which HSBC Global Asset Management (France) is the management company with the exception of employee shareholding mutual funds (FCPE) for all employees who are entitled to deferred remuneration under the AIFM regulation and the UCITS regulations.

The HSBC Global Asset Management (France) remuneration policy has no impact on the risk profile of AIFs and UCITSs.

The full HSBC Global Asset Management (France) remuneration policy is available on its website at www.assetmanagement.hsbc.fr.

Breakdown of the company's fixed and variable remuneration for fiscal year 2022

The beneficiaries of remuneration for fiscal year 2022 represent 319 people on average over the year with 309 people at the end of 2022. As at the end of December 2022, 38 people were identified as "Risk Takers", as defined in the remuneration policy of HSBC Global Asset Management (France), whose time is spread across all managed portfolios.

The details of the remuneration of staff who have an impact on the risk profile pertain to:

- Members of the executive committee;
- Heads of the management and trading divisions;
- Heads of sales, products, and marketing;
- Heads of control functions and support functions.

HSBC GLOBAL ASSET MANAGEMENT (France)	2022				
	Fixed remuneration paid in 2022	Variable remuneration paid in March 2022 (for 2021 performance) + Deferred variable remuneration vested in 2022	of which non-deferred variable remuneration	of which deferred variable remuneration (*)	total €
All AMFR members of staff (incl. seconded in and branches, excl. seconded out)	27,757,197	12,094,274	10,411,411	1,682,863	39,851,471
Of which staff having an impact on the AIF risk profile (46 persons) **	7,151,069	5,173,687	3,620,707	1,552,981	12,324,756
Of which senior management (15 persons)**	2,435,729	1,521,288	972,472	548,815	3,957,017

(*) Includes deferred shares fully vested in 2022 and the indexed deferred cash amount paid in 2022.
(**) Takes into account seconded or assigned people prorated for their time of presence in the company.

Variable remuneration does not include any payments received by employees under profit-sharing agreements or incentive schemes in 2022.

Regulatory information

Risk monitoring report

General observation:

Over the period under review, the risk assessment and monitoring procedures established to manage the fund did not identify any (significant) anomaly regarding its exposure to market risk, credit risk, counterparty risk, or liquidity risk.

In addition, no anomalies having a significant impact in terms of valuation risks were identified over that period.

	Significant anomalies identified relating to the closure of the SICAV	Observations
1	Market Risk	None
2	Credit Risk	None
3	Counterparty Risk	None
4	Liquidity Risk	None
5	Valuation Risk	None

Financial intermediary selection and assessment procedure

The management company selects brokers or counterparties according to a procedure that complies with the regulations applicable to it. As part of this selection, the management company fulfils its best execution obligation at all times.

The objective selection criteria used by the management company specifically include the quality of order executions, the rates applied, and the financial soundness of each broker or counterparty.

The counterparties, investment companies, and service providers of HSBC Global Asset Management (France) are selected according to a specific evaluation process intended to ensure that quality service is provided to the company. This is a key element in the general decision-making process that incorporates the impact of the service quality of the broker across all our departments: Management, Financial and Credit Analysis, Trading and Middle Office, and Legal.

Counterparty selection can involve an entity linked to the HSBC Group or the SICAV's depositary.

The "Best Execution and Best Selection Policy" is detailed on the management company's website at www.assetmanagement.hsbc.fr

Report on brokerage fees

In accordance with Article 321-122 of the General Regulations of the AMF, and if the terms of this article are met, the report on brokerage fees for the previous fiscal year is available on the management company's website: www.assetmanagement.hsbc.fr

Exercise of voting rights

The management company's voting policy, as well as the report on the conditions in which the voting rights were exercised, may be consulted on the website: https://www.assetmanagement.hsbc.fr/en

Use of financial instruments managed by the management company or a related company

The table of financial instruments managed by the management company or a related company can be found in the notes to the Fund's annual financial statements.

Conflict of interest policy

Because of its global reach and the wide range of financial services offered, the HSBC Group, or its affiliated companies (referred to below as HSBC), could have interests that differ from time to time from those of its clients or that conflict with its duties toward its clients. There may be conflicts between the interests of HSBC, its affiliated companies, or its employees, on the one hand, and the interests of its clients, on the other hand, or even conflicts between the clients themselves.

HSBC has defined procedures to identify and manage such conflicts, notably organisational and administrative arrangements intended to protect clients' interests. This policy is based on a simple principle: persons taking part in various activities posing a conflict of interest are required to execute these activities independently of each other.

Where applicable, HSBC implements measures to restrict the transmission of information to certain employees in order to protect clients' interests and to prevent any undue access to information concerning clients.

HSBC may also act on its own account and have a client as counterparty or even "match" the orders of its clients. Procedures are in place to protect clients' interests in this scenario.

In some cases, HSBC's procedures and controls may not be sufficient to ensure that a potential conflict will not damage a client's interests. In these circumstances, HSBC informs the client of the potential conflict of interest in order to obtain the client's express consent to continue the activity. In any event, HSBC may refuse to intervene in circumstances where there would ultimately be a residual risk of harming a client's interests.

Corporate Governance Report
(Article L.225-37 of the French Commercial Code)

General Management procedures

In accordance with the provisions of Article L.225-51-1 of the French Commercial Code, we wish to inform you that the Board of Directors has opted to separate the duties of Chairman of the Board of Directors and Chief Executive Officer.
Patrick Jallot serves as Chairman of the Board of Directors, and
Bénédicte Mougeot is Chief Executive Officer of the SICAV. No restrictions have been placed on the CEO's powers by the Board of Directors.

Positions and offices held during the fiscal year (Article L.225-37-4 of the French Commercial Code)

Below is a list of the positions and offices held in any other company by the corporate officers during the past fiscal year:

Name	Positions and offices held at 31 December 2022
Patrick Jallot	• Chairman and director of SICAV HSBC Responsible Investment Funds • Director of SICAV French Government Bonds
Bénédicte Mougeot	• Chief Executive Officer of SICAV HSBC Responsible Investment Funds
Céline Boué	• Director representing HSBC Assurances Vie (France) in SICAV HSBC Responsible Investment Funds • Director representing HSBC Assurances Vie (France) in NOVI 1 Fonds Nouvel Investissement 1 • Director representing HSBC Assurances Vie (France) in NOVI 2 Fonds Nouvel Investissement 2 •Advisory member of the IRC of SICAV NEIF III
Vanessa Sich	• Director of SICAV HSBC Responsible Investment Funds • Director of SICAV HSBC French Government Bonds
Olivier Gaval	• Chairman and director of SICAV HSBC French Government Bonds • Director of SICAV HSBC Responsible Investment Funds
Marine de Bazelaire	• Director of SICAV HSBC Responsible Investment Funds • Chairman of the founders' committee of Fondation Egalités des Chances • Member of the Board of Directors of Friendship France Association • Member of the TNFD Working Group • Member of the Global Canopy Aligned Accountability Working Group • Member of the WEF - Global Future Councils 2020-2022 • Professor at Sciences Po

Agreements referred to in Article L.225-37-4(2) of the French Commercial Code

These are agreements made directly or through intermediaries between firstly one of the corporate officers or one of the shareholders with a fraction of the voting rights of more than 10% of a company and secondly another company in which the first directly or indirectly holds more than half of the capital, with the exception of agreements pertaining to recurring operations concluded under normal conditions.

In this respect, we wish to inform you that no agreement covered by this article was entered into during the fiscal year.

Delegations granted to the Board of Directors

Delegations regarding capital increases (Articles L225-129-1 and L225-129-2 of the French Commercial Code): Not applicable.

Statutory auditor's certification on the annual financial statements

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HSBC Responsible Investment Funds

Period ended 30 December 2022

Statutory auditor's report on the annual financial statements

To the General Meeting of SICAV HSBC Responsible Investment Funds,

Opinion

In compliance with the assignment entrusted to us by your board of directors, we have audited the accompanying financial statements of the HSBC Responsible Investment Funds undertaking for collective investment, established in the form of a SICAV, for the year ended 30 December 2022.

We certify that the annual financial statements are, with respect to French accounting rules and principles, legal and truthful and provide an accurate picture of the results of the operations of the past financial year and of the financial situation and assets of the company at the end of the financial year.

Basis of our audit opinion

Audit reference standard

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities according to these standards are described in the section "Statutory auditor's responsibilities for the audit of the annual financial statements" of this report.

Independence

We conducted our audit in accordance with the rules of independence provided for in the French Commercial Code and in the professional code of ethics for statutory auditors over the period from 1 January 2021 to the issue date of our report.

Justification of Assessments – Key Audit Matters

Pursuant to the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code concerning the basis for our assessments, we hereby inform you that, in our professional judgement, the most significant assessments that we conducted pertained to the appropriateness of the accounting principles applied, in particular as regards the financial instruments in the portfolio and the overall presentation of the financial statements, in view of the accounting system applicable to open-ended undertakings for collective investments.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Specific verifications

We also performed the specific verifications required by the applicable laws and regulations in accordance with the professional standards required by the applicable laws and regulations.

- Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the board of directors and in the other documents with respect to the financial position and the financial statements provided to shareholders.

- Report on Corporate Governance

We attest that the corporate governance section of the management report of the Board of Directors sets out the information required by Article L. 225-37-4 of the French Commercial Code.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing annual financial statements presenting a true and fair view in accordance with French accounting rules and principles and implementing the internal controls that it deems necessary for the preparation of annual financial statements free of any material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the board of directors.

Statutory auditor's responsibilities for the audit of the annual financial statements

It is our responsibility to prepare a report on the annual financial statements. Our goal is to obtain reasonable assurance that the annual financial statements taken as a whole do not contain any material misstatements. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with the professional standards will always detect a material misstatement when it exists. Misstatements may arise as a result of fraud or error and must be regarded as being material if it can reasonably be expected that they, individually or in the aggregate, will affect the financial decisions made by users of the financial statements on the basis of the financial statements.

As specified in Article L. 823-101 of the French Commercial Code (*code de commerce*), our audit does not include assurance on the viability or the quality of management of your SICAV.

As part of an audit conducted in accordance with professional standards applicable in France, we exercise professional judgement throughout the audit. In addition, we:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the financial statements;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SICAV's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;

- Evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Paris-La Défense, 30 March 2023

The Statutory Auditor
ERNST & YOUNG et Autres

YOUSSEF BOUJANOUI

Digitally signed by YOUSSEF BOUJANOUI
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HSBC Responsible Investment Funds

(General meeting for the approval of the financial statements for the year ending 30 December 2022)

Statutory auditor's special report on regulated agreements

To the General Meeting of SICAV HSBC Responsible Investment Funds,

In our capacity as statutory auditors for your company, we hereby present our report on regulated agreements.

Our role is to inform you, on the basis of the information provided to us, of the characteristics and the main terms and conditions of those agreements about which we were notified or which we identified during our assignment, as well as to inform you about how they affect the company, without having to provide an opinion on their usefulness or appropriateness or identify any other such agreements. Under the terms of Article R.225-31 of the French Commercial Code, it is your responsibility to assess the company's interest in entering into these agreements with a view to their approval.

Furthermore, it is our responsibility, where applicable, to convey to you the information provided for in Article R.225225 of the French Commercial Code relating to the execution, during the past year, of the agreements already approved at the general meeting.

We completed the procedures that we considered necessary in accordance with professional guidance issued by the *Compagnie nationale des commissaires aux comptes*, France's national auditing body.

Agreements subject to the approval of the general meeting

We were not notified of any agreement authorised and entered into during the past fiscal year to be submitted to the general meeting for approval in accordance with the provisions of Article L.225-38 of the French Commercial Code.

Agreements already approved by the general meeting

We were not notified of any agreement already approved by the general meeting that would have continued to be performed during the past fiscal year.

Paris-La Défense, 30 March 2023

The Statutory Auditor
ERNST & YOUNG et Autres

YOUSSEF BOUJANOUI

Digitally signed by YOUSSEF BOUJANOUI
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HSBC Responsible Investment Funds

General Meeting of 14 April 2023

Communication from the statutory auditor pursuant to Article L. 823-12 of the French Commercial Code

To the General Meeting of SICAV HSBC Responsible Investment Funds,

In accordance with the law, we draw your attention to the fact that, contrary to the information contained in the prospectus of the SRI EURO BOND, SRI EUROLAND, and SRI GLOBAL EQUITY subfunds of the HSBC Responsible Investment Funds SICAV, accrued interest has been recognised for the financial instruments of these subfunds, in accordance with the accounting policies described in the financial statements and not according to the matured coupon method.

Paris-La Défense, 31 March 2023

The Statutory Auditor
ERNST & YOUNG et Autres

[illegible signature]

Youssef Boujanoui

Annual Financial Statements

Balance Sheet – Assets

Balance Sheet – Assets as at 30/12/2022
Portfolio: HSBC RESPONSIBLE INVESTMENT FUNDS

	30 December 2022	31 December 2021
NET FIXED ASSETS		
DEPOSITS		
FINANCIAL INSTRUMENTS	**2,537,059,862.53**	**2,770,178,134.82**
MASTER UCI		
Equities and equivalent securities	**2,216,802,686.04**	**2,388,388,732.33**
Traded on a regulated or equivalent market	2,216,802,686.04	2,388,388,732.33
Not traded on a regulated or equivalent market		
Bonds and equivalent securities	**300,947,507.27**	**364,227,359.05**
Traded on a regulated or equivalent market	300,947,507.27	364,227,359.05
Not traded on a regulated or equivalent market		
Debt instruments		
Traded on a regulated or equivalent market		
Negotiable debt instruments		
Other debt instruments		
Not traded on a regulated or equivalent market		
Undertakings for collective investment	**17,750,321.72**	**17,128,633.44**
UCITS and AIF for retail investors and equivalents in other countries	17,750,321.72	17,128,633.44
Other funds for retail investors and equivalents in other EU Member States		
Professional general investment funds and equivalents in other EU member states and listed securitisation funds		
Other professional investment funds and equivalent in other EU Member States and non-listed securitisation funds		
Other non-European vehicles		
Repos and reverse repos		
Receivables under repurchase agreements		
Receivables representing lent securities		
Borrowed securities		
Securities delivered under repurchase agreements		
Other temporary transactions		
Financial futures	**1,559,347.50**	**433,410.00**
Transactions on a regulated or equivalent market	1,559,347.50	433,410.00
Other transactions		
Other financial instruments		
RECEIVABLES	**2,986,333.24**	**1,777,987.46**
Forward foreign currency transactions		
Other	2,986,333.24	1,777,987.46
FINANCIAL ACCOUNTS	**41,642,091.22**	**27,718,060.92**
Cash and cash equivalents	41,642,091.22	27,718,060.92
TOTAL ASSETS	**2,581,688,286.99**	**2,799,674,183.20**

Balance Sheet – Liabilities & Equity

Balance Sheet – Liabilities & Equity as at 30/12/2022
Portfolio: HSBC RESPONSIBLE INVESTMENT FUNDS

	30 December 2022	31 December 2021
EQUITY		
Capital	2,540,916,283.00	2,636,476,666.05
Prior net gains and losses not distributed (a)		
Retained earnings (a)	339.94	86.07
Net gains and losses for the period (a,b)	7,943,682.78	141,903,688.13
Result for the fiscal year (a, b)	28,097,850.14	15,962,663.56
TOTAL EQUITY *	**2,576,958,155.86**	**2,794,343,103.81**
* *Amount representing net assets*		
FINANCIAL INSTRUMENTS	**1,559,347.50**	**433,410.00**
Disposals of financial instruments		
Repos and reverse repos		
Payables under repurchase agreements		
Payables representing borrowed securities		
Other temporary transactions		
Financial futures	1,559,347.50	433,410.00
Transactions on a regulated or equivalent market	1,559,347.50	433,410.00
Other transactions		
PAYABLES	**2,790,407.51**	**3,031,583.66**
Forward foreign currency transactions		
Other	2,790,407.51	3,031,583.66
FINANCIAL ACCOUNTS	**380,376.12**	**1,866,085.73**
Current bank facilities	380,376.12	1,866,085.73
Loans		
TOTAL LIABILITIES	**2,581,688,286.99**	**2,799,674,183.20**

(a) Including accruals
(b) Minus interim payments for the fiscal year

Off-balance sheet commitments

Off-balance-sheet commitments as at 30/12/2022
Portfolio: HSBC RESPONSIBLE INVESTMENT FUNDS

	30 December 2022	31 December 2021
HEDGING TRANSACTIONS		
Commitments on regulated or equivalent markets		
Futures contracts		
EURO SCHATZ 0323	2,213,820.00	
EURO BOBL 0322		3,331,000.00
EURO BOBL 0323	2,199,250.00	
FGBL BUND 10A 0322		2,227,810.00
FGBL BUND 10A 0323	6,779,430.00	
XEUR FGBX BUX 0322		6,615,680.00
XEUR FGBX BUX 0323	4,057,200.00	
EURO STOXX 50 0323	11,052,200.00	
Commitments on over-the-counter markets		
Other commitments		
OTHER TRANSACTIONS		
Commitments on regulated or equivalent markets		
Futures contracts		
EURO STOXX 50 0322		4,373,250.00
Commitments on over-the-counter markets		
Other commitments		

Income Statement

Income Statement as at 30/12/2022
Portfolio: HSBC RESPONSIBLE INVESTMENT FUNDS

	30 December 2022	31 December 2021
Income from financial transactions		
Income from deposits and financial accounts	67,180.72	6.36
Income from equities and equivalent securities	50,986,353.02	40,420,411.64
Income from bonds and equivalent securities	5,322,416.33	5,486,904.41
Income from debt instruments		
Income from repos and reverse repos		
Income from financial futures		
Other financial income		
TOTAL (1)	**56,375,950.07**	**45,907,322.41**
Expenses on financial transactions		
Expenses from repos and reverse repos		
Expenses from financial futures		
Expenses from financial debts	191,967.34	309,160.40
Other financial expenses		
TOTAL (2)	**191,967.34**	**309,160.40**
RESULT FROM FINANCIAL TRANSACTIONS (1 - 2)	**56,183,982.73**	**45,598,162.01**
Other income (3)		
Management fees and amortisation allowance (4)	28,272,820.06	26,401,648.20
NET INCOME FOR THE PERIOD (L. 214-17-1) (1 - 2 + 3 - 4)	**27,911,162.67**	**19,196,513.81**
Accrued income for the fiscal year (5)	186,687.47	-3,233,850.25
Interim dividends paid during the fiscal year (6)		
RESULT (1 - 2 + 3 - 4 + 5 - 6)	**28,097,850.14**	**15,962,663.56**

Accounting policies

The annual financial statements are presented in the form prescribed by ANC regulation 2014-01, as amended.

General accounting principles are applied:
- true and fair view, comparability, going concern;
- accuracy, reliability;
- prudence;
- consistency of accounting methods from one period to the next.

The accounting method used to record income from fixed-income securities is as follows:

Interest cash basis: HRIF–EUROPE EQUITY GREEN TRANSITION / HRIF-SRI MODERATE / HRIF-SRI BALANCED / HRIF-SRI DYNAMIC

Interest accrual basis: HRIF-SRI EURO BOND / HRIF-SRI EUROLAND / HRIF-SRI GLOBAL EQUITY

Securities bought and sold are recognised excluding costs. The euro is the reference currency for the portfolio's accounting.

The HSBC RESPONSIBLE INVESTMENT FUNDS SICAV consists of 7 subfunds:

- HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION
- HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY
- HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY
- HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND
- HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE
- HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED
- HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

Since there are no inter-subfund holdings, no restatements have been made to assets and liabilities.

- Accounting policies (*)

- Additional information (*)

Aggregation currency conversion methods

Financial statements using a reference currency other than the euro were converted using the exchange rates of the currencies as of the valuation date.

Account aggregation method

In the absence of reciprocal transactions, the consolidated accounts result from a simple aggregation of the individual accounts of each subfund.
Accounts of the same nature were therefore accumulated with each other.

Specific considerations

The annual financial statements of the HSBC RESPONSIBLE INVESTMENT FUNDS SRI GLOBAL EQUITY subfund are established as at 29/12/2022.

(*) Please refer to the information about each subfund.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

Subfund:

HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

Activity report

Management policy

After three years of strong appreciation (+34.4% in 2019, +22% in 2020, and +14.8% in 2021), the portfolio dropped -22.2% in 2022. Compared with the MSCI Europe index, the strategy outperformed in 2019 and 2020. Energy transition stocks underperformed the strategy's benchmark in 2021 (-6.4%) and 2022 and (-10.9%).

Macroeconomic and thematic analysis

2022 was a challenging year for global equities, more generally for risk assets. The S&P500 fell 19.0%, the Eurostoxx 600 was down 11.8%, the Nikkei 225 lost 11.0%, and the MSCI Emerging Markets index dropped 22.5%. This is in line with the investment paradigm shift created by the rising interest rate environment.
The phenomena that had marked the end of 2021 were amplified in 2022. Global supply chain disruptions, from logistical delays to semiconductor shortages, led to major tensions and fuelled the resurgence of inflation, surprising in its magnitude, and spread throughout the entire economy in 2022. The outbreak of the Russia-Ukraine conflict at the end of February 2022 reinforced the trend and intensified market volatility. Commodity markets have experienced record increases not seen since the 2000s. The shutdown in the supply of Russian gas to Europe led to fears of a disruption in energy supply to manufacturers and individuals.
For the past two years, companies have had to become accustomed to a context of high uncertainty. In 2022, they had to adapt not only to a difficult supply-side environment, but also cope with the global economic downturn. Against this backdrop, some companies began to reduce their workforce and preserve cash by curbing industrial CAPEX and external growth budgets. The challenge for companies was also the ability to pass these price increases on to consumers. This capacity is uneven depending on the sector and the competitive position of the players. Companies finding it difficult to protect their margins have been punished by investors, concerned about this phenomenon.
The rise in inflation was widespread, with the US CPI shooting up from 1.30% in December 2021 to a peak of 8.2% at the end of August 2022. This phenomenon is worldwide. Central banks had no choice but to announce key rate hikes in an attempt to curb this trend. The US central bank raised its key rate seven times, taking it from 0.25% at the beginning of the year to 4.5% in December, the highest level since 2008. Rising interest rates and inflation are now threats to business activity or consumer purchasing power. In the end, the post-COVID global growth rebound has been halted. In 2023, some regions could experience episodes of recession.
Listed companies continue to show earnings growth. ^{Q3} results showed some resilience, more on activity than on margin levels. Nevertheless, investors and financial markets remain uncertain as to the extent of the recession in 2023.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

In terms of the energy transition, 2022 marked a strengthening of trends, significant progress in renewable energies, and a series of major political developments for the climate. The February 2022 IPCC report indicates that the scope and magnitude of the impacts of climate change are greater than those estimated in previous assessments. Tensions in the energy supply also led governments to resort to high-carbon energy, such as energy from coal-fired power plants.
One of the unexpected consequences of the Russian-led war in Ukraine is that it has galvanised the European Union's efforts to free itself from its dependence on Russian natural gas and has accelerated plans for renewable energy. This initiative, formalised through the REPowerEU action plan, sets a more ambitious target for renewable energy by 2030, including specific targets for solar energy, an acceleration of energy efficiency efforts, doubling the pace of deployment of heat pumps, and the elimination of administrative constraints on the construction of wind farms. In the US, President Joe Biden signed into law a landmark federal investment programme to combat climate change. The Inflation Reduction Act (IRA) allocates $391 billion to a series of investments to encourage clean energy and clean industrial production. The acceleration in the pace of development of renewable energies goes hand in hand with a decline in energy expenditure, as the cost of solar and wind energy is on average 40% lower than that of electricity produced from coal and gas. The events of the year highlighted the delicate balance needed to achieve safe, affordable, low-carbon energy. The political consensus that the solution to the energy problem is to step up efforts to ensure the transition to renewable energy is encouraging to us.

Fund performance and decisions

The rising interest rate environment put particular pressure on thematic and long-duration equities of the HRIF - Europe Equity Green Transition subfund. Our thematic strategy, exposed to green growth, suffered from its positioning in growth stocks. Logically, growth stocks were adversely affected by rising interest rates, which had a negative impact on the discounted value of future profits. One of the stocks in our portfolio particularly affected by this phenomenon is Tomra Systems (-55%). Paradoxically, 2022 ended with the announcement of the European Union's plan to have its member states collect and recycle at least 90% of plastic drink bottles by 2029, which cannot be achieved without the widespread implementation of collection systems, a market in which Tomra is already a leader and from which it is expected to benefit significantly.
The subfund's strategy invests largely in sectors such as industry, technology stocks, construction materials, and utilities. The technology sector fell -27.5%, particularly exposed to the depreciation of valuation ratios given its strong growth profile and geopolitical risks relating to tensions between China and the United States. Industrial stocks, which represent the largest sector in terms of the strategy's weight, fell 18%, affected by the rise in energy and commodity prices and the anticipated slowdown in demand.
The subfund's sector allocation accounts for nearly half of the difference in performance relative to our benchmark. Thus, since the beginning of the year, the financial markets have favoured fossil fuels (+32%) and financial stocks (-2.8%), sectors in which the climate strategy is structurally underexposed. To a large extent, these sectors offer limited investment opportunities for the subfund since they incorporate only a few solutions to climate change and/or do not meet our ESG criteria.

The ESG theme underperformed in 2022, as indicated by the respective performances of the MSCI Europe ESG leaders index (-16.2%) and our top ESG quartile (-13.2%), underperforming our benchmark (-9.9%). The best-in-class allocation of our climate strategy thus generated a relative underperformance of -1%.
A thematic analysis of performance highlights the underperformance of most of the ecological and energy transition eco-sectors. Green buildings were down -25%, the circular economy was down -23.1%%, and energy efficiency was down -22.5%. Renewable energy (-14.6%) had to deal with the problems encountered in supply chains and the conflict in Ukraine, uncertainties over the capping of electricity prices, and the levels of taxation of excess profits.
Although building energy renovations have become a priority, building materials stocks paradoxically contributed negatively to relative performance. The underperformance of Kingspan (insulation panels), Sika (insulation additives), and Saint Gobain (green building, building materials) were among the main detractors.
Among the positive contributors, Biffa Plc (+11.3%), a UK-based waste management company, was the subject of a takeover bid by Energy Capital Partners with a 37% premium on the share price. The market saw the relevance of the acquisitions of the family-owned D'Ieteren group (+4.5%) in the field of repairs and spare parts for professional machinery and personal vehicles. Some renewable energy companies, such as EDPR (-6%), held up well because of their presence in the United States and Latin America.
The portfolio benefited from positive flows: €19.4 million year to date.
The aim of the trades was to protect the portfolio's performance by placing an emphasis on companies in service activities, which we consider to be less sensitive to current inflationary pressures. This explains the purchases of Eurofins Scientific (environmental surveys) and Bravida (environmental services in Sweden). Industrial stocks relating to building energy efficiency (Belimo) and heat pumps (Nibe) should benefit from recovery plans, such as REPowerEU. We also sought to increase the weight of renewable energies (Acciona, Encavis). Cyclical stocks such as Covestro were sold or reduced (Veolia).

Outlook

Recent data suggest that we are starting to see a slowdown in the rise of inflation in the US and Europe. Central banks could therefore find a reason to slow down the pace of rate hikes or even start cutting rates. However, the outlook for inflation remains very uncertain for 2023. The turnaround of inflationary dynamics could take time to crystallise. It is difficult to predict whether monetary tightening will lead to a soft or hard landing for the major economies. Despite these uncertainties, it is possible for the coming year to identify a number of positive factors for equities, in particular for our strategy.

- Reopening of China: China announced that all major restrictions relating to the COVID-19 pandemic would be lifted on 8 January 2023. This should boost global demand and ease some production bottlenecks.
- Relocation: one of the main lessons of the crisis of the last two years is that it is necessary to create safer and more localized supply chains in a range of sectors such as renewable energy and semiconductors. This creates a new demand for industrial hubs and automation technologies.
- Clean energy policy: the effects of the investments brought about by the REPowerEU action plan and the IRA should begin to be felt from the second half of 2023.
- Valuation resets: the very sharp devaluation observed this year opened up attractive return prospects for equities. The 12-month P/E of the MSCI Europe index is now below its 10-year average.
- Acceleration of the climate crisis: The effects of global warming are becoming more extreme and earlier, while the gap between the commitments made at COP21 and what has been achieved is growing. Governments have now entered an action phase, increasing pressure on economic agents despite a lack of budgetary flexibility.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

As we conclude this annual review, it is important to recall the ambition of our Energy Transition strategy for European equities: investing in companies that are positioned to take advantage of the structural growth of decarbonisation solutions.
The energy transition will take several decades, and companies that offer solutions to this challenge are therefore set to experience long-term growth. As such, our subfund naturally has a higher earnings growth profile than a generic European equity index.
The subfund's ESG criteria, which are exposure to companies with a significant share of revenues tied to the energy transition, the exclusion of companies with a low ESG score (bottom quartile by sector), the preference for companies with significant avoided carbon emissions (according to the Carbon4Finance database), the preference for companies with a climate trajectory, and good governance, create high barriers to entry for candidates for the strategy and bring strong integrity to our investment process. We carefully select companies that present these qualitative criteria and have low leverage on average.
The active part of the subfund is close to 90%, reflecting the fact that climate change opportunities, growth and quality companies that actively contribute to the energy transition, are not predominant in general indexes. Recall that the strategy has significant sector biases and a high tracking error, which we believe justifies the need to assess performance over the medium term.
The long-term outlook for the strategy is unchanged or even reinforced with strong growth opportunities linked to each of the eco-sectors in our climate taxonomy. The decarbonisation targets are stepped up by the various stimulus plans and the green CAPEX deployed by companies in their desire to implement "net zero" strategies that will enable them to reduce their net CO_2 emissions by 2050. More than ever, governments need to promote energy savings by accelerating energy renovation plans. Electrification is becoming more widespread at the expense of fossil fuels, especially gas. These factors will continue to support the stocks in our theme for a long time. It should be stressed that if the plans such as REPowerEU and IRA have been passed, their application will take place in 2023. Regulatory changes in favour of the circular economy will contribute to streamlining the use of materials and energy needs.
The portfolio is constructed to take advantage of the growth inherent in the development of green activities that enable the transition to a low-carbon economy. The strategy focuses on quality stocks exposed to green growth, at a reasonable price, with a focus on players that consistently take all sustainability criteria into account in their strategy.

Performance

At the close of the fiscal year, the subfund's performance was -22.32% for the AC share, -22.33% for the AD share (coupons reinvested), -21.73% for the IC share, -21.40% for the K C-D share (coupons reinvested), -21.15% for the ZC share, and -21.74% for the BC share. The SC and ID shares (coupons reinvested) are inactive.

For the sake of comparison, the performance of the benchmark "for information" was -9.88%.

Past performance is not an indicator of the future results of the SICAV subfund.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

Information on distributed income eligible for the 40% tax allowance

In accordance with the provisions of Article 41 sexdecies H Annex III of the French General Tax Code, income from distributing unit classes is subject to a 40% tax allowance.

PEA

Pursuant to the provisions of Article 91 *quater* L of the French General Tax Code, Annex 2, at least 75% of the subfund is invested at all times in securities and interests referred to in Article L.221-31-I-1 a and b of the French Monetary and Financial Code.

Proportion of actual investment during the year: 82.98%.

Incidents affecting the subfund during the fiscal year and forthcoming

➢ **10 February 2022**

Annual update of 2021 performance in each KIID.

➢ **6 May 2022**

Update of the prospectus with a warning regarding the ban on Russian or Belarusian nationals from subscribing for shares of the SICAV, which includes any natural person residing in Russia or Belarus or any legal person, entity, or body established in Russia or Belarus except for nationals of a Member State of the European Union (EU) and natural persons holding a temporary or permanent residence permit in a Member State of the European Union (EU).

On that occasion, the new address of CACEIS Bank and CACEIS FA was added to the prospectus, with effect from 1 June 2022.

➢ **30 December 2022**

The prospectus was brought into line with the EU Sustainable Finance Regulation:

• Addition of an explanatory text on how the main adverse environmental, social, or governance impacts of the subfund's investments are taken into account.

• An appendix detailing how the promoted environmental and/or social characteristics are implemented has been included in the SICAV's prospectus.

• In furtherance of the incorporation in the prospectus of the European criteria for environmentally sustainable economic activities provided for in European Regulation 2020/852 of 18 June 2020 ("Taxonomy Regulation"), the explanatory text introduced on 1 January 2022 was supplemented by four other environmental objectives defined by the Taxonomy Regulation: the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

In addition, the quantified commitment to align investments with environmental objectives (Taxonomy) was removed from the subfund's regulatory documentation.

➢ **1 January 2023**

The subfund's KIIDs (Key Investor Information Documents) were replaced by the KIDs (Key Information Documents) pursuant to Regulation (EU) No 1286/2014 of 26 November 2014 ("PRIIPs Regulation").

Information on Environmental, Social, and Governance (ESG) criteria

In accordance with Article L.533-22-1 of the French Monetary and Financial Code, the policy on considering environmental, social, and governance quality (ESG) criteria in the investment strategy is available on the management company's website at www.assetmanagement.hsbc.fr.

Further information on the inclusion of ESG criteria in the investment policy over the fiscal year

Information on SRI criteria

The HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION subfund simultaneously addresses environmental, social, and governance criteria in its management.

The HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION subfund has adopted the AFG/FIR/Eurosif transparency code for SRI UCIs open to the public. This transparency code fully describes how environmental, social, and governance criteria are reflected in the investment policy of the HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION subfund. This code is available on the management company's website at the following address:

www.assetmanagement.hsbc.fr/-/media/files/attachments/france/common/code-de-transparence-hsbc-rif.pdf

All information and historical data on the financial performance of the HSBC Asset Management range of SRI UCIs are available on the management company's information website:

www.assetmanagement.hsbc.fr/fr/retail-investors/fund-centre.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

SRI philosophy

www.assetmanagement.hsbc.fr/fr/retail-investor/investment-expertise/sustainable-investments

The approach taken by HSBC Asset Management is to offer investors in SRI UCIs the prospect of performance in line with that of comparable conventional UCIs, while at the same time incorporating Environmental, Social/Societal, and Governance (ESG) factors, the pillars of Sustainable Development. **In our view, it is possible to reconcile our clients' individual interest of seeking performance with the collective interest of consideration of Sustainable Development issues.**

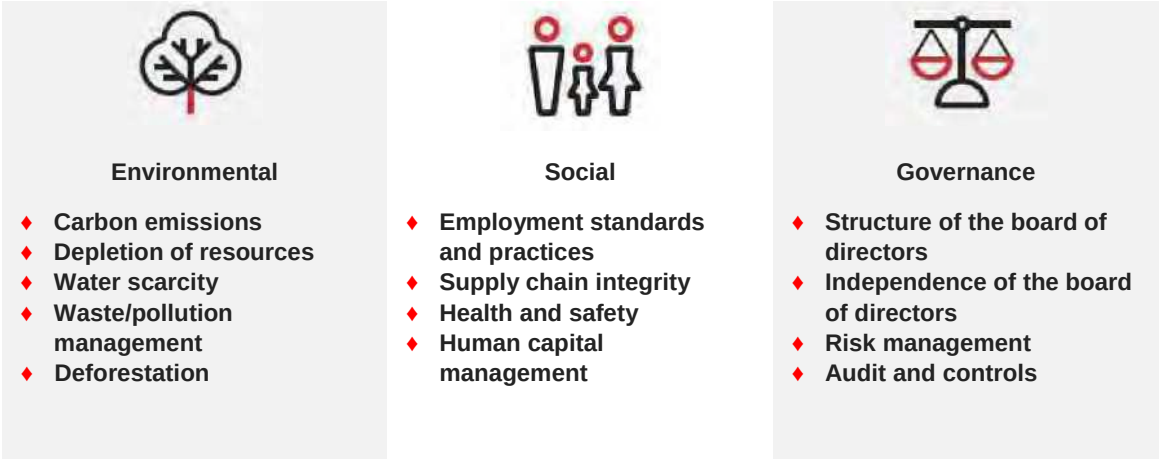
In practical terms, we believe that ESG factors can influence a company's business activity and a country's long-term policy and, as a result, the profitability of financial assets. We feel that the SRI UCI offering must be transparent and capable of reflecting our clients' expectations. Our objective is therefore to construct a disciplined, pragmatic offering for them, enhanced by our experience, gained over more than 14 years, and based on our management expertise. Complete financial data histories are available on request from the management company's head office:

HSBC Global Asset Management (France)
110, esplanade du Général de Gaulle – La Défense 4 – 92400 Courbevoie
@: hsbc.client.services-am@hsbc.fr

Description of the main criteria for these environmental, social, and governance (ESG) objectives.

What ESG criteria are taken into account?
The portfolio's ESG analysis is made possible primarily through an analysis of ESG scores from MSCI, to which we apply an internal weighting for each E, S, and G pillar by sector.

Examples of ESG factors considered in investment decisions



Source: HSBC Asset Management. For illustration purposes only.

Within each pillar, the MSCI research is based on a selection of more than 35 sub-criteria identified below. In bold are the sub-criteria common to the 30 HSBC sectors that map the specific characteristics of each industry.

- Environment pillar: 14 criteria including 3 criteria common to all sectors: Carbon emissions - Energy efficiency - Product carbon footprint - Climate change risks - Water stress - Biodiversity and land use - Origin of raw materials - Assessment of the environmental impact of financing - Toxic emissions and waste - Packaging material and waste - Electronic waste - Opportunities in clean technologies - Opportunities in green construction - Opportunities in renewable energy
- Social pillar: 15 criteria including 2 criteria common to all sectors: Development of human capital - Social dialogue - Health and safety - Compliance with employment standards in the supply chain - Contentious procurement - Product safety and Quality - Chemical safety - Security of financial products - Privacy and information security - Health insurance and Demographic risk - Responsible investment - Access to k communication - Access to financing - Access to medical services - Opportunities in nutrition and health
- Governance pillar: 5 criteria including 3 criteria common to all sectors: Corruption and instability - Ethics and fraud - Anti-competitive practices - Financial manipulation and misappropriation - Corporate governance

More specifically, in the sphere of Corporate Governance, the Governance pillar monitors opacity and lack of transparency in financial practices, directors' independence, the existence of key committees, directors' qualifications and experience, executive remuneration, the ownership structure and voting rights, the existence of anti-takeover measures, obstacles to voting, and shareholders' right to take collective action.

Issuer analysis and ESG assessment methodology (construction, rating scale, etc.)

Beyond internal research, we have chosen to rely on various and complementary external research and provide it to all our managers and analysts.
The objective is to hedge all securities that we manage through an ESG analysis.

- S&P Trucost: provides analyses and data on carbon, water, waste, and natural resources with tracking of more than 6,200 issuers;
- Carbon4 Finance: tracks 15,000 issuers worldwide; provides data to measure "greenhouse gas emissions saved" through a more in-depth analysis of the climate trajectory of companies;
- MSCI ESG Research: covers the MSCI ACWI (All Countries World Index) with around 9,100 companies;
- ISS Ethix: banned and controversial weapons - tracking of 6,000 issuers; lists of securities identified as being involved in anti-personnel mines and cluster munitions). These exclusion lists are the subject of a highly formal distribution and a pre-trade and post-trade check set up and overseen by the Risk and Compliance departments.
- ISS ESG (formerly Oekom): rating of the world's top 54 issuing countries and non-listed issuers;
- FTSE Green Revenues: FTSE Russell's green revenues methodology comprehensively evaluates all companies whose revenues are exposed to green activities defined by the Green Revenue Classification System (GRCS), which is a taxonomy used to define and measure the industrial transition to a green economy.
- RepRisks: tracks 40,700 companies and provides a dynamic ESG and reputational risk assessment based on nearly 80,000 public sources and stakeholders, in 20 languages, with more than 500,000 incidents analysed each day;
- Sustainalytics: 23,000 companies are monitored against the 10 principles of the Global Compact. The UN Global Compact compliance research framework is based on international conventions and treaties and underpins these principles, including international ESG standards, such as those of the OECD, the Guidelines for Multinational Enterprises, International Labour Organisation conventions, Universal Declarations of Human Rights,

Equator Principles, and sector-specific initiatives such as the International Council on Mining and Metals

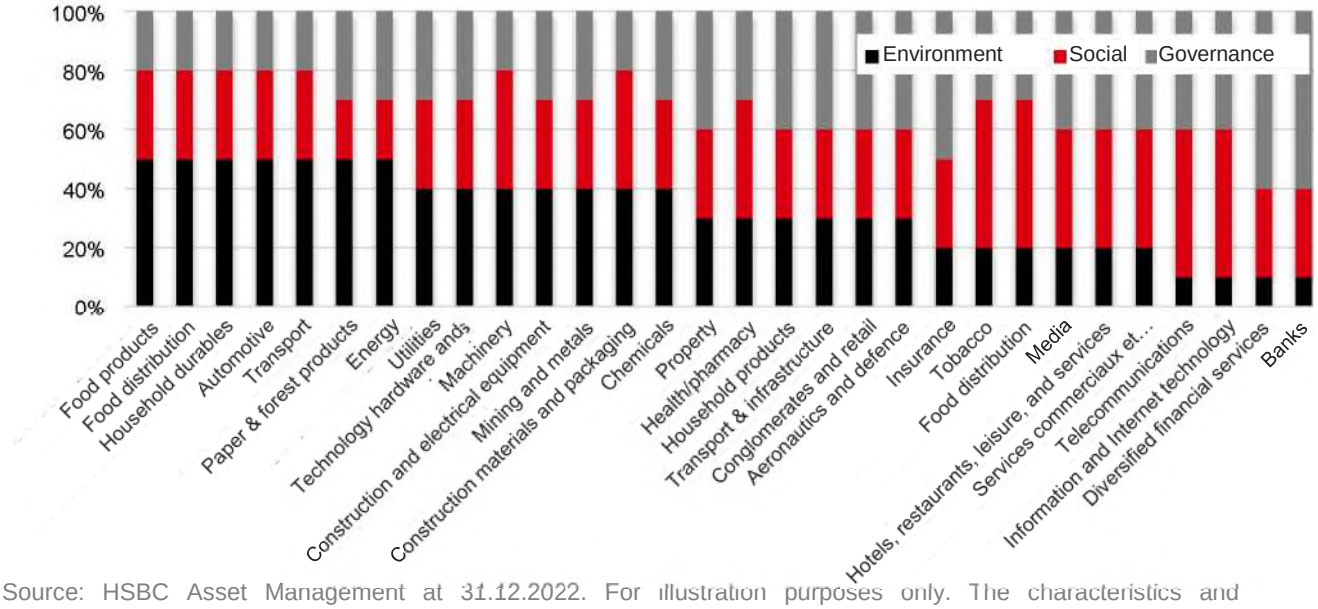
All types of investment thus incorporate the ESG aspect, which contributes to the overall analysis. ESG criteria are incorporated into the analysis and stock-picking processes in all the active management portfolios.

- Each security is linked to one of the 30 “house” sectors grouping consistent sets from the perspective of ESG issues and similarities presented by the economic models. Then, for each sector, we determined a weighting of the E, S, and G pillars reflecting the industrial reality of each sector. This approach is the result of extensive joint studies by the credit and equity analyst teams under the coordination of the Global Head of ESG Research.
- As shown in the diagram below, the contribution of E, S, and G pillars to the overall ESG score can vary significantly by sector. While the Environment is the most weighted parameter – the one with the greatest potential financial impact – in sectors such as Food and Automotive, it is clearly outweighed by Governance in the Banking sector.
- The companies are then classified as Low, Medium, and High Risk. Securities identified as High Risk undergo a thorough analysis. These are companies that have violated one or more of the ten principles of the United Nations Global Compact and/or are not aligned with the Financial Crime Compliance (FCC) standards or are ranked in the bottom 5 per cent of their benchmark universe according to our ESG analysis. This phase of heightened vigilance allows us to put financial attractiveness and ESG risks in perspective and to determine whether these securities have been properly valued. At the end of the analysis, if the company is qualified to remain in the portfolio, it is monitored, and a dialogue is initiated with the company’s management. This special monitoring ends once all the indicators lead to a “Low Risk” classification. In SRI funds, securities identified as “High Risk” are excluded from the investment universe

ESG rating: methodology

- The ESG ratings provided by MSCI are used to calculate ESG scores for each security/each issuer. Among the results of these ratings is the production of an SRI investment universe for each of the subfunds of the HSBC RIF SICAV.
- We then assign an E (Environment) rating, an S (Social) rating, and a G (Governance) rating and an overall ESG score of the portfolio. The rating scale ranges from 0 to 10, with 10 being the best score. Each of the E, S, and G pillars is assigned a specific weighting in each of the 30 business sectors using our internal rating process, and the overall rating is calculated on this basis.
- Weight of the E, S, and G pillars for each of the 30 sectors of the ESG segmentation.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION



Source: HSBC Asset Management at 31.12.2022. For illustration purposes only. The characteristics and measurements are provided for illustration purposes only and may be modified to take market changes into account.

- The portfolio's ESG score is the average of the ESG ratings weighted by the proportion of each security in the portfolio.
- Sovereign and supranational issues have only two equally weighted pillars: E and S. The S rating incorporates the issues covered in the G pillar.
- Securities classified as "High Risk" are subject to Enhanced Due Diligence (EDD) review and monitoring.

In SRI funds, securities identified as "High Risk" are excluded from the investment universe.

Step 1: ESG analysis and definition of the investment universe

Name of the subfund	Benchmark for information	Initial investment universe
HSBC RIF – EUROPE EQUITY GREEN TRANSITION	MSCI Europe GDP Weighted	Approximately 600 European large and mid-cap stocks

The first step is to define the universe of eligible securities. This phase focuses on analysing companies' activities in order to identify those that contribute directly or indirectly to the energy and ecological transition. This involves identifying companies belonging to sustainable themes such as renewable energy, industry and energy efficiency, the circular economy (including waste management and pollution control in particular) and organic farming. This list of eco-sectors is neither exhaustive nor fixed. Securities are then classified on the basis of their green intensity. This green intensity is defined as the contribution of eligible activities relative to the company's total turnover (less than 10%, between 10% and 50% and more than 50% of turnover). This step is completed in collaboration with our fundamental research teams, which provide knowledge of the issuers through direct discussions with the companies and the use of external data providers. This step includes an assessment of activities that are contrary to the green transition.

Exclusion of companies

This subfund:

- Excludes issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or with at least two alleged violations) and the OECD Guidelines for Multinational Enterprises,
- Excludes shares of companies involved in the production of controversial weapons or their components. Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons, and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties.
- Excludes shares of companies in the defence sector.
- Excludes shares of companies primarily involved in the exploration, production, and exploitation of fossil fuels.
- Excludes shares of companies engaged in thermal coal activities. With regard to electricity generation, companies deriving more than 5% of their turnover from electricity generated using thermal coal are partially excluded. Mining companies are completely excluded.
- Excludes shares of companies in the nuclear sector.
- Excludes shares of companies involved in the production of tobacco.

Consideration of issuers in the portfolio not subject to an ESG analysis

Stocks not ESG-rated according to the described process may be included in the investment universe as long as they are qualified after a qualitative analysis by the analyst in charge of the business sector. As a general rule, non-rated assets cannot exceed 10% of the net assets of the funds in each of our SRI strategies.

Step 2: Description of the incorporation of environmental, social, and governance criteria analysis results into the investment and disinvestment process. If applicable, description of how stocks not assessed on these criteria are taken into account.

The subfund adopts an active management philosophy based on Environmental, Social, and Corporate Governance (ESG) criteria across the universe (thematic and diversification universe).

The companies identified above are all reviewed and selected according to ESG criteria and sustainability indicators adapted to the specific characteristics of the subfund.

The SRI universe consists in taking account of ESG criteria, rating companies, and classifying them into quartiles within each sector. The SRI selection will be done within the thematic universe, supplemented by the diversification universe.
The SRI filter involves unlimited investment in stocks in the top three quartiles. Stocks in the bottom quartile are excluded

The minimum non-financial analysis rate of 90% is applied to the subfund’s eligible assets.

The portfolio of the HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION subfund must be brought into line with changes in quartiles resulting from changes in ratings within two weeks after the new SRI universes are sent out and before the end of each calendar month at the latest. However, on an exceptional basis, this period may be extended by three additional months, at the manager’s discretion, for companies in the bottom quartile.

Step 3: Determination of the final portfolio:

This step involves analysing securities within the screened universe based on fundamental financial analysis. Investment decisions are based on fundamentals and valuations analysis.

Implementation of an issuer engagement policy

Our voting and engagement activities aim to protect and enhance the value of the assets entrusted to us by our clients. These activities allow us to better understand and assess ESG risks and opportunities at the level of each company, encourage responsible behaviour, and promote high standards of governance.

Engagement - **Our engagement policy is based on systematic ESG questioning** during meetings with companies and monitoring of the riskiest companies. We believe that consideration of ESG issues can have a long-term impact on the performance of companies. As part of our fiduciary responsibility, we are obliged to monitor the companies in which we are invested on behalf of our clients.
Our engagement objective is to allow companies to explain their ESG approach to us. The Managers and analysts initiate a shareholder dialogue for a constructive exchange with the management of the companies in which we invest on behalf of our clients. These discussions are a good way to explore in more detail and better understand the underlying ESG and climate risks and to encourage companies to incorporate ESG risks. It also provides an opportunity to promote the improvement of corporate governance on the basis of our voting directives and to encourage them to establish and maintenance a high level of transparency.

Direct engagement. We regularly meet with company managers as part of the active management process. We ask issuers about the implementation of their business strategy, performance, financial and non-financial risks, capital allocation, and management of ESG issues. We also encourage companies in our portfolios to establish and maintain a high level of transparency, particularly with regard to their management of ESG risks and climate risk.

Exercising our voting rights

We vote in accordance with our voting policy, which is available on our website.

Presentation of voting policy

Our voting policy can be accessed on the HSBC Asset Management website:

www.assetmanagement.hsbc.fr/-/media/files/attachments/france/common/policy/politique-de-vote.pdf

HSBC Asset Management has set up a Corporate Governance Committee responsible for determining and monitoring the voting policy at general meetings. Fund managers and analysts make voting decisions based on the principles defined by this Committee. The Middle Office is responsible for implementation and for the operational process of exercising voting rights at general meetings.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

Together with HSBC Asset Management (UK) Ltd, HSBC Asset Management uses the services of ISS, a world leader in supplying corporate governance services, particularly when it comes to managing voting rights.

HSBC Asset Management has defined guidelines or voting criteria that include the recommendations of the AFG, the OECD, AFEP/MEDEF, and the UK Corporate Governance Code.

Voting resolutions not covered by our guidelines shall be examined on a case-by-case basis.

HSBC Asset Management votes on all securities held in the portfolio, regardless of their level of ownership, on the basis of the overall voting policy, defined by the Asset Management business line. This applies to all markets throughout the world, with the exception of:

- markets that do not meet acceptable voting conditions,

- English, French, and Irish securities for which there are specific voting policies.

With regard to French securities, the HSBC Asset Management voting policy is applied to French shares held in UCIs managed in Paris.

With regard to English and Irish securities, voting rights are exercised based on the principles defined by the management structure in London, HSBC Asset Management (UK) Ltd.

Our voting policy describes a general framework that covers the main issues identified concerning the appointment and removal of companies' corporate bodies, remuneration of the board of directors and executive officers (stock options, bonus shares, etc.), employee-only capital increases, respect for shareholders' rights (securities issuance and redemption programmes), approval of the accounts, appropriation of earnings, appointment of statutory auditors, regulated agreements, dividend distribution, decisions resulting in changes to the articles of association, shareholder resolutions, and consideration of E, S, and G issues by the company. Our voting policy also describes the procedures in place to prevent and manage conflicts of interest within the HSBC Group.

The Corporate Governance Committee meets at least once a year or when the situation calls for it to develop a plan. Its role is to validate and draw up the voting policy of the management company HSBC Asset Management for French securities. The members of this meeting review all regulatory issues or changes in market behaviour. The head of the Corporate Governance meeting is in charge of this regulatory watch.

The HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION subfund has chosen not to lend its securities and therefore exercises its voting rights in respect of all the shares it holds.

Evaluation of the implementation of the voting and engagement policy

We undertake a comprehensive evaluation. It can be accessed on the website mentioned above in the "Activity report on the exercise of voting rights":

www.assetmanagement.hsbc.fr/-/media/files/attachments/france/common/rapport-sur-lexercice.pdf

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

“SFDR” Annex to Regulation (EU) 2019/2088 and its implementing technical standards

In addition, the subfund has a sustainable investment objective under Article 9 of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (“SFDR”).

Information on sustainable investment is available in the SFDR appendix of the annual report.

Additional information relating to Shareholder Rights Directive II (SRD2)

Contribution to medium- and long-term performance

During the period under review, the investment strategy was implemented in a disciplined manner and yielded results in line with expectations, giving us confidence that we will achieve the performance and risk management objectives over the recommended investment period for this subfund.
The investment strategy aims to identify companies that contribute to green growth and the decarbonisation of society. Within this investment sub-universe, investments will be made in companies with the highest ESG ratings in their sector and profitability and growth prospects not fully reflected in their valuations.
The integration of non-financial factors (environmental, social, and governance) into the analysis of investment cases allows us to better assess the soundness and sustainability of the business model(s) of the examined company and therefore to integrate into its valuation any elements of risk or opportunities that the mere analysis of its financial statements might not have identified

- Main significant risks

  The subfund incurs primary and secondary risks, which are listed in the subfund’s prospectus.

- Turnover rate

  Portfolio turnover rate: 41.63%

  The SEC method is used to calculate the turnover rate: Annual TO = Min (Purchase of securities; Sale of securities) / Average AUM

- Management of conflicts of interest

  During the past fiscal year, there were no conflicts of interest related to engagement activities.

  During this period, the management company decided to use a voting advisor, Institutional Shareholder Services (ISS), for engagement activities.

- Securities lending

  The management company did not engage in securities lending during the past fiscal year.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

- Information about investment decisions

  Investment decisions are based on fundamental analysis of the companies included in the investment universe. Markets are not always efficient and do not always reflect the intrinsic value of companies.
  In this context, investment decisions are based on long-term fundamental analysis, thus enabling us to take advantage of these opportunities arising from the excessive volatility of financial markets.
  The management processes are based on exploiting the data from the fundamental analysis conducted by our independent research teams, whether in the short, medium, or long term.
  Furthermore, regardless of the asset class, the consideration of Environmental, Social, and Governance risks and opportunities (E.S.G. integration) is an integral part of the security selection process of the manager of the subfunds concerned with the objective of long-term outperformance.

Information relating to efficient portfolio management techniques and derivatives used by the subfund of the SICAV, pursuant to AMF position No. 2013-06

Efficient portfolio management techniques

As of the close of the fiscal year, the subfund of the SICAV did not use efficient portfolio management techniques.

Derivatives

As of the close of the fiscal year, the subfund of the SICAV did not use derivatives.

Aggregate exposure

The commitment method is used to calculate the aggregate exposure on financial futures.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

Main movements in the portfolio during the period

Securities	Movements ("Accounting currency")	
	Acquisitions	Disposals
SOCIETE GENERALE SA	7,736,393.68	5,914,826.46
NORSK HYDRO ASA	10,390,962.73	1,217,275.81
NIBE INDUSTRIER AB-B SHS	8,439,123.82	115,986.39
BIFFA PLC	823,556.30	7,626,041.04
SIEMENS GAMESA RENEWABLE ENE	3,627,457.12	4,732,497.03
ACCIONA S.A.	8,270,895.00	63,954.00
CARREFOUR	5,214,505.39	2,563,059.18
EUROFINS SCIENTIFIC	7,596,439.48	111,290.40
STORA ENSO AB EX ENSO OYJ	2,380,320.15	4,841,123.58
AIR LIQUIDE	6,407,301.84	85,568.16

Transparency of securities financing transactions and the reuse of financial instruments - SFTR - in the accounting currency of the UCI (EUR)

The UCI did not carry out any transactions covered by the SFTR during the fiscal year.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

Annual Financial Statements

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

Balance Sheet – Assets

Balance Sheet – Assets as at 30/12/2022
Portfolio: 1124 HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN

	30 December 2022	31 December 2021
NET FIXED ASSETS		
DEPOSITS		
FINANCIAL INSTRUMENTS	**265,260,004.75**	**318,484,804.44**
Equities and equivalent securities	**265,260,004.75**	**318,484,804.44**
Traded on a regulated or equivalent market	265,260,004.75	318,484,804.44
Not traded on a regulated or equivalent market		
Bonds and equivalent securities		
Traded on a regulated or equivalent market		
Not traded on a regulated or equivalent market		
Debt instruments		
Traded on a regulated or equivalent market		
Negotiable debt instruments		
Other debt instruments		
Not traded on a regulated or equivalent market		
Undertakings for collective investment		
UCITS and AIF for retail investors and equivalents in other countries		
Other funds for retail investors and equivalents in other EU Member States		
Professional general investment funds and equivalents in other EU member states and listed securitisation funds		
Other professional investment funds and equivalent in other EU Member States and non-listed securitisation funds		
Other non-European vehicles		
Repos and reverse repos		
Receivables under repurchase agreements		
Receivables representing lent securities		
Borrowed securities		
Securities delivered under repurchase agreements		
Other temporary transactions		
Financial futures		
Transactions on a regulated or equivalent market		
Other transactions		
Other financial instruments		
RECEIVABLES	**58,263.57**	**94,651.94**
Forward foreign currency transactions		
Other	58,263.57	94,651.94
FINANCIAL ACCOUNTS	**3,895,180.72**	**3,612,360.10**
Cash and cash equivalents	3,895,180.72	3,612,360.10
TOTAL ASSETS	**269,213,449.04**	**322,191,816.48**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

Balance Sheet – Liabilities & Equity

Balance Sheet – Liabilities & Equity as at 30/12/2022
Portfolio: 1124 HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN

	30 December 2022	31 December 2021
EQUITY		
Capital	279,632,963.03	311,012,297.64
Prior net gains and losses not distributed (a)		
Retained earnings (a)	200.94	
Net gains and losses for the period (a,b)	-14,014,209.23	8,965,876.55
Result for the fiscal year (a, b)	3,233,002.45	1,735,671.37
TOTAL EQUITY *	**268,851,957.19**	**321,713,845.56**
* *Amount representing net assets*		
FINANCIAL INSTRUMENTS		
Disposals of financial instruments		
Repos and reverse repos		
Payables under repurchase agreements		
Payables representing borrowed securities		
Other temporary transactions		
Financial futures		
Transactions on a regulated or equivalent market		
Other transactions		
PAYABLES	**288,746.60**	**383,951.23**
Forward foreign currency transactions		
Other	288,746.60	383,951.23
FINANCIAL ACCOUNTS	**72,745.25**	**94,019.69**
Current bank facilities	72,745.25	94,019.69
Loans		
TOTAL LIABILITIES	**269,213,449.04**	**322,191,816.48**

(a) Including accruals
(b) Minus interim payments for the fiscal year

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

Off-balance sheet commitments

Off-balance-sheet commitments as at 30/12/2022
Portfolio: 1124 HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN

	30 December 2022	31 December 2021
HEDGING TRANSACTIONS		
Commitments on regulated or equivalent markets		
Commitments on over-the-counter markets		
Other commitments		
OTHER TRANSACTIONS		
Commitments on regulated or equivalent markets		
Commitments on over-the-counter markets		
Other commitments		

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

Income Statement

Income Statement as at 30/12/2022
Portfolio: 1124 HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN

	30 December 2022	31 December 2021
Income from financial transactions		
Income from deposits and financial accounts	13,836.66	
Income from equities and equivalent securities	6,127,322.08	4,210,617.22
Income from bonds and equivalent securities		
Income from debt instruments		
Income from repos and reverse repos		
Income from financial futures		
Other financial income		
TOTAL (1)	**6,141,158.74**	**4,210,617.22**
Expenses on financial transactions		
Expenses from repos and reverse repos		
Expenses from financial futures		
Expenses from financial debts	32,289.51	36,224.14
Other financial expenses		
TOTAL (2)	**32,289.51**	**36,224.14**
RESULT FROM FINANCIAL TRANSACTIONS (1 - 2)	**6,108,869.23**	**4,174,393.08**
Other income (3)		
Management fees and amortisation allowance (4)	2,911,286.78	2,770,195.56
NET INCOME FOR THE PERIOD (L. 214-17-1) (1 - 2 + 3 - 4)	**3,197,582.45**	**1,404,197.52**
Accrued income for the fiscal year (5)	35,420.00	331,473.85
Interim dividends paid during the fiscal year (6)		
RESULT (1 - 2 + 3 - 4 + 5 - 6)	**3,233,002.45**	**1,735,671.37**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

Notes

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

1. Accounting policies

The annual financial statements are presented in the form prescribed by ANC regulation 2014-01, as amended.

General accounting principles are applied:
- true and fair view, comparability, going concern;
- accuracy, reliability;
- prudence;
- consistency of accounting methods from one period to the next.

The interest cash basis is used to recognise revenue from fixed-income securities.

Securities bought and sold are recognised excluding costs.
The euro is the reference currency for the portfolio's accounting.
The duration of the reporting period is 12 months.

Asset valuation rules

The asset valuation rules applied by the accounting manager are outlined below according to the instruments held by the subfund:

The subfund has adopted the euro as the reference currency.

The prices used for the valuation of securities traded on the stock exchange are the closing prices.

The prices applied for the valuation of bonds are an average contributor. The UCIs are valued at the last known price.

Negotiable debt securities with a residual life of more than three months are valued at the market rate, with the exception of variable-rate or adjustable-rate negotiable debt securities not presenting any particular market sensitivity.

A simplified method known as "linearisation" is applied for negotiable debt instruments whose residual lifespan is less than three months with no particular sensitivity to the market on the basis of the crystallised three-month rate.

Repos are valued at the contract price.

Futures, options, or exchange transactions made on OTC markets, authorised by applicable UCI regulations, are measured at their market value or at an estimated value according to methods chosen by the management company.

Interest rate and/or currency swaps are valued at their market value based on the price calculated by discounting future cash flows (principal and interest), at the market interest and/or exchange rates.

European and foreign futures are valued on the basis of the clearing prices.

Interest-rate and foreign currency swaps are valued under market conditions.

The valuation of interest-rate swaps against share performance is carried out:
- under market conditions for the fixed income branch
- according to the underlying security rate for the equity branch.

The valuation of Credit Default Swaps (CDS) stems from a model used by the spreads market.

Off-balance-sheet commitments in the European and foreign futures markets are calculated as follows:

- FUTURES
(Qty x Nominal x Daily rate x Contract currency)

- OPTIONS
(Qty x delta) x (Nominal of the underlying instrument x Daily rate of the underlying instrument x Contract currency).

For swaps, the off-balance-sheet commitment corresponds to the nominal value of the contract plus or minus the interest differential and the unrealised capital gain or loss on the closing date.

Transaction fees are recognised in specific accounts of each subfund and are not added to the price.

Financial instruments whose prices were not determined on the day of valuation or whose prices have been adjusted are valued at their probable trading price under the responsibility of the Management Company. These valuations and proof therein are provided to the Statutory Auditor in connection with its audits.

Valuation of financial guarantees

Collateral is marked to market on a daily basis.

Haircuts can be applied to collateral received in the form of securities according to the level of risk.

Margin calls occur daily unless otherwise indicated in the master agreement covering these transactions on in case of agreement between the Management Company and the counterparty on the application of a trigger threshold.

Management fees

Management fees and running costs cover all costs relating to the UCI: financial, administrative and accounting management, custodianship, distribution, audit fees, etc.
These fees are charged to the income statement of the UCI.
Management fees do not include transaction fees. For more information on the costs actually billed to the UCI, please see the prospectus.

They are recognised on a pro rata basis each time the net asset value is calculated.

The aggregate of these fees complies with the maximum fee rate as a percentage of the net assets given in the prospectus or the rules of the fund:

FR0013476181 - HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION share: Maximum fee rate of 0.75% including tax
FR0012114239 - HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION K C-D share: Maximum fee rate of 0.325% including tax
FR0000982456 - HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION AD share: Maximum fee rate of 1.50% including tax
FR0013287224 - HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION BC share: Maximum fee rate of 0.75% including tax
FR0011235340 - HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION IC share: Maximum fee rate of 0.75% including tax
FR0000982449 - HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION AC share: Maximum fee rate of 1.50% including tax

The maximum rate of administrative fees external to the management company is 0.30%, and the maximum indirect fee rate is not significant.

Swing pricing

The management company has implemented a swing pricing mechanism to adjust the net asset value of each of the subfunds once a trigger threshold is reached in order to protect the interests of the unitholders present in each of the subfunds.

Under this mechanism, investors bear the portfolio adjustment costs — including transaction fees, bid/offer spreads and taxes or fees applicable to the UCI — relating to investments or disinvestments when there are significant numbers of subscriptions and redemptions.

When the net balance of investor subscription and redemption orders exceeds a predefined threshold, called the “trigger threshold”, the NAV is adjusted.

The NAV is adjusted up or down if the balance of subscriptions– redemptions is respectively positive or negative, so as to take into account the readjustment costs attributable to the net subscription and/or redemption orders.

The trigger threshold is expressed as a percentage of the subfund’s net assets.
The parameters for the trigger threshold and the NAV adjustment factor are determined by the management company and periodically reviewed.

The adjusted (“swung”) NAV is the subfund’s only NAV and is therefore the only NAV published and communicated to unitholders.
By applying swing pricing with a trigger threshold, it is possible that the UCI’s volatility will not come from only the volatility of the financial instruments in the portfolio.

In accordance with the regulatory provisions, the management company does not communicate the trigger thresholds and ensures that internal communication channels are restricted so as to safeguard the confidential nature of the information.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

Appropriation of distributable amounts

Definition of distributable amounts

Distributable amounts consist of the following:

Result:

Net income for the fiscal year is equal to the amount of interest, arrears, premiums and bonuses, dividends, directors' fees, and any other income relating to the securities comprising the portfolio, plus the income from any amounts temporarily available, less management fees and borrowing costs.
Retained earnings are added to net income, and the balance of accrued income is added or subtracted as appropriate.

Capital gains and losses:

Capital gains realised, net of costs, minus realised losses, net of costs, recognised during the fiscal year, plus net gains of the same type recognised in previous fiscal years that were not distributed or accumulated, plus or minus the balance of accrued gains.

Appropriation of distributable amounts:

Share(s)	*Appropriation of net income*	*Appropriation of realised net capital gains or losses*
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION AC share	Accumulation	Accumulation
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION AD share	Distribution	Accumulation and/or Distribution, by decision of the SICAV
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION BC share	Accumulation	Accumulation
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION IC share	Accumulation	Accumulation
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION K C-D share	Accumulation and/or Distribution, by decision of the SICAV	Accumulation and/or Distribution, by decision of the SICAV
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION ZC share	Accumulation	Accumulation

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

2. Change in Net Assets

Change in net assets as at 30/12/2022
Portfolio: 1124 HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN

	30 December 2022	31 December 2021
BEGINNING NET ASSETS	**321,713,845.56**	**146,688,660.59**
Subscriptions (including subscription fees paid into the UCI)	44,903,499.48	240,454,109.87
Redemptions (after deducting redemption fees paid into the UCI)	-25,109,477.20	-98,034,161.53
Capital gains realised on deposits and financial instruments	12,029,792.07	10,895,504.03
Capital losses realised on deposits and financial instruments	-26,224,681.27	-4,639,926.73
Capital gains realised on financial futures		15.16
Capital losses realised on financial futures		-6,495.36
Transaction fees	-267,205.98	-434,296.07
Foreign exchange gains/losses	-1,091,779.48	2,567,552.05
Changes in the valuation differential of deposits and financial instruments	-60,298,703.60	22,818,686.03
Valuation differential period N	*-3,158,134.73*	*57,140,568.87*
Valuation differential period N-1	*-57,140,568.87*	*-34,321,882.84*
Changes in the valuation differential of financial futures		
Valuation differential period N		
Valuation differential period N-1		
Prior-year distribution on net gains and losses		
Prior-year distribution on earnings	-914.84	
Net income for the period before accruals	3,197,582.45	1,404,197.52
Current-year interim distribution(s) on net gains and losses		
Current-year interim distribution(s) on earnings		
Other items		
ENDING NET ASSETS	**268,851,957.19**	**321,713,845.56**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

3. Additional information

3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC NATURE

	Amount	%
ASSETS		
BONDS AND EQUIVALENT SECURITIES		
TOTAL BONDS AND EQUIVALENT SECURITIES		
DEBT INSTRUMENTS		
TOTAL DEBT INSTRUMENTS		
LIABILITIES & EQUITY		
DISPOSALS OF FINANCIAL INSTRUMENTS		
TOTAL DISPOSALS OF FINANCIAL INSTRUMENTS		
OFF-BALANCE SHEET COMMITMENTS		
HEDGING TRANSACTIONS		
TOTAL HEDGING TRANSACTIONS		
OTHER TRANSACTIONS		
TOTAL OTHER TRANSACTIONS		

3.2. BREAKDOWN OF ASSETS, LIABILITIES, AND OFF-BALANCE-SHEET ITEMS BY RATE TYPE

	Fixed rate	%	Variable rate	%	Adjustable rate	%	Other	%
ASSETS								
Deposits								
Bonds and equivalent securities								
Debt instruments								
Repos and reverse repos								
Financial accounts							3,895,180.72	1.45
LIABILITIES & EQUITY								
Repos and reverse repos								
Financial accounts							72,745.25	0.03
OFF-BALANCE SHEET COMMITMENTS								
Hedging transactions								
Other transactions								

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

3.3. BREAKDOWN OF ASSETS, LIABILITIES, AND OFF-BALANCE SHEET COMMITMENTS BY RESIDUAL MATURITY(*)

	< 3 months	%	]3 months - 1 year]	%	]1 - 3 years]	%	]3 - 5 years]	%	> 5 years	%
ASSETS										
Deposits										
Bonds and equivalent securities										
Debt instruments										
Repos and reverse repos										
Financial accounts	3,895,180.72	1.45								
LIABILITIES & EQUITY										
Repos and reverse repos										
Financial accounts	72,745.25	0.03								
OFF-BALANCE SHEET COMMITMENTS										
Hedging transactions										
Other transactions										

(*) Forward-rate positions are presented according to the maturity of the underlying assets.

3.4. BREAKDOWN OF ASSETS, LIABILITIES, AND OFF-BALANCE SHEET COMMITMENTS BY LISTING CURRENCY OR VALUATION CURRENCY (EXCLUDING EURO)

	Currency 1 CHF		Currency 2 GBP		Currency 3 NOK		Currency N OTHER(S)	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Deposits								
Equities and equivalent securities	28,568,421.65	10.63	13,629,985.30	5.07	12,300,927.45	4.58	18,181,413.39	6.76
Bonds and equivalent securities								
Debt instruments								
UCI								
Repos and reverse repos								
Receivables			58,263.57	0.02				
Financial accounts					8,419.07		46,918.97	0.02
LIABILITIES & EQUITY								
Disposals of financial instruments								
Repos and reverse repos								
Payables								
Financial accounts	19,119.45	0.01	53,625.80	0.02				
OFF-BALANCE SHEET COMMITMENTS								
Hedging transactions								
Other transactions								

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Debit/credit type	30 December 2022
RECEIVABLES		
	Coupons and dividends in cash	58,263.57
TOTAL RECEIVABLES		**58,263.57**
PAYABLES		
	Fixed management fees	288,746.60
TOTAL PAYABLES		**288,746.60**
TOTAL PAYABLES AND RECEIVABLES		**-230,483.03**

3.6. EQUITY

3.6.1. Number of securities issued or redeemed

	Shares	Amount
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION AC share		
Shares subscribed during the period	323,620.18300	29,173,032.14
Shares redeemed during the period	-150,180.08400	-13,212,754.22
Net balance of subscriptions/redemptions	173,440.09900	15,960,277.92
Number of shares outstanding at year-end	1,712,332.30700	
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION AD share		
Shares subscribed during the period	620.97400	46,655.68
Shares redeemed during the period	-4,298.13000	-313,264.39
Net balance of subscriptions/redemptions	-3,677.15600	-266,608.71
Number of shares outstanding at year-end	20,803.42600	
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION BC share		
Shares subscribed during the period	6,257.257	587,205.09
Shares redeemed during the period	-6,888.820	-658,893.93
Net balance of subscriptions/redemptions	-631.563	-71,688.84
Number of shares outstanding at year-end	50,940.741	
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION IC share		
Shares subscribed during the period	664.72800	8,808,341.76
Shares redeemed during the period	-191.37300	-2,537,541.34
Net balance of subscriptions/redemptions	473.35500	6,270,800.42
Number of shares outstanding at year-end	4,844.79200	

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

	Shares	Amount
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION K C-D share		
Shares subscribed during the period		
Shares redeemed during the period		
Net balance of subscriptions/redemptions		
Number of shares outstanding at year-end	35,112.00000	
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION ZC share		
Shares subscribed during the period	4,355.283	6,288,264.81
Shares redeemed during the period	-5,867.906	-8,387,023.32
Net balance of subscriptions/redemptions	-1,512.623	-2,098,758.51
Number of shares outstanding at year-end	17,878.559	

3.6.2. Subscription and/or redemption fees

	Amount
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION AC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION AD share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION BC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION IC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	

	Amount
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION K C-D share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION ZC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	

3.7. MANAGEMENT FEES

	30 December 2022
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION AC share	
Guarantee commissions	
Fixed management fees	2,216,774.96
Percentage of fixed management fees	1.53
Retrocession of management fees	
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION AD share	
Guarantee commissions	
Fixed management fees	24,111.48
Percentage of fixed management fees	1.53
Retrocession of management fees	
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION BC share	
Guarantee commissions	
Fixed management fees	37,074.09
Percentage of fixed management fees	0.78
Retrocession of management fees	
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION IC share	
Guarantee commissions	
Fixed management fees	469,126.00
Percentage of fixed management fees	0.78
Retrocession of management fees	

3.7. MANAGEMENT FEES

	30 December 2022
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION K C-D share	
Guarantee commissions	
Fixed management fees	155,583.44
Percentage of fixed management fees	0.36
Retrocession of management fees	
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION ZC share	
Guarantee commissions	
Fixed management fees	8,616.81
Percentage of fixed management fees	0.03
Retrocession of management fees	

3.8. COMMITMENTS RECEIVED AND GIVEN

3.8.1. Guarantees received by the UCI:

None.

3.8.2. Other commitments received and/or given:

None.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

3.9. OTHER INFORMATION

3.9.1. Present value of borrowed financial instruments

	30 December 2022
Securities under a repurchase agreement	
Borrowed securities	

3.9.2. Present value of financial instruments constituting security deposits

	30 December 2022
Financial instruments given as collateral and maintained in their original line item	
Financial instruments received as collateral and not recorded on the balance sheet	

3.9.3. Financial instruments held, issued, and/or managed by the Group

	ISIN code	Name	30 December 2022
Equities			
Bonds			
Negotiable debt instruments			
UCI			
Financial futures			
Total group securities			

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

3.10. APPROPRIATION OF DISTRIBUTABLE AMOUNTS

Appropriation of the share of distributable amounts relating to earnings

	30 December 2022	31 December 2021
Amounts remaining to be appropriated		
Retained earnings	200.94	
Result	3,233,002.45	1,735,671.37
Total	**3,233,203.39**	**1,735,671.37**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION AC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	966,307.19	94,405.90
Total	**966,307.19**	**94,405.90**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION AD share		
Appropriation		
Distribution	9,569.58	979.22
Retained earnings for the period	122.96	236.48
Accumulation		
Total	**9,692.54**	**1,215.70**
Information on units with distribution rights		
Number of units	20,803.42600	24,480.58200
Distribution per unit	0.46	0.04
Tax credit		
Tax credit attached to the distribution of the result	**2,808.50**	**489.61**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION BC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	65,811.21	45,949.55
Total	**65,811.21**	**45,949.55**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION IC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	872,216.04	518,468.00
Total	**872,216.04**	**518,468.00**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION K C-D share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	791,225.86	606,598.34
Total	**791,225.86**	**606,598.34**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION ZC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	527,950.55	469,033.88
Total	**527,950.55**	**469,033.88**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

Appropriation of the share of distributable amounts relating to net gains and losses

	30 December 2022	31 December 2021
Amounts remaining to be appropriated		
Past net gains and losses not distributed		
Net gains and losses for the period	-14,014,209.23	8,965,876.55
Interim payments on net gains and losses for the period		
Total	**-14,014,209.23**	**8,965,876.55**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION AC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	-7,315,574.54	4,557,428.21
Total	**-7,315,574.54**	**4,557,428.21**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION AD share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	-71,886.00	58,671.19
Total	**-71,886.00**	**58,671.19**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION BC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	-230,964.19	115,090.11
Total	**-230,964.19**	**115,090.11**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION IC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	-3,060,946.93	1,894,582.35
Total	**-3,060,946.93**	**1,894,582.35**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION K C-D share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	-2,129,190.68	1,452,183.05
Total	**-2,129,190.68**	**1,452,183.05**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION ZC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	-1,205,646.89	887,921.64
Total	**-1,205,646.89**	**887,921.64**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

3.11. RESULTS AND OTHER CHARACTERISTIC FEATURES OF THE ENTITY DURING THE LAST FIVE FISCAL YEARS

	28 June 2019	31 December 2019	31 December 2020	31 December 2021	30 December 2022
Total net assets in EUR	**46,042,280.29**	**69,869,233.75**	**146,688,660.59**	**321,713,845.56**	**268,851,957.19**
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION AC (EUR) share					
Net assets	28,205,101.78	31,140,547.13	61,105,359.66	161,924,843.70	139,962,532.15
Number of securities	410,596.39300	407,414.40200	666,403.29200	1,538,892.20800	1,712,332.30700
Net asset value per unit	68.69	76.43	91.69	105.22	81.73
Accumulation per unit on net gains/losses	-8.51	0.92	-0.20	2.96	-4.27
Accumulation per unit on the result	0.53	-0.01	-0.09	0.06	0.56
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION AD (EUR) share					
Net assets	1,103,869.19	1,225,334.97	1,552,873.70	2,084,178.67	1,374,856.21
Number of securities	19,692.24300	19,802.30400	20,926.82500	24,480.58200	20,803.42600
Net asset value per unit	56.05	61.87	74.20	85.13	66.08
Accumulation per unit on net gains/losses	-6.94	0.88	-0.16	2.39	-3.45
Distribution per unit on the result	0.43			0.04	0.46
Tax credit per unit				0.02	(*)
Accumulation per unit on the result		-0.01	-0.08		
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION BC (EUR) share					
Net assets				5,740,161.68	4,437,409.88
Number of securities				51,572.304	50,940.741
Net asset value per unit				111.30	87.10
Accumulation per unit on net gains/losses				2.23	-4.53
Accumulation per unit on the result				0.89	1.29

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

3.11. RESULTS AND OTHER CHARACTERISTIC FEATURES OF THE ENTITY DURING THE LAST FIVE FISCAL YEARS

	28 June 2019	31 December 2019	31 December 2020	31 December 2021	30 December 2022
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION IC (EUR) share					
Net assets	9,922.81	19,151,781.72	35,971,672.87	67,798,732.94	58,810,014.43
Number of securities	1.00000	1,727.68100	2,683.22300	4,371.43700	4,844.79200
Net asset value per unit	9,922.81	11,085.25	13,406.14	15,509.48	12,138.81
Accumulation per unit on net gains/losses	-8.44	134.93	-30.50	433.40	-631.80
Accumulation per unit on the result	128.57	37.09	66.94	118.60	180.03
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION K C-D (EUR) share					
Net assets	16,723,386.51	18,351,569.93	22,287,009.45	52,170,664.80	41,005,554.65
Number of securities	17,426.00000	17,426.00000	17,426.00000	35,112.00000	35,112.00000
Net asset value per unit	959.68	1,053.11	1,278.95	1,485.83	1,167.85
Accumulation per unit on net gains/losses	-118.05	12.85	-2.91	41.35	-60.63
Distribution per unit on the result	18.50				
Tax credit per unit	1.291				
Accumulation per unit on the result		5.98	10.76	17.27	22.53
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION ZC (EUR) share					
Net assets			25,771,744.91	31,995,263.77	23,261,589.87
Number of securities			18,204.916	19,391.182	17,878.559
Net asset value per unit			1,415.64	1,649.99	1,301.08
Accumulation per unit on net gains/losses			-14.11	45.78	-67.43
Accumulation per unit on the result			15.37	24.18	29.52

(*) The tax credit per unit will not be determined until the distribution date in accordance with the applicable tax provisions.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
Equities and equivalent securities				
Equities and equivalent securities traded on a regulated or equivalent market				
GERMANY				
ALLIANZ SE-REG	in EUR	29,880	6,002,892.00	2.23
ENCAVIS AG	in EUR	251,309	4,645,446.87	1.72
MUENCHENER RUECKVERSICHERUNG AG	in EUR	27,732	8,430,528.00	3.14
TOTAL GERMANY			**19,078,866.87**	**7.09**
AUSTRIA				
VERBUND	in EUR	90,961	7,154,082.65	2.66
TOTAL AUSTRIA			**7,154,082.65**	**2.66**
BELGIUM				
D'IETEREN GROUP	in EUR	27,769	4,976,204.80	1.85
TOTAL BELGIUM			**4,976,204.80**	**1.85**
DENMARK				
VESTAS WIND SYSTEMS A/S	DKK	225,652	6,132,532.22	2.28
TOTAL DENMARK			**6,132,532.22**	**2.28**
SPAIN				
ACCIONA S.A.	in EUR	47,081	8,093,223.90	3.01
EDP RENOVAVEIS SA EUR5	in EUR	457,976	9,425,146.08	3.51
GRENERGY RENOVABLES SA	in EUR	66,237	1,836,089.64	0.68
TOTAL SPAIN			**19,354,459.62**	**7.20**
FINLAND				
STORA ENSO AB EX ENSO OYJ	in EUR	222,322	2,923,534.30	1.09
UPM-KYMMENE OY	in EUR	159,059	5,555,930.87	2.07
TOTAL FINLAND			**8,479,465.17**	**3.16**
France				
AIR LIQUIDE	in EUR	70,157	9,288,786.80	3.46
ALSTOM	in EUR	132,515	3,023,992.30	1.13
BOUYGUES	in EUR	143,097	4,012,439.88	1.49
CAPGEMINI SE	in EUR	23,589	3,678,704.55	1.37
CARREFOUR	in EUR	332,925	5,206,947.00	1.93
DASSAULT SYST.	in EUR	168,286	5,636,739.57	2.09
GETLINK SE	in EUR	320,406	4,798,079.85	1.78
MERSEN	in EUR	74,999	2,831,212.25	1.06
MICHELIN (CGDE)	in EUR	104,896	2,725,722.56	1.02
REXEL	in EUR	141,718	2,613,279.92	0.97
SAINT-GOBAIN	in EUR	198,458	9,059,607.70	3.36
SCHNEIDER ELECTRIC SA	in EUR	59,588	7,789,343.36	2.90
SPIE SA	in EUR	259,565	6,323,003.40	2.35
VALEO SA	in EUR	150,000	2,505,000.00	0.93
VEOLIA ENVIRONNEMENT	in EUR	196,038	4,704,912.00	1.75
TOTAL FRANCE			**74,197,771.14**	**27.59**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

03.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
IRELAND				
KINGSPAN GROUP	in EUR	95,345	4,822,550.10	1.80
TOTAL IRELAND			**4,822,550.10**	**1.80**
ITALY				
PRYSMIAN SPA	in EUR	255,078	8,841,003.48	3.29
TOTAL ITALY			**8,841,003.48**	**3.29**
LUXEMBOURG				
APERAM	in EUR	109,497	3,229,066.53	1.20
EUROFINS SCIENTIFIC	in EUR	89,803	6,022,189.18	2.24
TOTAL LUXEMBOURG			**9,251,255.71**	**3.44**
NORWAY				
NORSK HYDRO ASA	NOK	1,224,271	8,537,932.16	3.18
SCATEC SOLAR	NOK	78,779	588,959.85	0.21
TOMRA SYSTEMS ASA	NOK	201,511	3,174,035.44	1.18
TOTAL NORWAY			**12,300,927.45**	**4.57**
NETHERLANDS				
ALFEN BEHEER BV	in EUR	46,981	3,955,800.20	1.47
ARCADIS	in EUR	123,497	4,532,339.90	1.69
ASML HOLDING NV	in EUR	8,570	4,317,566.00	1.61
KONINKLIJKE DSM	in EUR	22,088	2,524,658.40	0.94
KONINKLIJKE KPN NV	in EUR	2,213,732	6,397,685.48	2.38
SIGNIFY NV	in EUR	231,964	7,279,030.32	2.70
TOTAL NETHERLANDS			**29,007,080.30**	**10.79**
UNITED KINGDOM				
AVIVA PLC-B SHARE	GBP	600,911	2,998,967.50	1.12
CRODA INTERNATIONAL PLC	GBP	35,755	2,661,324.54	0.99
GENUIT GROUP PLC	GBP	532,561	1,686,668.26	0.63
TAYLOR WIMPEY	GBP	2,160,600	2,475,345.05	0.92
UNITED UTILITIES GROUP	GBP	340,767	3,807,679.95	1.41
TOTAL UNITED KINGDOM			**13,629,985.30**	**5.07**
SWEDEN				
BRAVIDA HOLDING AB	SEK	388,402	3,890,918.17	1.46
NIBE INDUSTRIER AB-B SHS	SEK	934,280	8,157,963.00	3.03
TOTAL SWEDEN			**12,048,881.17**	**4.49**
SWITZERLAND				
ABB LTD	CHF	199,866	5,679,517.91	2.11
BELIMO HOLDING AG-REG	CHF	13,234	5,896,966.94	2.19
BUCHER INDUSTRIES NOM	CHF	9,956	3,899,924.86	1.45
FISCHER (GEORG)-REG	CHF	65,843	3,774,078.48	1.40
SIKA AG-REG	CHF	41,502	9,317,933.46	3.47
STMICROELECTRONICS NV	in EUR	224,777	7,416,517.12	2.76
TOTAL SWITZERLAND			**35,984,938.77**	**13.38**
TOTAL Equities and equivalent securities traded on a regulated or equivalent market			**265,260,004.75**	**98.66**
TOTAL Equities and equivalent securities			**265,260,004.75**	**98.66**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

03.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
Receivables			58,263.57	0.03
Payables			-288,746.60	-0.11
Financial accounts			3,822,435.47	1.42
Net assets			268,851,957.19	100.00

HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION AD share	in EUR	20,803.42600	66.08	
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION K C-D share	in EUR	35,112.00000	1,167.85	
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION IC share	in EUR	4,844.79200	12,138.81	
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION BC share	in EUR	50,940.741	87.10	
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION ZC share	in EUR	17,878.559	1,301.08	
HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION AC share	in EUR	1,712,332.30700	81.73	

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION

ADDITIONAL INFORMATION ABOUT THE TAX REGIME APPLICABLE TO THE COUPON

Breakdown of the coupon: HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION AD share

	OVERALL NET	CURRENCY	NET PER UNIT	CURRENCY
Income subject to a mandatory, non-final withholding tax				
Shares with tax allowance rights and subject to a mandatory, non-final withholding tax	9,569.58	in EUR	0.46	in EUR
Other income with no tax allowance rights and subject to a mandatory, non-final withholding tax				
Non-declarable, non-taxable income				
Distributed amounts on capital gains and losses				
Total	9,569.58	in EUR	0.46	in EUR

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: HSBC RESPONSIBLE INVESTMENT FUNDS - EUROPE EQUITY GREEN TRANSITION
Legal entity identifier: 969500QU9FT2NQ5RSU22
Reporting date: 31 December 2022

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective are not necessarily aligned with the taxonomy.

Sustainable investment objective of the subfund

Did this financial product have a sustainable investment objective?

☒ **Yes**	☐ **No**
☒ It made **sustainable investments with an environmental objective:** 98.7%	☐ **It promoted Environmental/Social (E/S) characteristics**, and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made a minimum of **sustainable investments with a social objective**: _%	☐ It promoted E/S characteristics but **did not make any sustainable investments**.

To what extent was the sustainable investment objective of this financial product met?

The subfund invests in shares issued by European companies that provide the solutions necessary for the decarbonisation of players in the green transition. Portfolio companies are selected for their good environmental, social, and governance practices and their financial quality. Therefore, the fund contributes to the environmental objectives set out in Article 9 of the Taxonomy Regulation and, in particular, to the objectives of climate change mitigation and adaptation.
In addition, the subfund will:
- Exclude issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or at least two alleged violations) and the OECD Guidelines for Multinational Enterprises.
- Exclude shares of companies involved in the production of controversial weapons or their components. Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons, and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties.

- Exclude shares of companies in the Defence sector.
- Exclude shares of companies primarily involved in the exploration, production, and exploitation of fossil fuels.
- Exclude shares of companies engaged in thermal coal activities. Companies with more than 5% revenue generated from coal-fired power generation are partially excluded. Mining companies are completely excluded.
- Exclude shares of companies in the nuclear sector.
- Exclude shares of companies involved in tobacco production.
- Carefully consider environmental issues through voting and engagement activities.

The subfund is actively managed and does not track a benchmark. The indicator used by the subfund to measure performance is the MSCI Europe GDP weighted. However, it has not been designated to determine whether the subfund attains the sustainable investment objective.

How did the sustainability indicators perform?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

One of the indicators used to monitor and measure the portfolio's environmental performance is the "avoided emissions" indicator. Avoided emissions correspond to future emissions of green technology compared with conventional technology that the subfund would replace during its life cycle. The subfund aims to have more avoided emissions than those of the MSCI Europe GDP weighted, the indicator used for information purposes to assess its performance.

31/12/2022	Carbon emissions avoided (Scope 1+2)*	Coverage rate
Subfund	-256.82	95%
Benchmark	-111.28	85%

* Expressed in tonnes of CO2/$M of revenue, taking scope 1 & 2 emissions into account.

The fund has a higher avoided carbon intensity (scope 1 and 2) than the benchmark. Climate change mitigation solutions aim to limit or reduce the production of greenhouse gas emissions, which on average translates into significant avoided CO2 intensity for the investee companies and at the aggregate level of our portfolio.
The subfund takes the following principal adverse impacts into consideration:
•Exposure to companies active in the fossil fuel sector, - Shares of companies primarily involved in the exploration, production, and exploitation of fossil fuels.
•Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises, Exclusions.
•Exposure to controversial weapons. Exclusions.
•Greenhouse gas intensity of companies:

31/12/2022	Carbon intensity (Level 1+2)*
Subfund	126.81
Benchmark	149.69

* Expressed in tonnes of CO2/$M of revenue, taking scope 1 & 2 emissions into account.

The fund's scope 1 & 2 carbon intensity is below that of its benchmark. The strategy does not aim to produce a portfolio-wide carbon intensity below the benchmark. Overexposure to carbon-intensive sectors such as industrial and material stocks and structural underexposure to low-carbon sectors such as healthcare and financial stocks tend to generate a higher carbon footprint than the benchmark. This effect is corrected in part by

our stock-picking process, which tends to favour players who best understand the energy transition and energy efficiency issues, which can result in a carbon intensity below the average within a sector.

...and compared to previous periods?

Not applicable

How did the sustainable investments not cause significant harm to any sustainable investment objective?

The principle of "do no significant harm" to environmental or social objectives applies only to the underlying sustainable investments of the subfund. This principle is incorporated into the investment decision-making process, which includes consideration of principal adverse impacts.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

How were the indicators for adverse impacts on sustainability factors taken into account?

HSBC Asset Management's "do no significant harm" (DNSH) assessment of issuers as part of its sustainable investment process includes consideration of principal adverse impacts (PAI). All the PAIs included in table 1 of Annex 1 of Commission Delegated Regulation (EU) 2022/1288 were thus examined and integrated into the investment process according to an approach that combines exclusions (sectoral, the most severe ESG controversies, norms-based exclusions, etc.) with voting and shareholder engagement activities to instil and maintain a positive change dynamic within companies.

During the past financial year, the following were thus excluded from the subfund's eligible universe:

- issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or at least two alleged violations) and the OECD Guidelines for Multinational Enterprises.
- shares of companies involved in the production of controversial weapons or their components. Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons, and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties. The examination of the other PAIs was conducted with proxies. For example, to address all PAIs related to greenhouse gas emissions, we have used our coal policy as an exclusion filter. Companies with more than 5% revenue generated from coal-fired power generation are partially excluded. Mining companies are completely excluded.

Furthermore, the 'do no significant harm' (DNSH) test of issuers described above was supplemented by the application of an exclusion policy (with a 0% threshold for tobacco) and the exclusion of issuers for which the level of controversy provided by Sustainalytics was very severe (equal to 3).

In our view, the setting of exclusion thresholds (e.g. GHG emissions) for each PAI is not always relevant and could compromise the fact that many sectors and companies are in a transition strategy. Lastly, the subfund takes into consideration the principal adverse impacts in its engagement approach, which incorporates several levers for action including 1) direct dialogue with companies about their consideration of environmental and social issues to ensure that they are able to face the future and maintain long-term financial viability, 2) the exercising of voting rights by which we express our support for positive development initiatives or, conversely, our disagreement when directors do not meet our expectations, and 3) a gradual escalation procedure with companies when the ESG risks or controversies to which they are exposed are not managed.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Yes, sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Pre-trade and post-trade monitoring ensures that issuers in violation of one or more of the 10 Principles of the United Nations Global Compact (or with at least two alleged violations) and the OECD Guidelines for Multinational Enterprises are systematically excluded.

How did this financial product consider principal adverse impacts on sustainability factors?

	Impact 31 December 2022	Comment
Greenhouse gas intensity of investee companies*	126.8	The fund's scope 1 & 2 carbon intensity is below that of its benchmark. The strategy does not aim to produce a portfolio-wide carbon intensity below the benchmark. Overexposure to carbon-intensive sectors such as industrial and material stocks and structural underexposure to low-carbon sectors such as healthcare and financial stocks tend to generate a higher carbon footprint than the benchmark. This effect is corrected in part by our stock-picking process, which tends to favour players who best understand the energy transition and energy efficiency issues, which can result in a carbon intensity below the average within a sector.
Exposure to companies active in the fossil fuel sector	0%	Pre-trade monitoring ensures the exclusion of companies whose core business is fossil fuel exploration, production, and exploitation. We have chosen to exclude the following companies in particular: Companies with more than 5% revenue generated from coal-fired power generation are partially excluded. Mining companies are completely excluded. With regard to exploitation, companies with 5% of their revenue generated from oil and gas exploitation are excluded. -Involved in unconventional fossil fuel exploitation (oil sands, oil shale, and Arctic oil and gas exploitation for more than 5% of their turnover). This check is performed over the entire fossil fuel value chain: exploration, supply, transport, distribution, and storage. A post-trade check is also in place to ensure that existing positions in these issuers are sold as soon as possible.
Exclusion of issuers in violation of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises.	0%	Exclusion of issuers in violation of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises.
Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	Application of the exclusion policy

What were the top investments of this financial product?

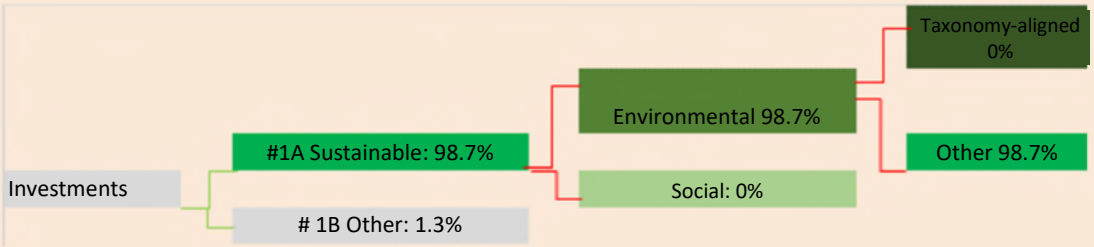
The list includes the investments constituting the **largest share of investments of** the financial product as at 31 December 2022

Largest investments	Sector	% Assets	Country
EDP RENOVAVEIS SA	Utilities	3.51%	Spain
SIKA AG-REG	Materials	3.47%	Switzerland
AIR LIQUIDE SA	Materials	3.46%	France
COMPAGNIE DE SAINT GOBAIN	Industry	3.37%	France
PRYSMIAN SPA	Industry	3.29%	Italy
NORSK HYDRO ASA	Materials	3.18%	Norway
MUENCHENER RUECKVER AG-REG	Finance	3.14%	Germany
NIBE INDUSTRIER AB-B SHS	Industry	3.04%	Sweden
ACCIONA S.A.	Utilities	3.01%	Spain
SCHNEIDER ELECTRIC SE	Industry	2.90%	France
STMICROELECTRONICS NV	Information technology	2.76%	Switzerland
SIGNIFY NV	Industry	2.71%	Netherlands
VERBUND AG	Utilities	2.66%	Austria
KONINKLIJKE KPN NV	Telecommunications services	2.38%	Netherlands
SPIE SA	Industry	2.35%	France

What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?



Category **#1 "Sustainable"** covers sustainable investments with environmental or social objectives.

Category **#2 "Other"** includes investments that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Sector	% Assets
Utilities	14.98%
Materials	16.38%
Industry	41.73%
Finance	6.49%
Information technology	7.83%
Telecommunications services	2.38%
Health	2.24%
Consumer staples	1.94%
Consumer discretionary	4.72%
Other	1.31%
Total	100.00%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU taxonomy, the criteria for **fossil gas** include emission limits and switching to fully renewable or low-carbon fuels by the end of 2035. With regard to **nuclear energy,** the criteria include comprehensive rules on nuclear safety and waste management.

The subfund does not commit to a minimum proportion of sustainable investments with an environmental objective aligned with the European Union's taxonomy. However, when assessing issuers, the subfund manager takes into consideration two environmental indicators: the "Greenhouse Gas Intensity" indicator and the "Exposure to companies active in the fossil fuel sector" indicator. The subfund's consideration of these indicators stems from, in particular, the application of our coal phase-out policy as well as sectoral exclusions set out by the label guidelines. In addition, the manager favours companies with low CO2 emissions or companies working to reduce their carbon intensity.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

☐ ***Yes:***

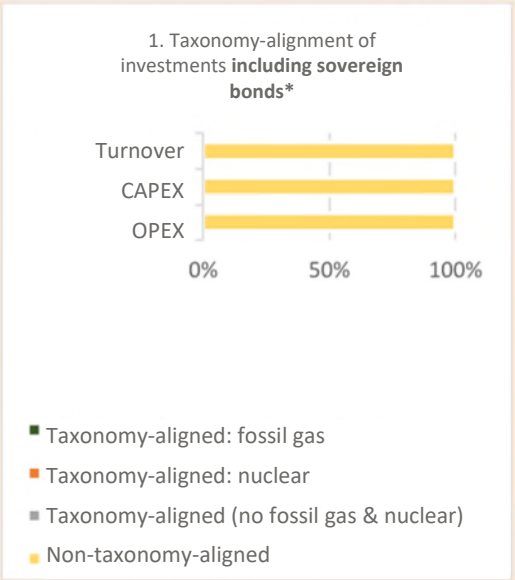
☐ ***In fossil gas*** ☐ ***In nuclear energy***

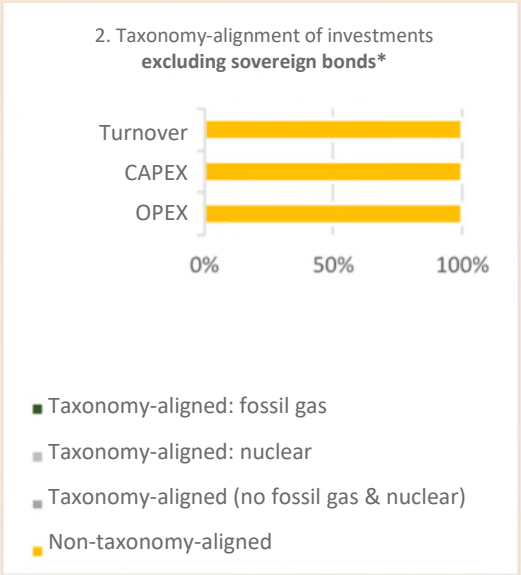
☒ ***No***

[1] Fossil gas and/or nuclear activities will be consistent with the EU taxonomy only if they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any of the objectives of the EU taxonomy – see the explanatory note in the left margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies;
- **capital expenditure** (CAPEX) showing the green investments made by investee companies, e.g. for a transition to a green economy;
- **operational expenditure** (OPEX) reflecting green operational activities of investee companies.

The two graphs below show, in green, the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.

The share of EU taxonomy-aligned investments was 0% as at 31 December 2022.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The symbol denotes sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of investments made in transitional and enabling activities?

This is not applicable as the subfund does not have a specific minimum share of transitional and enabling activities as defined by the Taxonomy Regulation.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

This does not apply to the subfund, as the share of sustainable investments with an EU Taxonomy-aligned environmental objective was 0% as at 31/12/2022.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The subfund's minimum share of sustainable investments with an environmental objective not aligned with the taxonomy is 100%. However, when assessing issuers, the subfund manager takes into consideration two environmental indicators: the "Greenhouse Gas Intensity" indicator and the "Exposure to companies active in the fossil fuel sector" indicator. The subfund's consideration of these indicators stems from, in particular, the application of our coal phase-out policy as well as sectoral exclusions set out by the label guidelines. In addition, the manager favours companies with low CO2 emissions or companies working to reduce their carbon intensity.

What was the share of socially sustainable investments?

The subfund does not commit to having a minimum share of socially sustainable investments. However, when assessing issuers, the subfund manager does look at the social characteristics, respect for human rights and employee rights, management conduct, and corporate social responsibility of the companies.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The "other" category consists of cash.

What actions have been taken to attain the sustainable investment objective during the reference period?

The portfolio is composed in such a way that all the equities in the portfolio contribute to the sustainable objective of the strategy. Management measures have been taken in line with the sustainable investment objective.

How did this financial product perform compared to the reference sustainable benchmark?

The subfund is actively managed and does not track a benchmark. There is no benchmark representative of our management philosophy and therefore of our investment universe or an index designated to determine whether the subfund is aligned with the environmental or social characteristics it promotes. The information expected in this section is therefore not applicable to this product.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective that it promotes.

- ***How did the reference benchmark differ from a broad market index?***

  Not applicable

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

  Not applicable

- ***How did this financial product perform compared with the reference benchmark?***

  Not applicable

- ***How did this financial product perform compared with the broad market index?***

  Not applicable

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

Subfund:

HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

Activity report

Management policy

Market performance

The rise in the equity markets that began in October was interrupted in mid-December with key rate hikes by central banks. In addition, news from China on the management of the COVID crisis brought volatility in an uncertain economic environment.
The main central banks in turn raised their key rates by 50 basis points in the middle of the month. The most significant event was initiated by the Bank of Japan (BoJ), which unexpectedly expanded the range of 10-year yield fluctuation, signifying a restrictive shift in its monetary policy.
The economic environment was marked by inflation. Although it has generally fallen from its highs, it is nevertheless perceived by the markets as lasting. This inflation with multiple origins is fuelled by rising commodity prices, strong demand, and, to a lesser extent, supply difficulties faced by companies.
Activity in OECD countries was resilient, as indicated by the various indicators from the purchasing managers' surveys. Above all, unemployment rates remain historically low in most economies. In the main countries, the labour market is unbalanced, with a lack of work in some sectors.
Generally speaking, companies have adapted to the various exogenous shocks and the uncertain geopolitical environment. The results reported during the fourth quarter indicate the strength of order books and their high profitability level.
The risk of stagflation (a period of low or zero growth with inflation) could materialise this winter in Europe.
While an end-of-year rally had begun, central bank decisions created a breaking point leading to a correction in December. Over the month, the MSCI World index dropped 4.25%. US markets fell 5.92%. Emerging markets and Japan were less impacted with a performance of -1.41% and +0.27%, respectively. In Europe, the Eurostoxx 50 index decreased -4.27%.
The Eurostoxx index of growth stocks fell -5.58%, while the index containing low-value stocks decreased relatively little to -2.11%. By sector, technology, banks, and consumer durables fell the most. The energy sector also declined in line with the drop in energy prices.
While small- and mid-caps in Europe underperformed large caps during the year because of their vulnerability to the economic cycle and their level of liquidity, they narrowed their gap during December. They thus decreased -1.6% and -1.8%, respectively, compared with -4.0% for large caps.
The highlight on the commodities market was the -35.43% drop in gas prices. This decline is associated with favourable weather conditions and the decline in market tensions, with lower demand. Other commodities continued to rise, such as cotton (+7.08%) and nickel (+11.24%), which experienced an increase in extraction or operating costs and strong demand.
The foreign exchange market saw the euro continue to appreciate against the US dollar (+2.87%) and overall against other European currencies with the normalisation of ECB rates and reduced tensions on peripheral countries. On the 10-year government bond market, yields rose, particularly in the United States, whose government bond yield ended the year at 3.9%.

In Europe, the trends were similar, with the yield on the German government bond (Bund), which ended the year at 2.6%, and the yield on the French government bond (OAT) at 3.2%. These interest rate movements are mainly explained by the rise in central bank rates and the reduction in liquidity in the markets.

Performance

HRIF - SRI Global Equity (Equity) posted a decline of -15.25%. The subfund underperformed the MSCI World index, net dividends reinvested, in euros. However, the subfund managed to outperform the MSCI World SRI index thanks to its active management in stock picking.
In terms of sector allocation, the subfund benefited from its underexposure to the media and automotive industries, both of which underperformed significantly over the year. The subfund also benefited from its overexposures to insurance, industry, and health and beauty products.
These gains in terms of allocation were partially offset by negative contributions from the subfund's underexposure to energy, as well as the subfund's overexposure to semiconductors.
With regard to stock picking, the subfund benefited from certain underexposures associated with its management policy in terms of exclusion and search for best-in-class stocks, namely Amazon, Meta, Tesla, Alphabet, and Apple, which suffered from unfavourable arbitrage on growth stocks in an environment of rising rates, which tends to favour yield stocks.
The subfund also benefited from its active positions in Baker Hugues, Cigna, PepsiCo, Novo Nordisk, and Cummins, positions resulting from the subfund's SRI management policy.

Outlook

Macroeconomic variables and exogenous events, such as geopolitical tensions and China's management of the COVID-19 pandemic, are expected to continue to structure and dominate financial market trends.
Signs of a slowdown in growth or even a decline in developed countries are noticeable. In this unfavourable environment, Europe remains vulnerable to the various shocks. The support factors relate mainly to accumulated savings and state aid. However, European sovereign debt levels should limit their interventions.
Inflation is becoming persistent. While reducing liquidity on the markets, central banks continue to raise key rates and expect them to normalise in the medium term. This normalisation will depend on the second-round effects, i.e. inflation passed on to wages and services and thus the stabilisation of the inflation rate at a level that they consider reasonable.
Corporate profitability, at its highest level, is expected to be faced with rising commodity prices and wages. The ability of companies to absorb these costs and pass them on in their sale prices will be monitored. Companies will also have to take into account credit restrictions while the need to finance investments relating to the energy transition is high.
Lastly, the valuation levels reached on the markets call for caution: European equities have returned to historical average valuation levels, and US equities have a valuation level above the historical average.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

Performance

At the close of the year, the subfund's performance was -15.25% for the AC share, -14.61% for the BC and IC shares, -14.29% for the JC share, and -13.97% for the ZC share. The IT share is inactive.

For the sake of comparison, the performance of the benchmark "for information" was -12.88%.

Past performance is not an indicator of the future results of the SICAV subfund.

Incidents affecting the subfund during the fiscal year and forthcoming

- **10 February 2022**

Annual update of 2021 performance in each KIID.

- **06 May 2022**

Update of the prospectus with a warning regarding the ban on Russian or Belarusian nationals from subscribing for shares of the SICAV, which includes any natural person residing in Russia or Belarus or any legal person, entity, or body established in Russia or Belarus except for nationals of a Member State of the European Union (EU) and natural persons holding a temporary or permanent residence permit in a Member State of the European Union (EU).

On that occasion, the new address of CACEIS Bank and CACEIS FA was added to the prospectus, with effect from 1 June 2022.

- **30 December 2022**

The prospectus was brought into line with the EU Sustainable Finance Regulation:

• Addition of an explanatory text on how the main adverse environmental, social, or governance impacts of the subfund's investments are taken into account.

• An appendix detailing how the promoted environmental and/or social characteristics are implemented has been included in the SICAV's prospectus.

• In furtherance of the incorporation in the prospectus of the European criteria for environmentally sustainable economic activities provided for in European Regulation 2020/852 of 18 June 2020 ("Taxonomy Regulation"), the explanatory text introduced on 1 January 2022 was supplemented by four other environmental objectives defined by the Taxonomy Regulation: the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

➢ **1 January 2023**

The Fund's KIIDs (Key Investor Information Documents) were replaced by the KIDs (Key Information Documents) pursuant to Regulation (EU) No 1286/2014 of 26 November 2014 ("PRIIPs Regulation").

➢ **10 March 2023**

Correction of the wording of the paragraph entitled "Rules for valuation and recognition of assets of the SICAV" in the prospectus

Following an inconsistency raised by Ernst & Young et Autres, the subfund's statutory auditor, on the coupon calculation method mentioned in the prospectus since 30 September 2019 and that applied by CACEIS Fund Administration since its creation on 12 July 2019.
The management company has corrected the prospectus to reflect the reality of the accounting method applicable to the subfund.

An ad hoc report issued by Ernst & Young et Autres has been appended to the annual report.

Information on Environmental, Social, and Governance (ESG) criteria

In accordance with Article L.533-22-1 of the French Monetary and Financial Code, the policy on considering environmental, social, and governance quality (ESG) criteria in the investment strategy is available on the management company's website at www.assetmanagement.hsbc.fr.

Further information on the inclusion of ESG criteria in the investment policy over the fiscal year

Information on SRI criteria

The HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY subfund simultaneously addresses environmental, social, and governance criteria in its management.

The HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY subfund has adopted the AFG/FIR/Eurosif transparency code for SRI UCIs open to the public. This transparency code fully describes how environmental, social, and governance criteria are reflected in the investment policy of the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY TRANSITION subfund. This code is available on the management company's website at the following address:

www.assetmanagement.hsbc.fr/-/media/files/attachments/france/common/code-de-transparence-hsbc-rif.pdf

All information and historical data on the financial performance of the HSBC Asset Management range of SRI UCIs are available on the management company's information website:

www.assetmanagement.hsbc.fr/fr/retail-investors/fund-centre.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

SRI philosophy:

www.assetmanagement.hsbc.fr/fr/retail-**investor**/investment-expertise/sustainable-investments

The approach taken by HSBC Asset Management is to offer investors in SRI UCIs the prospect of performance in line with that of comparable conventional UCIs, while at the same time incorporating Environmental, Social/Societal, and Governance (ESG) factors, the pillars of Sustainable Development. **In our view, it is possible to reconcile our clients' individual interest of seeking performance with the collective interest of consideration of Sustainable Development issues.**

In practical terms, we believe that ESG factors can influence a company's business activity and a country's long-term policy and, as a result, the profitability of financial assets. We feel that the SRI UCI offering must be transparent and capable of reflecting our clients' expectations. Our objective is therefore to construct a disciplined, pragmatic offering for them, enhanced by our experience, gained over more than 16 years, and based on our management expertise. Complete financial data histories are available on request from the management company's head office:

HSBC Global Asset Management (France)
Cœur Défense – 110, esplanade du Général de Gaulle – La Défense 4 – 92400 Courbevoie
@: hsbc.client.services-am@hsbc.fr

Description of the main criteria for these environmental, social, and governance (ESG) objectives

What ESG criteria are taken into account?
The portfolio's ESG analysis is made possible primarily through an analysis of ESG scores from MSCI, to which we apply an internal weighting for each E, S, and G pillar by sector.

Examples of ESG factors considered in investment decisions.

Environmental

- **Carbon emissions**
- **Depletion of resources**
- **Water scarcity**
- **Waste/pollution management**
- **Deforestation**

Social

- **Employment standards and practices**
- **Supply chain integrity**
- **Health and safety**
- **Human capital management**

Governance

- **Structure of the board of directors**
- **Independence of the board of directors**
- **Risk management**
- **Audit and controls**

Source: HSBC Asset Management. For illustration purposes only.

Within each pillar, the MSCI research is based on a selection of more than 35 sub-criteria identified below. In bold are the sub-criteria common to the 30 HSBC sectors that map the specific characteristics of each industry.

- Environment pillar: 14 criteria including 3 criteria common to all sectors: Carbon emissions - Energy efficiency - Product carbon footprint - Climate change risks - Water stress - Biodiversity and land use - Origin of raw materials - Assessment of the environmental impact

of financing - Toxic emissions and waste - Packaging material and waste - Electronic waste - Opportunities in clean technologies - Opportunities in green construction - Opportunities in renewable energy

- Social pillar: 15 criteria including 2 criteria common to all sectors: Development of human capital - Social dialogue - Health and safety - Compliance with employment standards in the supply chain - Contentious procurement - Product safety and Quality - Chemical safety - Security of financial products - Privacy and information security - Health insurance and Demographic risk - Responsible investment - Access to k communication - Access to financing - Access to medical services - Opportunities in nutrition and health
- Governance pillar: 5 criteria including 3 criteria common to all sectors: Corruption and instability - Ethics and fraud - Anti-competitive practices - Financial manipulation and misappropriation - Corporate governance

More specifically, in the sphere of Corporate Governance, the Governance pillar monitors opacity and lack of transparency in financial practices, directors' independence, the existence of key committees, directors' qualifications and experience, executive remuneration, the ownership structure and voting rights, the existence of anti-takeover measures, obstacles to voting, and shareholders' right to take collective action.

Issuer analysis and ESG assessment methodology (construction, rating scale, etc.)

Beyond internal research, we have chosen to rely on various and complementary external research and provide it to all our managers and analysts.

The objective is to hedge all securities that we manage through an ESG analysis.

- S&P Trucost: provides analyses and data on carbon, water, waste, and natural resources with tracking of more than 6,200 issuers;
- Carbon4 Finance: tracks 15,000 issuers worldwide; provides data to measure "greenhouse gas emissions saved" through a more in-depth analysis of the climate trajectory of companies;
- MSCI ESG Research: covers the MSCI ACWI (All Countries World Index) with around 9,100 companies;
- ISS Ethix: banned and controversial weapons - tracking of 6,000 issuers; lists of securities identified as being involved in anti-personnel mines and cluster munitions). These exclusion lists are the subject of a highly formal distribution and a pre-trade and post-trade check set up and overseen by the Risk and Compliance departments.
- ISS ESG (formerly Oekom): rating of the world's top 54 issuing countries and non-listed issuers;
- FTSE Green Revenues: FTSE Russell's green revenues methodology comprehensively evaluates all companies whose revenues are exposed to green activities defined by the Green Revenue Classification System (GRCS), which is a taxonomy used to define and measure the industrial transition to a green economy.
- RepRisks: tracks 40,700 companies and provides a dynamic ESG and reputational risk assessment based on nearly 80,000 public sources and stakeholders, in 20 languages, with more than 500,000 incidents analysed each day;
- Sustainalytics: 23,000 companies are monitored against the 10 principles of the Global Compact. The UN Global Compact compliance research framework is based on international conventions and treaties and underpins these principles, including international ESG standards, such as those of the OECD, the Guidelines for Multinational Enterprises, International Labour Organisation conventions, Universal Declarations of Human Rights, Equator Principles, and sector-specific initiatives such as the International Council on Mining and Metals

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

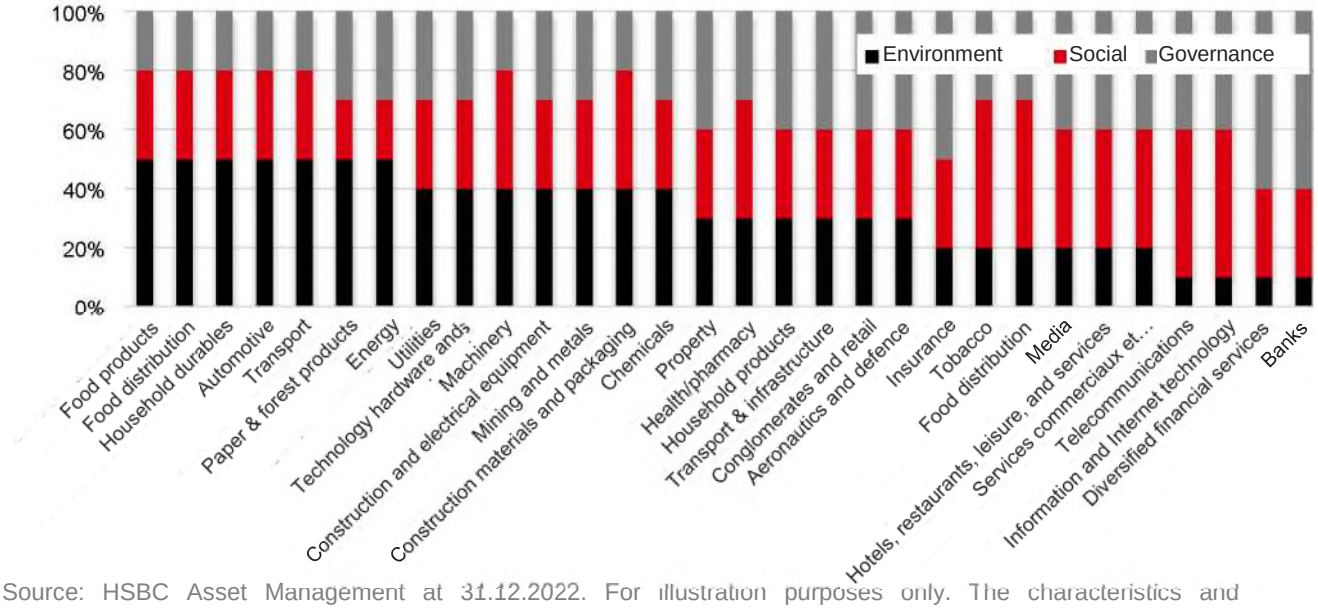
All types of investment thus incorporate the ESG aspect, which contributes to the overall analysis. ESG criteria are incorporated into the analysis and stock-picking processes in all the active management portfolios. As of the 31 May 2021, more than 18,000 securities worldwide had undergone an ESG analysis accessible to all analysts and managers of the HSBC Group.

- Each security is linked to one of the 30 “house” sectors grouping consistent sets from the perspective of ESG issues and similarities presented by the economic models. Then, for each sector, we determined a weighting of the E, S, and G pillars reflecting the industrial reality of each sector. This approach is the result of extensive joint studies by the credit and equity analyst teams under the coordination of the Global Head of ESG Research.
- As shown in the diagram below, the contribution of E, S, and G pillars to the overall ESG score can vary significantly by sector. While the Environment is the most weighted parameter – the one with the greatest potential financial impact – in sectors such as Food and Automotive, it is clearly outweighed by Governance in the Banking sector.
- The companies are then classified as Low, Medium, and High Risk. Securities identified as High Risk undergo a thorough analysis. These are companies that have violated one or more of the ten principles of the United Nations Global Compact and/or are not aligned with the Financial Crime Compliance (FCC) standards or are ranked in the bottom 5 per cent of their benchmark universe according to our ESG analysis. This phase of heightened vigilance allows us to put financial attractiveness and ESG risks in perspective and to determine whether these securities have been properly valued. At the end of the analysis, if the company is qualified to remain in the portfolio, it is monitored, and a dialogue is initiated with the company’s management. This special monitoring ends once all the indicators lead to a “Low Risk” classification. In SRI funds, securities identified as “High Risk” are excluded from the investment universe

ESG rating: methodology

- The ESG ratings provided by MSCI are used to calculate ESG scores for each security/each issuer. Among the results of these ratings is the production of an SRI investment universe for each of the subfunds of the HSBC RIF SICAV.
- We then assign an E (Environment) rating, an S (Social) rating, and a G (Governance) rating and an overall ESG score of the portfolio. The rating scale ranges from 0 to 10, with 10 being the best score. Each of the E, S, and G pillars is assigned a specific weighting in each of the 30 business sectors using our internal rating process, and the overall rating is calculated on this basis.
- Weight of the E, S, and G pillars for each of the 30 sectors of the ESG segmentation.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY



Source: HSBC Asset Management at 31.12.2022. For illustration purposes only. The characteristics and measurements are provided for illustration purposes only and may be modified to take market changes into account.

- The portfolio's ESG score is the average of the ESG ratings weighted by the proportion of each security in the portfolio.
- Sovereign and supranational issues have only two equally weighted pillars: E and S. The S rating incorporates the issues covered in the G pillar.
- Securities classified as "High Risk" are subject to Enhanced Due Diligence (EDD) review and monitoring.

In SRI funds, securities identified as "High Risk" are excluded from the investment universe.

Step 1: ESG analysis and definition of the investment universe

- Investment universe

Name of the subfund	Benchmark for information	Initial investment universe
HSBC RIF – SRI GLOBAL EQUITY	MSCI World	Approximately 1,651 stocks of international developed markets

Source: HSBC Asset Management at 31.12.2022. For illustration purposes only. The characteristics and measurements are provided for illustration purposes only and may be modified to take market changes into account.

These initial universes can be enriched by adding companies or stocks that are not part of the market indexes mentioned above. These additions are made at the discretion of the managers and analysts.

- The SRI universe of subfunds includes companies in the top two quartiles in each sector as well as stocks selected from the third quartile for up to a maximum of 15% of net assets. Stocks in the bottom quartile are excluded.

◆ In addition, the subfund will:

- Exclude issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or with at least two alleged violations) and the OECD Guidelines for Multinational Enterprises,
- Exclude shares of companies involved in the production of controversial weapons or their components. Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons, and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties.
- Exclude shares of companies in the Defence sector.
- Exclude shares of companies engaged in thermal coal activities. With regard to electricity generation, companies deriving more than 10% of their turnover from electricity generated using thermal coal are partially excluded. Mining companies are completely excluded.
- Exclude shares of companies involved in tobacco production.

Across all the subfunds, our SRI selection methodology introduces selectivity leading to the exclusion of 25% of companies in the same sector.

Step 2: financial process

Steps in the financial process	
Investment process	Ranking in the universe and optimisation of ESG scores: Quantitative factor approach, seeking companies with a high ESG score, good diversification, and an appropriate relative risk level.
Portfolio construction and optimisation	A score is assigned to each eligible security in the SRI universe. The portfolio is then constructed by overweighting the highest-scoring stocks and avoiding excessive concentration in any one sector, country, or region. Benchmark risks due to “management style”, “sector”, “country”, and “size” factors are minimized.
Risk monitoring	Risk monitoring is an integral part of our investment process. The main aim is to monitor and manage regulatory, internal, and fund-specific risks. Risks are managed by experienced professionals, according to stringent control and due diligence procedures and using appropriate tools.

Source: HSBC Asset Management. For illustration purposes only. Overview of the general investment process, which may differ depending on the product or market conditions.

The minimum non-financial analysis rate of 90% is applied to the subfund’s eligible assets.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

Description of the incorporation of environmental, social, and governance criteria analysis results into the investment and disinvestment process. If applicable, description of how stocks not assessed on these criteria are taken into account.

As a reminder, there are two major consecutive, independent steps in our investment process for the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY subfund, as detailed in the paragraphs below.

Based on the research results and the ESG analysis process, we define a universe of SRI stocks meeting the criteria specified for the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY subfund in accordance with the description of the ESG investment criteria and the ESG analysis process described above.

The second step is dedicated to the financial selection of securities within the SRI investment universe. A score is assigned to each of these securities eligible for the SRI universe according to performance factors. The manager then constructs the portfolio, overweighting stocks with the best scores while avoiding concentration on any one sector, country, or region. The fund manager can therefore only invest in stocks that meet the criteria that we described above.

Based on the ratings determined by our internal rating system, the SRI universe of the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY subfund is defined and updated monthly, no later than the 15th of each month, using the updates from the end of the previous month. Within each sector, the universe is segmented into quartiles. Stocks classified in the bottom quartile are excluded, and it is possible to invest a maximum of 15% of net assets in the third quartile and without restriction in those classified in the top two quartiles.

According to this stock-picking methodology, within the same sector, at least 25% of companies are excluded.

The portfolio of the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY subfund must be brought into line with changes in quartiles resulting from changes in ratings within two weeks after the new SRI universes are sent out and before the end of each calendar month at the latest. Exceptionally, however, this period may be extended by a further three months, at the fund manager’s discretion, for companies in the bottom quartile.

Implementation of an issuer engagement policy

Our voting and engagement activities aim to protect and enhance the value of the assets entrusted to us by our clients. These activities allow us to better understand and assess ESG risks and opportunities at the level of each company, encourage responsible behaviour, and promote high standards of governance.

Engagement - **Our engagement policy is based on systematic ESG questioning** during meetings with companies and monitoring of the riskiest companies. We believe that consideration of ESG issues can have a long-term impact on the performance of companies. As part of our fiduciary responsibility, we are obliged to monitor the companies in which we are invested on behalf of our clients.

Our engagement objective is to allow companies to explain their ESG approach to us. The Managers and analysts initiate a shareholder dialogue for a constructive exchange with the management of the companies in which we invest on behalf of our clients. These discussions are a good way to explore in more detail and better understand the underlying ESG and climate risks and to encourage companies to incorporate ESG risks. It also provides an opportunity to promote the improvement of corporate governance on the basis of our voting directives and to encourage them to establish and maintenance a high level of transparency.

Direct engagement. We regularly meet with company managers as part of the active management process. We ask issuers about the implementation of their business strategy, performance, financial and non-financial risks, capital allocation, and management of ESG issues. We also encourage companies in our portfolios to establish and maintain a high level of transparency, particularly with regard to their management of ESG risks and climate risk.

Exercising our voting rights

We vote in accordance with our voting policy, which is available on our website.

Presentation of voting policy

Our voting policy can be accessed on the HSBC Asset Management website:

www.assetmanagement.hsbc.fr/-/media/files/attachments/france/common/policy/politique-de-vote.pdf

HSBC Asset Management has set up a Corporate Governance Committee responsible for determining and monitoring the voting policy at general meetings. Fund managers and analysts make voting decisions based on the principles defined by this Committee. The Middle Office is responsible for implementation and for the operational process of exercising voting rights at general meetings.

Together with HSBC Asset Management (UK) Ltd, HSBC Asset Management uses the services of ISS, a world leader in supplying corporate governance services, particularly when it comes to managing voting rights.

HSBC Asset Management has defined guidelines or voting criteria that include the recommendations of the AFG, the OECD, AFEP/MEDEF, and the UK Corporate Governance Code.

Voting resolutions not covered by our guidelines shall be examined on a case-by-case basis.

HSBC Asset Management votes on all securities held in the portfolio, regardless of their level of ownership, on the basis of the overall voting policy, defined by the Asset Management business line. This applies to all markets throughout the world, with the exception of:

- markets that do not meet acceptable voting conditions,

- English, French, and Irish securities for which there are specific voting policies.

With regard to French securities, the HSBC Asset Management voting policy is applied to French shares held in UCIs managed in Paris.

With regard to English and Irish securities, voting rights are exercised based on the principles defined by the management structure in London, HSBC Asset Management (UK) Ltd.

Our voting policy describes a general framework that covers the main issues identified concerning the appointment and removal of companies' corporate bodies, remuneration of the board of directors and executive officers (stock options, bonus shares, etc.), employee-only capital increases, respect for shareholders' rights (securities issuance and redemption programmes), approval of the accounts, appropriation of earnings, appointment of statutory auditors, regulated agreements, dividend distribution, decisions resulting in changes to the articles of association, shareholder resolutions, and consideration of E, S, and G issues by the company. Our voting policy also describes the procedures in place to prevent and manage conflicts of interest within the HSBC Group.

The Corporate Governance Committee meets at least once a year or when the situation calls for it to develop a plan. Its role is to validate and draw up the voting policy of the management company HSBC Asset Management for French securities. The members of this meeting review all regulatory issues or changes in market behaviour. The head of the Corporate Governance meeting is in charge of this regulatory watch.

The HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY subfund has chosen not to lend its securities and therefore exercises its voting rights in respect of all the shares it holds.

Evaluation of the implementation of the voting and engagement policy

We undertake a comprehensive evaluation. It can be accessed on the website mentioned above in the "Activity report on the exercise of voting rights":

www.assetmanagement.hsbc.fr/-/media/files/attachments/france/common/rapport-sur-lexercice.pdf

"SFDR" Annex to Regulation (EU) 2019/2088 and its implementing technical standards

The subfund promotes environmental or social characteristics within under Article 8 of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR").

Information on environmental or social characteristics is available in the SFDR appendix of the annual report.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

“Article 29” report under the French Energy and Climate Act No. 2019-1147

As the Subfund has assets in excess of €500 million, the Article 29 report under the French Energy and Climate Act No. 2019-1147 of 8 November 2019 (LEC) is available on the management company’s website: www.assetmanagement.hsbc.fr. This document is published within six months of the Subfund’s accounting close.

Additional information relating to Shareholder Rights Directive II (SRD2)

Contribution to medium- and long-term performance

During the period under review, the investment strategy was implemented in a disciplined manner and yielded results in line with expectations, giving us confidence that we will achieve the performance and risk management objectives over the recommended investment period for this Subfund.
The investment strategy aims to identify companies that contribute to green growth and the decarbonisation of society. Within this investment sub-universe, we will invest in those with the highest ESG ratings in their sector and profitability and growth prospects that are not reflected in their valuations.
The integration of non-financial factors (environmental, social, and governance) into the analysis of investment cases allows us to better assess the soundness and sustainability of the business model(s) of the examined company and therefore to integrate into its valuation any elements of risk or opportunities that the mere analysis of its financial statements might not have identified.

- Main significant risks

  The subfund incurs primary and secondary risks, which are listed in the subfund’s prospectus.

- Turnover rate

  Portfolio turnover rate: 6.59%

  The SEC method is used to calculate the turnover rate: Annual TO = Min (Purchase of securities; Sale of securities) / Average AUM

- Management of conflicts of interest

  During the past fiscal year, there were no conflicts of interest related to engagement activities.

  During this period, the management company decided to use a voting advisor, Institutional Shareholder Services (ISS), for engagement activities.

- Securities lending

  The management company did not engage in securities lending during the past fiscal year.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

- Information about investment decisions

  Investment decisions are based on fundamental analysis of the companies included in the investment universe. Markets are not always efficient and do not always reflect the intrinsic value of companies.
  In this context, investment decisions are based on long-term fundamental analysis, thus enabling us to take advantage of these opportunities arising from the excessive volatility of financial markets.
  The management processes are based on exploiting the data from the fundamental analysis conducted by our independent research teams, whether in the short, medium, or long term.
  Furthermore, regardless of the asset class, the consideration of Environmental, Social, and Governance risks and opportunities (E.S.G. integration) is an integral part of the security selection process of the manager of the subfunds concerned with the objective of long-term outperformance.

Information relating to efficient portfolio management techniques and derivatives used by the subfund of the SICAV, pursuant to AMF position No. 2013-06

Efficient portfolio management techniques

As of the close of the fiscal year, the subfund of the SICAV did not use efficient portfolio management techniques.

Derivatives

As of the close of the fiscal year, the subfund of the SICAV did not use derivatives.

Policy on claims for the return of foreign withholding taxes

In the Santander ruling of 10 May 2012 (C-338/11 – Santander Asset Management SGIIC), the Court of Justice of the European Union held that “EU law precludes the French legislation which taxes at source nationally sourced dividends when received by UCITS resident in another State but exempts such dividends from tax when received by UCITS resident in France”.

This ruling can be transposed in various EU countries where the taxation of dividends paid to resident investment funds and non-resident investment funds appears to be discriminatory with regard to the free movement of capital guaranteed by EU law.

In this context, as management company of the SICAV, HSBC Global Asset Management (France) followed all the steps described in the handbook of the French association of management companies (AFG) (“Refund of withholding taxes on foreign securities of French UCITSs” - version of 21 December 2012) to identify opportunities and then initiate requests for refund of withholding taxes levied in contradiction with EU law.

HSBC Global Asset Management (France) thus acts in the interests of the shareholders by making claims on behalf of the HRIF – SRI Global Equity subfund where the materiality threshold, the likelihood of recovery, and the costs would be favourable to the unitholders. This claim policy is subject to uncertainties in terms of timeframes and reimbursed amounts.

The amount of reimbursements actually received in respect of these claims for the past fiscal year was €28,653.96 for the HRIF - SRI Global Equity subfund excluding the deduction of the costs relating to the return of this sum received from Finland.

Aggregate exposure

The commitment method is used to calculate the aggregate exposure on financial futures.

Main movements in the portfolio during the period

Securities	Movements ("Accounting currency")	
	Acquisitions	Disposals
APPLE INC	3,356,559.90	42,500,372.66
CERNER CORP	1,894,083.14	21,312,819.90
HP ENTERPRISE	21,137,316.68	266,607.60
ACCENTURE PLC - CL A	695,734.04	18,868,220.08
CISCO SYSTEMS	17,161,661.14	328,248.17
MICROSOFT CORP	13,629,997.68	800,400.27
TEXAS INSTRUMENTS COM	12,121,191.96	345,577.16
THE WALT DISNEY	9,977,028.26	206,374.85
VERIZON COMMUNICATIONS EX BELL ATLANTIC	8,147,973.01	76,948.09
TESLA INC	8,050,902.27	86,046.23

Transparency of securities financing transactions and the reuse of financial instruments - SFTR - in the accounting currency of the UCI (EUR)

The UCI did not carry out any transactions covered by the SFTR during the fiscal year.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

Annual Financial Statements

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

Balance Sheet – Assets

Balance Sheet – Assets as at 29/12/2022
Portfolio: 249011 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

	29 December 2022	30 December 2021
NET FIXED ASSETS		
DEPOSITS		
FINANCIAL INSTRUMENTS	**1,248,551,591.91**	**1,236,713,177.69**
Equities and equivalent securities	**1,248,551,591.91**	**1,236,713,177.69**
Traded on a regulated or equivalent market	1,248,551,591.91	1,236,713,177.69
Not traded on a regulated or equivalent market		
Bonds and equivalent securities		
Traded on a regulated or equivalent market		
Not traded on a regulated or equivalent market		
Debt instruments		
Traded on a regulated or equivalent market		
Negotiable debt instruments		
Other debt instruments		
Not traded on a regulated or equivalent market		
Undertakings for collective investment		
UCITS and AIF for retail investors and equivalents in other countries		
Other funds for retail investors and equivalents in other EU Member States		
Professional general investment funds and equivalents in other EU member states and listed securitisation funds		
Other professional investment funds and equivalent in other EU Member States and non-listed securitisation funds		
Other non-European vehicles		
Repos and reverse repos		
Receivables under repurchase agreements		
Receivables representing lent securities		
Borrowed securities		
Securities delivered under repurchase agreements		
Other temporary transactions		
Financial futures		
Transactions on a regulated or equivalent market		
Other transactions		
Other financial instruments		
RECEIVABLES	**1,435,374.14**	**921,249.72**
Forward foreign currency transactions		
Other	1,435,374.14	921,249.72
FINANCIAL ACCOUNTS	**13,604,288.55**	**6,439,689.98**
Cash and cash equivalents	13,604,288.55	6,439,689.98
TOTAL ASSETS	**1,263,591,254.60**	**1,244,074,117.39**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

Balance Sheet – Liabilities & Equity

Balance Sheet – Liabilities & Equity as at 29/12/2022
Portfolio: 249011 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

	29 December 2022	30 December 2021
EQUITY		
Capital	1,215,755,935.51	1,172,833,161.02
Prior net gains and losses not distributed (a)		
Retained earnings (a)		
Net gains and losses for the period (a,b)	39,576,713.74	67,469,812.72
Result for the fiscal year (a, b)	6,788,221.11	1,137,722.53
TOTAL EQUITY *	**1,262,120,870.36**	**1,241,440,696.27**
** Amount representing net assets*		
FINANCIAL INSTRUMENTS		
Disposals of financial instruments		
Repos and reverse repos		
Payables under repurchase agreements		
Payables representing borrowed securities		
Other temporary transactions		
Financial futures		
Transactions on a regulated or equivalent market		
Other transactions		
PAYABLES	**1,470,384.24**	**1,473,617.40**
Forward foreign currency transactions		
Other	1,470,384.24	1,473,617.40
FINANCIAL ACCOUNTS		**1,159,803.72**
Current bank facilities		1,159,803.72
Loans		
TOTAL LIABILITIES	**1,263,591,254.60**	**1,244,074,117.39**

(a) Including accruals
(b) Minus interim payments for the fiscal year

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

Off-balance sheet commitments

Off-balance-sheet commitments as at 29/12/2022
Portfolio: 249011 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

	29 December 2022	30 December 2021
HEDGING TRANSACTIONS		
Commitments on regulated or equivalent markets		
Commitments on over-the-counter markets		
Other commitments		
OTHER TRANSACTIONS		
Commitments on regulated or equivalent markets		
Commitments on over-the-counter markets		
Other commitments		

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

Income Statement

Income Statement as at 29/12/2022
Portfolio: 249011 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

	29 December 2022	30 December 2021
Income from financial transactions		
Income from deposits and financial accounts	24,858.30	6.36
Income from equities and equivalent securities	21,165,614.34	14,307,897.36
Income from bonds and equivalent securities		
Income from debt instruments		
Income from repos and reverse repos		
Income from financial futures		
Other financial income		
TOTAL (1)	**21,190,472.64**	**14,307,903.72**
Expenses on financial transactions		
Expenses from repos and reverse repos		
Expenses from financial futures		
Expenses from financial debts	51,173.17	97,151.96
Other financial expenses		
TOTAL (2)	**51,173.17**	**97,151.96**
RESULT FROM FINANCIAL TRANSACTIONS (1 - 2)	**21,139,299.47**	**14,210,751.76**
Other income (3)		
Management fees and amortisation allowance (4)	15,247,115.02	12,671,102.49
NET INCOME FOR THE PERIOD (L. 214-17-1) (1 - 2 + 3 - 4)	**5,892,184.45**	**1,539,649.27**
Accrued income for the fiscal year (5)	896,036.66	-401,926.74
Interim dividends paid during the fiscal year (6)		
RESULT (1 - 2 + 3 - 4 + 5 - 6)	**6,788,221.11**	**1,137,722.53**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

Notes

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

1. Accounting policies

The annual financial statements are presented in the form prescribed by ANC regulation 2014-01, as amended.

General accounting principles are applied:
- true and fair view, comparability, going concern;
- accuracy, reliability;
- prudence;
- consistency of accounting methods from one period to the next.

The interest accrual basis is used to recognise revenue from fixed-income securities.

Securities bought and sold are recognised excluding costs.
The euro is the reference currency for the portfolio's accounting.
The duration of the reporting period is 12 months.

Asset valuation rules

The asset valuation rules applied by the accounting manager are outlined below according to the instruments held by the subfund:

The subfund has adopted the euro as the reference currency.

The prices used for the valuation of securities traded on the stock exchange are the closing prices.

The prices applied for the valuation of bonds are an average contributor. The UCIs are valued at the last known price.

Negotiable debt securities with a residual life of more than three months are valued at the market rate, with the exception of variable-rate or adjustable-rate negotiable debt securities not presenting any particular market sensitivity.

A simplified method known as "linearisation" is applied for negotiable debt instruments whose residual lifespan is less than three months with no particular sensitivity to the market on the basis of the crystallised three-month rate.

Repos are valued at the contract price.

Futures, options, or exchange transactions made on OTC markets, authorised by applicable UCI regulations, are measured at their market value or at an estimated value according to methods chosen by the management company.

Interest rate and/or currency swaps are valued at their market value based on the price calculated by discounting future cash flows (principal and interest), at the market interest and/or exchange rates.

European and foreign futures are valued on the basis of the clearing prices.

Interest-rate and foreign currency swaps are valued under market conditions.

The valuation of interest-rate swaps against share performance is carried out:
- under market conditions for the fixed income branch
- according to the underlying security rate for the equity branch.

The valuation of Credit Default Swaps (CDS) stems from a model used by the spreads market.

Off-balance-sheet commitments in the European and foreign futures markets are calculated as follows:

- FUTURES
(Qty x Nominal x Daily rate x Contract currency)

- OPTIONS
(Qty x delta) x (Nominal of the underlying instrument x Daily rate of the underlying instrument x Contract currency).

For swaps, the off-balance-sheet commitment corresponds to the nominal value of the contract plus or minus the interest differential and the unrealised capital gain or loss on the closing date.

Transaction fees are recognised in specific accounts of each subfund and are not added to the price.

Financial instruments whose prices were not determined on the day of valuation or whose prices have been adjusted are valued at their probable trading price under the responsibility of the Management Company. These valuations and proof therein are provided to the Statutory Auditor in connection with its audits.

Valuation of financial guarantees

Collateral is marked to market on a daily basis.
Haircuts can be applied to collateral received in the form of securities according to the level of risk.

Margin calls occur daily unless otherwise indicated in the master agreement covering these transactions on in case of agreement between the Management Company and the counterparty on the application of a trigger threshold.

Management fees

Management fees and running costs cover all costs relating to the UCI: financial, administrative and accounting management, custodianship, distribution, audit fees, etc.
These fees are charged to the income statement of the UCI.
Management fees do not include transaction fees. For more information on the costs actually billed to the UCI, please see the prospectus.

They are recognised on a pro rata basis each time the net asset value is calculated.

The aggregate of these fees complies with the maximum fee rate as a percentage of the net assets given in the prospectus or the rules of the fund:

FR0013356722 - HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY JC share: Maximum fee rate of 0.375% including tax.
FR0013287265 - HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY BC share: Maximum fee rate of 0.75% including tax.
FR0013076007 - HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY ZC share: Maximum fee rate of 0.00% including tax
FR0010761072 - HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY IC share: Maximum fee rate of 0.75% including tax.
FR0000438905 - HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY AC share: Maximum fee rate of 1.50% including tax.

Administrative charges outside the Management Company are a maximum of 0.10% including taxes for the AC, IC, BC, JC, and ZC units.

The maximum indirect management fee rate is: Not significant.

Swing pricing

The management company has implemented a swing pricing mechanism to adjust the net asset value of each of the subfunds once a trigger threshold is reached in order to protect the interests of the unitholders present in each of the subfunds.

Under this mechanism, investors bear the portfolio adjustment costs — including transaction fees, bid/offer spreads and taxes or fees applicable to the UCI — relating to investments or disinvestments when there are significant numbers of subscriptions and redemptions.
When the net balance of investor subscription and redemption orders exceeds a predefined threshold, called the “trigger threshold”, the NAV is adjusted.

The NAV is adjusted up or down if the balance of subscriptions/redemptions is respectively positive or negative, so as to take into account the readjustment costs attributable to the net subscription and/or redemption orders.

The trigger threshold is expressed as a percentage of the subfund’s net assets.
The parameters for the trigger threshold and the NAV adjustment factor are determined by the management company and periodically reviewed.

The adjusted (“swung”) NAV is the subfund’s only NAV and is therefore the only NAV published and communicated to unitholders.

By applying swing pricing with a trigger threshold, it is possible that the UCI’s volatility will not come from only the volatility of the financial instruments in the portfolio.

In accordance with the regulatory provisions, the management company does not communicate the trigger thresholds and ensures that internal communication channels are restricted so as to safeguard the confidential nature of the information.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

Appropriation of distributable amounts

Definition of distributable amounts

Distributable amounts consist of the following:

Result:

Net income for the fiscal year is equal to the amount of interest, arrears, premiums and bonuses, dividends, directors' fees, and any other income relating to the securities comprising the portfolio, plus the income from any amounts temporarily available, less management fees and borrowing costs.
Retained earnings are added to net income, and the balance of accrued income is added or subtracted as appropriate.

Capital gains and losses:

Capital gains realised, net of costs, minus realised losses, net of costs, recognised during the fiscal year, plus net gains of the same type recognised in previous fiscal years that were not distributed or accumulated, plus or minus the balance of accrued gains.

Appropriation of distributable amounts:

Share(s)	*Appropriation of net income*	*Appropriation of realised net capital gains or losses*
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY AC share	Accumulation	Accumulation
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY BC share	Accumulation	Accumulation
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY IC share	Accumulation	Accumulation
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY JC share	Accumulation	Accumulation
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY ZC share	Accumulation	Accumulation

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

2. Change in Net Assets

Change in net assets as at 29/12/2022
Portfolio: 249011 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

	29 December 2022	30 December 2021
BEGINNING NET ASSETS	**1,241,440,696.27**	**797,706,507.71**
Subscriptions (including subscription fees paid into the UCI)	299,503,617.53	312,007,998.25
Redemptions (after deducting redemption fees paid into the UCI)	-85,196,675.23	-198,265,970.59
Capital gains realised on deposits and financial instruments	32,024,151.75	74,685,307.78
Capital losses realised on deposits and financial instruments	-577,688.13	-2,411,498.23
Capital gains realised on financial futures		
Capital losses realised on financial futures		
Transaction fees	-156,544.53	-203,279.33
Foreign exchange gains/losses	28,584,126.78	43,293,341.62
Changes in the valuation differential of deposits and financial instruments	-259,392,998.53	213,088,639.79
Valuation differential period N	*151,701,822.59*	*411,094,821.12*
Valuation differential period N-1	*-411,094,821.12*	*-198,006,181.33*
Changes in the valuation differential of financial futures		
Valuation differential period N		
Valuation differential period N-1		
Prior-year distribution on net gains and losses		
Prior-year distribution on earnings		
Net income for the period before accruals	5,892,184.45	1,539,649.27
Current-year interim distribution(s) on net gains and losses		
Current-year interim distribution(s) on earnings		
Other items		
ENDING NET ASSETS	**1,262,120,870.36**	**1,241,440,696.27**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

3. Additional information

3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC NATURE

	Amount	%
ASSETS		
BONDS AND EQUIVALENT SECURITIES		
TOTAL BONDS AND EQUIVALENT SECURITIES		
DEBT INSTRUMENTS		
TOTAL DEBT INSTRUMENTS		
LIABILITIES & EQUITY		
DISPOSALS OF FINANCIAL INSTRUMENTS		
TOTAL DISPOSALS OF FINANCIAL INSTRUMENTS		
OFF-BALANCE SHEET COMMITMENTS		
HEDGING TRANSACTIONS		
TOTAL HEDGING TRANSACTIONS		
OTHER TRANSACTIONS		
TOTAL OTHER TRANSACTIONS		

3.2. BREAKDOWN OF ASSETS, LIABILITIES, AND OFF-BALANCE-SHEET ITEMS BY RATE TYPE

	Fixed rate	%	Variable rate	%	Adjustable rate	%	Other	%
ASSETS								
Deposits								
Bonds and equivalent securities								
Debt instruments								
Repos and reverse repos								
Financial accounts							13,604,288.55	1.08
LIABILITIES & EQUITY								
Repos and reverse repos								
Financial accounts								
OFF-BALANCE SHEET COMMITMENTS								
Hedging transactions								
Other transactions								

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

3.3. BREAKDOWN OF ASSETS, LIABILITIES, AND OFF-BALANCE SHEET COMMITMENTS BY RESIDUAL MATURITY(*)

	< 3 months	%	]3 months - 1 year]	%	]1 - 3 years]	%	]3 - 5 years]	%	> 5 years	%
ASSETS										
Deposits										
Bonds and equivalent securities										
Debt instruments										
Repos and reverse repos										
Financial accounts	13,604,288.55	1.08								
LIABILITIES & EQUITY										
Repos and reverse repos										
Financial accounts										
OFF-BALANCE SHEET COMMITMENTS										
Hedging transactions										
Other transactions										

(*) Forward-rate positions are presented according to the maturity of the underlying assets.

3.4. BREAKDOWN OF ASSETS, LIABILITIES, AND OFF-BALANCE SHEET COMMITMENTS BY LISTING CURRENCY OR VALUATION CURRENCY (EXCLUDING EURO)

	Currency 1 USD:		Currency 2 GBP		Currency 3 JPY		Currency N OTHER(S)	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Deposits								
Equities and equivalent securities	856,526,219.34	67.86	67,134,723.70	5.32	59,108,256.38	4.68	147,030,836.17	11.65
Bonds and equivalent securities								
Debt instruments								
UCI								
Repos and reverse repos								
Receivables	1,045,714.45	0.08					389,659.69	0.03
Financial accounts	917,318.31	0.07	266,040.89	0.02	144,653.98	0.01	725,376.42	0.06
LIABILITIES & EQUITY								
Disposals of financial instruments								
Repos and reverse repos								
Payables								
Financial accounts								
OFF-BALANCE SHEET COMMITMENTS								
Hedging transactions								
Other transactions								

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Debit/credit type	29 December 2022
RECEIVABLES		
	Coupons and dividends in cash	1,435,374.14
TOTAL RECEIVABLES		**1,435,374.14**
PAYABLES		
	Fixed management fees	1,470,384.24
TOTAL PAYABLES		**1,470,384.24**
TOTAL PAYABLES AND RECEIVABLES		**-35,010.10**

3.6. EQUITY

3.6.1. Number of securities issued or redeemed

	Shares	Amount
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY AC share		
Shares subscribed during the period	564,166.90900	179,797,555.91
Shares redeemed during the period	-105,144.07500	-33,621,831.40
Net balance of subscriptions/redemptions	459,022.83400	146,175,724.51
Number of shares outstanding at year-end	3,195,308.70900	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY BC share		
Shares subscribed during the period	1,953.444	279,784.16
Shares redeemed during the period	-2,358.808	-349,488.58
Net balance of subscriptions/redemptions	-405.364	-69,704.42
Number of shares outstanding at year-end	20,727.732	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY IC share		
Shares subscribed during the period		
Shares redeemed during the period		
Net balance of subscriptions/redemptions		
Number of shares outstanding at year-end	5.02000	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY JC share		
Shares subscribed during the period	39,417.000	61,895,377.57
Shares redeemed during the period	-17,837.000	-27,610,993.14
Net balance of subscriptions/redemptions	21,580.000	34,284,384.43
Number of shares outstanding at year-end	94,758.052	

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

	Shares	Amount
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY ZC share		
Shares subscribed during the period	30,922.533	57,530,899.89
Shares redeemed during the period	-12,139.302	-23,614,362.11
Net balance of subscriptions/redemptions	18,783.231	33,916,537.78
Number of shares outstanding at year-end	76,456.965	

3.6.2. Subscription and/or redemption fees

	Amount
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY AC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY BC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY IC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY JC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY ZC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

3.7. MANAGEMENT FEES

	29 December 2022
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY AC share	
Guarantee commissions	
Fixed management fees	14,591,609.95
Percentage of fixed management fees	1.54
Retrocession of management fees	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY BC share	
Guarantee commissions	
Fixed management fees	24,593.97
Percentage of fixed management fees	0.79
Retrocession of management fees	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY IC share	
Guarantee commissions	
Fixed management fees	1,512.92
Percentage of fixed management fees	0.79
Retrocession of management fees	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY JC share	
Guarantee commissions	
Fixed management fees	587,310.09
Percentage of fixed management fees	0.41
Retrocession of management fees	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY ZC share	
Guarantee commissions	
Fixed management fees	42,088.09
Percentage of fixed management fees	0.04
Retrocession of management fees	

3.8. COMMITMENTS RECEIVED AND GIVEN

3.8.1. Guarantees received by the UCI:

None.

3.8.2. Other commitments received and/or given:

None.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

3.9. OTHER INFORMATION

3.9.1. Present value of borrowed financial instruments

	29 December 2022
Securities under a repurchase agreement Borrowed securities	

3.9.2. Present value of financial instruments constituting security deposits

	29 December 2022
Financial instruments given as collateral and maintained in their original line item Financial instruments received as collateral and not recorded on the balance sheet	

3.9.3. Financial instruments held, issued, and/or managed by the Group

	ISIN code	Name	29 December 2022
Equities Bonds Negotiable debt instruments UCI Financial futures **Total group securities**			

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

3.10. APPROPRIATION OF DISTRIBUTABLE AMOUNTS

Appropriation of the share of distributable amounts relating to earnings

	29 December 2022	30 December 2021
Amounts remaining to be appropriated		
Retained earnings		
Result	6,788,221.11	1,137,722.53
Total	**6,788,221.11**	**1,137,722.53**

	29 December 2022	30 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY AC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	2,266,648.86	-1,337,161.04
Total	**2,266,648.86**	**-1,337,161.04**

	29 December 2022	30 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY BC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	30,061.23	17,899.60
Total	**30,061.23**	**17,899.60**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

	29 December 2022	30 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY IC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	1,868.28	1,091.32
Total	**1,868.28**	**1,091.32**

	29 December 2022	30 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY JC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	1,988,523.04	1,054,259.83
Total	**1,988,523.04**	**1,054,259.83**

	29 December 2022	30 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY ZC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	2,501,119.70	1,401,632.82
Total	**2,501,119.70**	**1,401,632.82**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

Appropriation of the share of distributable amounts relating to net gains and losses

	29 December 2022	30 December 2021
Amounts remaining to be appropriated		
Past net gains and losses not distributed		
Net gains and losses for the period	39,576,713.74	67,469,812.72
Interim payments on net gains and losses for the period		
Total	**39,576,713.74**	**67,469,812.72**

	29 December 2022	30 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY AC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	30,654,303.74	53,632,394.32
Total	**30,654,303.74**	**53,632,394.32**

	29 December 2022	30 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY BC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	93,196.84	193,090.68
Total	**93,196.84**	**193,090.68**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

	29 December 2022	30 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY IC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	5,788.60	11,762.99
Total	**5,788.60**	**11,762.99**

	29 December 2022	30 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY JC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	4,448,146.25	6,961,806.45
Total	**4,448,146.25**	**6,961,806.45**

	29 December 2022	30 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY ZC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	4,375,278.31	6,670,758.28
Total	**4,375,278.31**	**6,670,758.28**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

3.11. RESULTS AND OTHER CHARACTERISTIC FEATURES OF THE ENTITY DURING THE LAST FIVE FISCAL YEARS

	28 December 2018	30 December 2019	30 December 2020	30 December 2021	29 December 2022
Total net assets in EUR	**288,006,443.50**	**535,455,168.44**	**797,706,507.71**	**1,241,440,696.27**	**1,262,120,870.36**
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY AC (EUR) share					
Net assets	161,073,096.08	332,204,578.31	543,342,570.19	985,894,311.48	975,740,239.42
Number of securities	798,016.71000	1,313,628.52300	2,078,821.73100	2,736,285.87500	3,195,308.70900
Net asset value per unit	201.84	252.89	261.37	360.30	305.36
Accumulation per unit on net gains/losses	7.13	4.31	-26.35	19.60	9.59
Accumulation per unit on the result	1.67	1.37	0.21	-0.48	0.70
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY BC (EUR) share					
Net assets	311,932.13	2,632,078.73	3,239,622.80	3,558,974.40	2,980,584.92
Number of securities	3,381.284	22,600.766	26,716.896	21,133.096	20,727.732
Net asset value per unit	92.25	116.45	121.25	168.40	143.79
Accumulation per unit on net gains/losses	3.29	1.97	-12.15	9.13	4.49
Accumulation per unit on the result	1.53	1.43	0.93	0.84	1.45
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY IC (EUR) share					
Net assets	75,905,409.80	95,198,104.36	105,083,918.40	216,812.80	185,144.03
Number of securities	3,209.14300	3,188.21300	3,379.31700	5.02000	5.02000
Net asset value per unit	23,652.85	29,859.39	31,096.20	43,189.80	36,881.28
Accumulation per unit on net gains/losses	834.26	507.58	-3,117.56	2,343.22	1,153.10
Accumulation per unit on the result	385.90	367.76	238.53	217.39	372.16

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

3.11. RESULTS AND OTHER CHARACTERISTIC FEATURES OF THE ENTITY DURING THE LAST FIVE FISCAL YEARS

	28 December 2018	30 December 2019	30 December 2020	30 December 2021	29 December 2022
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY JC (EUR) share					
Net assets	3,549,002.65	24,872,606.88	53,947,393.87	128,488,890.32	142,607,770.07
Number of securities	3,732.432	20,642.960	42,832.717	73,178.052	94,758.052
Net asset value per unit	950.85	1,204.89	1,259.49	1,755.83	1,504.96
Accumulation per unit on net gains/losses	15.57	20.44	-125.91	95.13	46.94
Accumulation per unit on the result	2.28	18.97	13.95	14.40	20.98
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY ZC (EUR) share					
Net assets	47,167,002.84	80,547,800.16	92,093,002.45	123,281,707.27	140,607,131.92
Number of securities	41,208.911	55,326.613	60,287.900	57,673.734	76,456.965
Net asset value per unit	1,144.58	1,455.85	1,527.55	2,137.57	1,839.03
Accumulation per unit on net gains/losses	40.26	24.66	-152.28	115.66	57.22
Accumulation per unit on the result	27.77	27.89	22.11	24.30	32.71

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
Equities and equivalent securities				
Equities and equivalent securities traded on a regulated or equivalent market				
GERMANY				
ALLIANZ SE-REG	in EUR	76,071	15,495,662.70	1.22
SAP SE	in EUR	123,023	12,005,814.57	0.95
SIEMENS AG-REG	in EUR	118,543	15,462,748.92	1.23
TOTAL GERMANY			**42,964,226.19**	**3.40**
AUSTRALIA				
BENDIGO AND ADELAIDE BANK LTD	AUD	1,218,665	7,582,838.80	0.60
BRAMBLES LTD	AUD	1,581,071	12,104,228.70	0.95
STOCKLAND	AUD	5,838,276	13,442,180.57	1.07
WESTPAC BKG CORP	AUD	498,322	7,380,323.92	0.58
TOTAL AUSTRALIA			**40,509,571.99**	**3.20**
BERMUDA				
TRANE TECHNOLOGIES PLC	USD:	106,964	17,090,774.41	1.35
TOTAL BERMUDA			**17,090,774.41**	**1.35**
CANADA				
BK OF NOVA SCOTIA COM NPV	CAD	148,175	6,821,834.69	0.54
CANADIAN IMP BANK COM NPV	CAD	190,209	7,223,276.31	0.57
METRO CLASS A SUB VTG	CAD	144,953	7,522,832.84	0.60
TORONTO DOMINIUM BANK	CAD	238,524	14,592,444.26	1.16
TOTAL CANADA			**36,160,388.10**	**2.87**
DENMARK				
NOVO NORDISK AS	DKK	152,526	19,298,936.08	1.53
TOTAL DENMARK			**19,298,936.08**	**1.53**
SPAIN				
RED ELECTRICA DE ESPANA	in EUR	232,892	3,870,665.04	0.31
TOTAL SPAIN			**3,870,665.04**	**0.31**
UNITED STATES				
3M CO	USD:	90,492	10,228,866.49	0.81
ACUITY BRANDS INC	USD:	59,872	9,385,643.95	0.74
ADOBE INC	USD:	20,747	6,566,139.09	0.52
AGILENT TECHNOLOGIES INC	USD:	147,304	20,865,477.30	1.65
AMERICAN EXPRESS CO COM	USD:	111,815	15,443,290.49	1.23
AMGEN	USD:	47,200	11,645,011.95	0.92
BAKER HUGHES A GE CO	USD:	938,114	25,663,682.11	2.04
BALL CORP	USD:	236,476	11,444,139.24	0.91
BECTON DICKINSON	USD:	80,187	19,312,839.54	1.53
BEST BUY CO INC	USD:	184,776	14,073,221.99	1.11
BLACKROCK CL.A	USD:	29,245	19,635,125.63	1.56
CIGNA CORP	USD:	61,821	19,167,900.55	1.52

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
CISCO SYSTEMS	USD:	587,055	26,142,701.45	2.07
CLOROX CO	USD:	32,548	4,345,836.18	0.34
COLGATE PALMOLIVE	USD:	171,953	12,795,115.18	1.02
CUMMINS INC	USD:	83,073	18,826,453.19	1.49
ECOLAB	USD:	72,314	10,014,063.60	0.79
EDWARDS LIFESCIENCES CORP	USD:	183,747	12,956,088.57	1.03
EVERSOURCE EN	USD:	235,112	18,753,413.92	1.49
EXELON CORP	USD:	177,600	7,181,257.21	0.57
EXPEDITORS INTL WASHINGTON	USD:	83,488	8,234,915.37	0.65
GILEAD SCIENCES INC	USD:	162,709	13,005,736.97	1.03
HASBRO INC COM	USD:	99,632	5,696,859.96	0.46
HOME DEPOT INC COM USD0.05	USD:	92,455	27,772,471.34	2.20
HP ENTERPRISE	USD:	1,490,429	22,245,000.40	1.76
HUNTINGTON BANCSHARES INC	USD:	380,804	5,048,111.90	0.40
IDEXX LABORATORIES INC	USD:	28,052	10,792,649.66	0.85
INTEL CORP	USD:	251,718	6,185,279.88	0.49
INTUIT INC	USD:	30,573	11,203,364.28	0.88
IQVIA HOLDINGS - REGISTERED SHARE	USD:	50,105	9,761,702.57	0.77
JONES LANG LASALLE	USD:	51,328	7,755,621.58	0.62
KIMBERLY-CLARK CP COM	USD:	81,598	10,498,766.72	0.83
LAM RESEARCH CORP	USD:	27,494	10,841,655.03	0.86
LOWE S COS INC COM	USD:	135,476	25,689,191.17	2.03
MARSH & MCLENNAN COS INC	USD:	110,250	17,238,545.91	1.37
METTLER TOLEDO INTERNATIONAL INC	USD:	7,740	10,645,883.28	0.84
MICROSOFT CORP	USD:	280,540	63,388,126.75	5.02
NVIDIA CORP	USD:	184,158	25,212,199.63	2.00
PEPSICO INC	USD:	212,866	36,316,837.46	2.88
PPG INDUSTRIES INC	USD:	57,482	6,811,723.43	0.54
PROCTER & GAMBLE CO	USD:	139,246	19,919,886.69	1.58
PROLOGIS	USD:	167,943	17,944,465.11	1.42
ROBERT HALF INTL INC	USD:	114,738	7,946,089.21	0.63
SALESFORCE INC	USD:	90,492	11,244,372.27	0.89
TARGET CORP	USD:	68,447	9,520,912.57	0.76
TESLA INC	USD:	32,556	3,718,156.77	0.30
TEXAS INSTRUMENTS COM	USD:	174,560	27,005,944.97	2.14
THE COCA COLA COMPANY	USD:	184,746	11,076,273.10	0.88
THERMO FISHER SCIEN SHS	USD:	31,245	16,316,296.30	1.29
THE WALT DISNEY	USD:	163,874	13,393,836.14	1.06
VERISK ANLYTCS A	USD:	29,367	4,902,346.62	0.39
VERIZON COMMUNICATIONS EX BELL ATLANTIC	USD:	170,060	6,259,368.68	0.49
WATERS CORPORATION	USD:	33,428	10,839,616.22	0.86
WW GRAINGER INC	USD:	21,403	11,281,296.26	0.89
XYLEM	USD:	76,662	8,023,761.95	0.63
TOTAL UNITED STATES			**808,183,533.78**	**64.03**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
FINLAND				
NESTE OYJ	in EUR	382,712	16,762,785.60	1.32
TOTAL FINLAND			**16,762,785.60**	**1.32**
France				
AXA SA	in EUR	683,595	18,046,908.00	1.43
L'OREAL	in EUR	45,242	15,323,465.40	1.22
UNIBAIL-RODAMCO-WESTFIELD	in EUR	131,786	6,550,423.13	0.52
TOTAL FRANCE			**39,920,796.53**	**3.17**
IRELAND				
JOHNSON CONTROLS INTERNATIONAL PLC	USD:	391,608	23,665,730.73	1.88
TOTAL IRELAND			**23,665,730.73**	**1.88**
JAPAN				
HOYA PENTAX	JPY	80,400	7,188,247.80	0.56
KDDI CORP	JPY	400,941	11,235,025.10	0.90
OMRON CORP	JPY	90,300	4,070,044.96	0.33
SEKISUI CHEMICAL	JPY	723,500	9,393,495.42	0.74
SONY GROUP CORPORATION.	JPY	321,400	22,696,326.54	1.80
SYSMEX CORP	JPY	80,400	4,525,116.56	0.36
TOTAL JAPAN			**59,108,256.38**	**4.69**
JERSEY				
FERGUSON PLC	GBP	174,670	20,716,031.76	1.64
WPP PLC	GBP	1,523,351	14,126,588.67	1.12
TOTAL JERSEY			**34,842,620.43**	**2.76**
NETHERLANDS				
ASML HOLDING NV	in EUR	23,820	12,307,794.00	0.98
KONINKLIJKE VOPAK	in EUR	103,881	2,925,288.96	0.23
TOTAL NETHERLANDS			**15,233,082.96**	**1.21**
UNITED KINGDOM				
AVIVA PLC-B SHARE	GBP	1,283,909	6,481,208.61	0.51
COCA-COLA EUROPACIFIC PARTNE	USD:	146,035	7,586,180.42	0.60
ITV PLC	GBP	12,496,398	10,687,392.94	0.85
RELX PLC	GBP	577,093	15,123,501.72	1.20
TOTAL UNITED KINGDOM			**39,878,283.69**	**3.16**
SWITZERLAND				
KUEHNE + NAGEL INTL AG-REG	CHF	35,435	7,791,707.02	0.62
LONZA GROUP NOM.	CHF	23,512	11,008,308.61	0.87
NESTLE NOM.	CHF	104,405	11,474,428.00	0.91
SWISSCOM AG-REG	CHF	10,858	5,626,032.38	0.44
SWISS RE AG	CHF	169,521	15,161,463.99	1.20
TOTAL SWITZERLAND			**51,061,940.00**	**4.04**
TOTAL Equities and equivalent securities traded on a regulated or equivalent market			**1,248,551,591.91**	**98.92**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
Equities and equivalent securities not traded on a regulated or equivalent market				
UNITED STATES				
RAYONIER ROMPUS	USD:	50,000		
TOTAL UNITED STATES				
TOTAL Equities and equivalent securities traded on a regulated or equivalent market				
TOTAL Equities and equivalent securities			**1,248,551,591.91**	**98.92**
Receivables			**1,435,374.14**	**0.12**
Payables			**-1,470,384.24**	**-0.12**
Financial accounts			**13,604,288.55**	**1.08**
Net assets			**1,262,120,870.36**	**100.00**

HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY IC share	**in EUR**	**5.02000**	**36,881.28**	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY ZC share	**in EUR**	**76,456.965**	**1,839.03**	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY JC share	**in EUR**	**94,758.052**	**1,504.96**	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY AC share	**in EUR**	**3,195,308.70900**	**305.36**	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY BC share	**in EUR**	**20,727.732**	**143.79**	

Product name:	HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY
Legal entity identifier:	969500K13Y61OMS4TT49
Reporting Date	31 December 2022

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes** ☒ **No**

☐ It made sustainable investments with an environmental objective: _%

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made sustainable investments with a social objective:_%

☒ **It promoted Environmental/Social (E/S) characteristics**, and while it did not have as its objective a sustainable investment, it had a proportion of 43.26% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ with a social objective

☐ It promoted E/S characteristics but **did not make any sustainable investments**.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective are not necessarily aligned with the taxonomy.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The subfund promotes E, S, and G characteristics by investing in international equity markets by selecting corporate securities chosen for their financial qualities and their good environmental, social, and governance practices according to a best-in-class approach. This approach consists of selecting the best companies in each sector based on environmental, social, and governance criteria. For each ESG pillar, several criteria are used, including CO2 emissions for the E pillar, the remuneration and training policy for the S pillar, and the management and shareholder representation structure for the G pillar.
In addition, the subfund will:
- Exclude issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or at least two alleged violations) and the OECD Guidelines for Multinational Enterprises.
- Exclude shares of companies involved in the production of controversial weapons or their components.

Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons, and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties.
- Exclude shares of companies in the Defence sector.
- Exclude shares of companies engaged in thermal coal activities. Companies with more than 10% revenue generated from coal-fired power generation are partially excluded. Mining companies are completely excluded.
- Exclude shares of companies involved in tobacco production.
- Carefully consider environmental issues through voting and engagement activities.
The subfund is actively managed and does not track a benchmark. The indicator used by the subfund to measure performance is the MSCI World. However, it has not been designated to determine whether the subfund is aligned with the environmental or social characteristics it promotes.

Alignment with the environmental and social characteristics was 98.89% as at 31 December 2022

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

The subfund promotes all the pillars (E, S, and G). Therefore, the primary sustainability indicator used to measure the portfolio's ESG performance is the ESG rating.

	ESG rating source*	ESG	E	G	S	Coverage rate
Fund	HSBC	6.59	7.61	6.29	6.26	100%
Benchmark	HSBC	5.69	6.68	5.74	5.2	99.57%

* HSBC Proprietary ESG rating (look-through)

The fund's management strategy is to select companies with the highest ESG ratings within each economic sector. Companies with the lowest scores (25% lowest) are systematically excluded from the selection.

The subfund also takes the following principal adverse impacts into consideration: · Corporate greenhouse gas intensity, · Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises: Exclusion · Exposure to controversial weapons. Exclusion · In addition, the subfund will not invest in shares of companies or other securities equivalent to shares of companies exposed to certain activities ("excluded activities"). The excluded activities are set out below among the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product.

Scores	Carbon intensity (Scope 1+2)*	Coverage rate
Benchmark	160.86	99.46
Fund	36.13	100

* Expressed in tonnes of CO2/$M of revenue, taking scope 1 & 2 emissions into account.

The fund's management policy takes into account the adverse impact of greenhouse gas emissions in its selection of securities. In addition, the fund excludes companies involved in coal mining from its investments and limits investments to those that have more than 10% of their activities related to coal use.

The international Greenhouse Gas (GHG) Protocol was created in 1998 to help companies conduct their carbon or greenhouse gas assessments by identifying the main direct and indirect emission items in order to better target reduction strategies. The GHG Protocol serves to quantify all the impacts generated by the production and consumption of products and services by companies. It is divided into three CO2 emissions scopes:

- Scope 1 includes direct emissions resulting from combustion of fossil fuels, such as gas, oil, and coal.
- Scope 2 relates to indirect emissions from the consumption of electricity, heat, or steam necessary to manufacture the product. A company's scope 2 will include emissions associated with the production of energy it uses: electricity, steam, heat, cold, and compressed air. These indirect emissions therefore depend greatly on the primary energy source (oil, gas, coal, biomass, wind, solar, etc.) used to produce them.
- Scope 3 corresponds to other indirect emissions. Scope 3 carbon emissions are not yet included in the calculation of carbon intensities because this scope of emissions is difficult to understand and is not yet sufficiently taken into account in the carbon assessment of companies.

…and compared to previous periods?

Not applicable

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The subfund's sustainable investments are aligned with its environmental characteristics. The identification and ESG analysis of companies are performed as part of the investment decision-making process to reduce sustainability risks and increase returns.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

The principle of "do no significant harm" to environmental or social objectives applies only to the underlying sustainable investments of the subfund. This principle is incorporated into the investment decision-making process, which includes consideration of principal adverse impacts.

How were the indicators for adverse impacts on sustainability factors taken into account?

HSBC Asset Management's "do no significant harm" (DNSH) assessment of issuers as part of its sustainable investment process includes consideration of principal adverse impacts (PAI). All the PAIs included in table 1 of Annex 1 of Commission Delegated Regulation (EU) 2022/1288 were thus examined and integrated into the investment process according to an approach that combines exclusions (sectoral, the most severe ESG controversies, norms-based exclusions, etc.) with voting and shareholder engagement activities to instil and maintain a positive change dynamic within companies. As such, the subfund's eligible universe during the past financial year excluded issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or with at least two alleged violations) and the OECD Guidelines for Multinational Enterprises,- shares of companies involved in the production of controversial weapons or their components. Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons, and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties. The examination of the other PAIs was conducted with proxies. For example, to address all PAIs related to greenhouse gas emissions, we have used our coal policy as an exclusion filter. Companies with more than 10% revenue generated from coal-fired power generation are partially excluded. Mining companies are completely excluded. Furthermore, the 'do no significant harm' (DNSH) test of issuers described above was supplemented by the application of an exclusion policy (with a 0% threshold for tobacco) and the exclusion of issuers for which the level of controversy provided by Sustainalytics was very severe (equal to 5).In our view, the setting of exclusion thresholds for each PAI is not always relevant and could compromise the fact that many sectors and companies are in a transition strategy. Lastly, the subfund takes into consideration the principal adverse impacts in its engagement approach, which incorporates several levers for action including 1) direct dialogue with companies about their consideration of environmental and social issues to ensure that they are able to face the future and maintain long-term financial viability, 2) the exercising of voting rights by which we express our support for positive development initiatives or, conversely, our disagreement when directors do not meet our expectations, and 3) a gradual escalation procedure with companies when the ESG risks or controversies to which they are exposed are not managed.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Yes, the sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Pre-trade and post-trade monitoring ensures that issuers in violation of one or more of the Ten Principles of the United Nations Global Compact (or with at least two alleged violations) and the OECD Guidelines for Multinational Enterprises are systematically excluded.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.
The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.
Any other sustainable investments must also do no significant harm to any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

The methodology for addressing the principal adverse impacts selected by the subfund combines exclusions with voting and shareholder engagement activities to instil and maintain a positive change dynamic within companies. The manner in which each PAI is considered is explained in the table below.

	Impact 31 December 2022	Comment
Greenhouse gas intensity of investee companies	36.13	The fund's management policy takes into account the adverse impact of greenhouse gas emissions in its selection of securities. In addition, the fund excludes companies involved in coal mining from its investments and limits investments to those that have more than 10% of their activities related to coal use.
Exclusion of issuers in violation of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises.	0%	Issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or at least two alleged violations) and the OECD Guidelines for Multinational Enterprises.
Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	Application of the exclusion policy

What were the top investments of this financial product?

The list includes the investments constituting the largest share of investments of the financial product as at: 31 December 2022

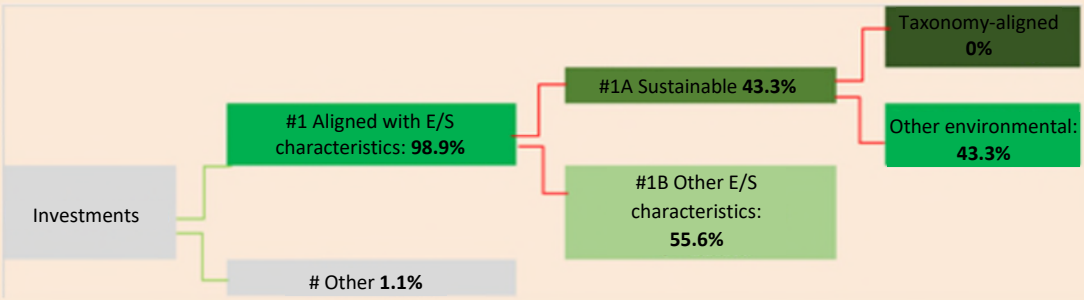
Largest investments	Sector	% Assets	Country
MICROSOFT CORP	Information technology	5.02%	USA
PEPSICO INC	Consumer staples	2.87%	USA
HOME DEPOT INC	Consumer discretionary	2.18%	USA
TEXAS INSTRUMENTS COM	Information technology	2.15%	USA
CISCO SYSTEMS INC	Information technology	2.09%	USA
BAKER HUGHES CO	Energy	2.07%	USA
LOWE S COS INC COM	Consumer discretionary	2.02%	USA
NVIDIA CORP	Information technology	2.01%	USA
JOHNSON CONTROLS INTERNATION	Industry	1.87%	USA
SONY GROUP CORPORATION.	Consumer discretionary	1.83%	Japan
HEWLETT PACKARD ENTERPRISE	Information technology	1.78%	USA
AGILENT TECHNOLOGIES INC	Health	1.65%	USA
FERGUSON PLC	Industry	1.64%	United Kingdom
PROCTER & GAMBLE CO	Consumer staples	1.58%	USA
BLACKROCK INC	Finance	1.55%	USA

What was the proportion of sustainability-related investments?

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.

Although the subfund does not have sustainable investments as an objective, it commits to a minimum proportion of 10% of its assets in sustainable investments. At 31/12/2022, the share of sustainable investments was 43.3%.



Category **#1 "Aligned with E/S characteristics"** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

Category **#2 "Other"** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Category **#1** "**Aligned with E/S characteristics**" covers:
-subcategory **#1A "Sustainable"** covers sustainable investments with environmental or social objectives;

-subcategory #1B "Other E/S characteristics" covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Sector	% Assets
Information technology	18.95%
Health	15.63%
Industry	15.09%
Finance	12.34%
Consumer staples	10.81%
Consumer discretionary	9.4%
Telecommunications services	4.88%
Energy	3.61%
Property	3.61%
Utilities	2.35%
Materials	2.23%
Other	1.1%
Total	100%

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The subfund does not commit to a minimum proportion of sustainable investments with an environmental objective aligned with the European Union's taxonomy. However, when assessing issuers, the subfund manager takes into consideration an environmental indicator and applies our coal phase-out policy.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

Yes. ☐

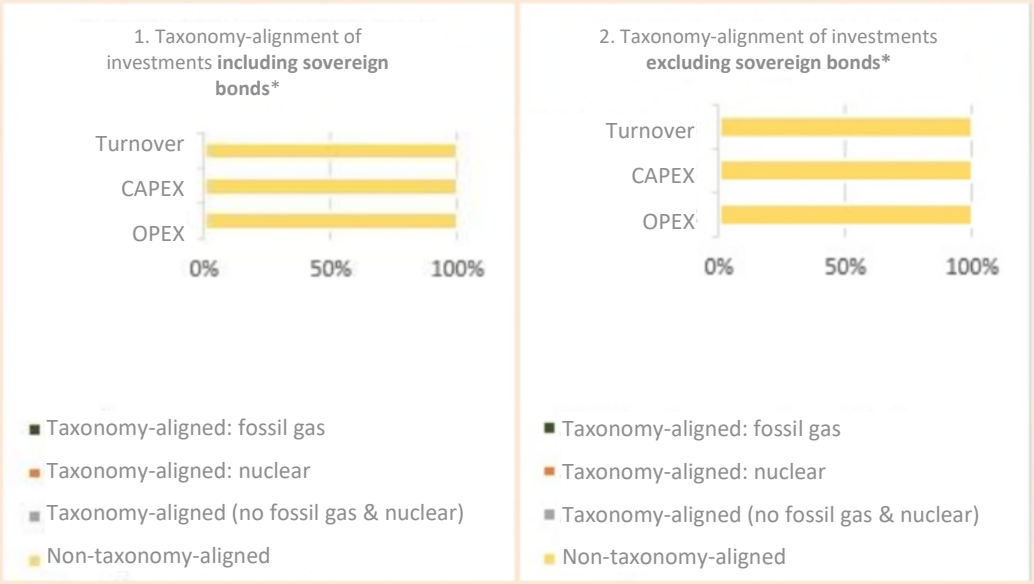
☐ In fossil gas ☐ In nuclear energy

No. ☒

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives — see explanatory note in the left margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:
-**turnover** reflecting the share of revenue from green activities of investee companies;
-capital expenditure (CAPEX) showing the green investments made by investee companies, e.g. for a transition to a green economy;
-**operational expenditure** (OPEX) reflecting green operational activities of investee companies.

The two graphs below show, in green, the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.

The share of sustainable investments with an environmental objective aligned with the European Union's taxonomy is 0%.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What was the share of investments made in transitional and enabling activities?

This does not apply to the mandate, as the share of sustainable investments with an EU Taxonomy-aligned environmental objective was 0% as at 31/12/2022.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Not applicable.

The symbol denotes sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective that were not aligned with the European Union's taxonomy was 43.26%.

What was the share of socially sustainable investments?

The subfund does not commit to having a minimum share of socially sustainable investments. However, when assessing issuers, the fund manager does look at the social characteristics, respect for human rights and employee rights, management conduct, and corporate social responsibility of the companies.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The fund's "Other" category is composed of cash and UCITS units.

What actions were taken to meet the environmental and/or social characteristics during the reference period?

The fund promotes ESG characteristics by investing primarily in companies chosen for their good environmental, social, and governance practices according to a best-in-class approach and their financial qualities. This approach consists of selecting the top companies within each sector according to ESG criteria. During 2022, we constantly adjusted the portfolio to meet our commitments. For example, we sold shares in Apple, which was no longer compatible with our objectives.

How did this financial product perform compared to the reference benchmark?

The subfund is actively managed and does not track a benchmark. There is no benchmark representative of our management philosophy and therefore of our investment universe or an index designated to determine whether the subfund is aligned with the environmental or social characteristics it promotes. The information expected in this section is therefore not applicable to this product.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How does the reference benchmark differ from a broad market index?***

Not applicable.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

Not applicable.

- ***How did this financial product perform compared with the reference benchmark?***

Not applicable.

- ***How did this financial product perform compared with the broad market index?***

Not applicable.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY

Subfund:

HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY

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Activity report

Management policy

Market performance

The European equity markets were down for 2022 as a whole, despite a significant rebound during the fourth quarter. Over the first nine months of the year, the indexes were impacted by the deteriorating geopolitical environment with the conflict between Ukraine and Russia, the strict lockdown measures in China, and the inflation levels, which surprised on the upside and led to a more aggressive than expected rate hike cycle by the US Federal Reserve as well as other central banks.
Consumer and business confidence indexes deteriorated, and markets feared a sharp slowdown in economic growth. The persistence of a continued unstable environment on the geopolitical front, especially with tensions in the China Sea, did not reassure the markets.
In the last quarter of the year, markets rallied with the expectation that the inflection point for inflation and monetary policy was not far off. On the other hand, the anticipated economic slowdown took a while to materialise with relatively solid corporate results that exceeded expectations. Lastly, hopes of a relaxation of health restrictions in China also contributed to this renewed confidence.
Over the year as a whole, the euro fell sharply against the dollar, reflecting the difference in pace between the United States and Europe in the implementation of more restrictive monetary policies.
Against this background, defensive sectors held up best, such as food/beverages, pharmaceuticals, telecoms, utilities, and insurance. Of course, we should note the good performance of energy, which rose sharply, but also the good resilience of the banking sector, supported by the rise in interest rates. The more cyclical sectors (automotive, transport, basic goods, etc.) and those inversely correlating to interest rates brought up the rear (technology, property, healthcare equipment, specialised distribution, and consumer durables)

Allocation of performance

Over the period, the subfund underperformed its benchmark, the MSCI Emu.
Sector allocation contributed positively to the subfund’s relative performance. Positive contributions came primarily from the overexposure to insurance, banking, and telecoms and underexposure to consumer durables, specialised distribution, property, and semiconductors. On the other hand, the subfund suffered from its overexposure to the business services sector as well as its underexposure to pharmaceuticals and food/beverages.
Our stock picking contributed negatively to the relative performance of the subfund, notably our choices in capital goods (Alstom, Saint Gobain, and especially absence from the defence segment), energy (underexposure to oil companies), consumer durables (Kering and Seb), basic goods (Akzo Nobel and DSM), transport (Deutsche Post), automotive (Michelin), and banking (KBC and Société Générale). Note the positive contributions from Carrefour in food distribution, KPN, and Orange in telecoms, CNHI in industry, Iberdrola in utilities, Publicis in media, Heineken in food/beverages, and Relx in business services.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY

ESG factors contributed negatively to the subfund's relative performance. In addition to the exclusion of arms stocks and underexposure to fossil fuels (oil and gas), it should be noted that the top-rated stocks in terms of ESG criteria underperformed lower-rated stocks (the top ESG quartile significantly underperformed the bottom two quartiles).

Management policy

During the period, we sold Siemens (Q4 ESG) in favour of CNHI and Rexel. We also sold Vonovia (Q4 ESG) in favour of Sanofi and ASML. At the beginning of the year, we reduced our positions in cyclically sensitive stocks such as Metso, Deutsche Post, Saint Gobain, Société Générale, and Signify and increased in Ahold, Carrefour, Enel, and Iberdrola.
We sold Telefonica (Q4 ESG) in favour of Elisa. We also sold off what was left of our Atos position. Philips and Cap Gemini were also sold (Q4 ESG). Lastly, we sold Sanofi and Intesa and reduced in Allianz, Enel, Axa, and Publicis to decrease the weight of the third ESG quartile and bought Bawag, Merck, Vivendi, ASR, EDP, and Pernod Ricard.

Outlook

Future monetary tightening remains a major challenge for financial markets, but the feeling that we are approaching an inflection point on inflation and an improvement in the situation in China has given investors renewed hope. Keep in mind, however, that it will take time for core inflation figures to stabilise.
While corporate reports were generally better than expected, those of the coming quarters are likely to suffer from the negative effects of rising cost structures, rate hikes, and the contraction in final demand because of the decline in purchasing power.
After the market rally, valuations are less favourable, but the prospect of a slowdown in inflation in 2023, the gradual recovery of the Chinese economy, and the good performance of Western economies continue to support the markets.

Performance

At the close of the year, the subfund's performance was -15.14% for the AC share, -14.49% for the BC share, 14.50% for the IC share, -14.36% for the SC share, and -13.86% for the ZC share. The IT share is inactive.

For the sake of comparison, the performance of the subfund's benchmark "for information" was -12.47%.

Past performance is not an indicator of the future results of the SICAV subfund.

PEA

Pursuant to the provisions of Article 91 *quater* L of the French General Tax Code, Annex 2, at least 75% of the subfund is invested at all times in securities and interests referred to in Article L.221-31-I-1 a and b of the French Monetary and Financial Code.

Proportion of actual investment during the year: 94.15%.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY

Incidents affecting the subfund during the fiscal year and forthcoming

➢ **10 February 2022**

Annual update of 2021 performance in each KIID.

➢ **06 May 2022**

Update of the prospectus with a warning regarding the ban on Russian or Belarusian nationals from subscribing for shares of the SICAV, which includes any natural person residing in Russia or Belarus or any legal person, entity, or body established in Russia or Belarus except for nationals of a Member State of the European Union (EU) and natural persons holding a temporary or permanent residence permit in a Member State of the European Union (EU).

On that occasion, the new address of CACEIS Bank and CACEIS FA was added to the prospectus, with effect from 1 June 2022.

➢ **30 December 2022**

The prospectus was brought into line with the EU Sustainable Finance Regulation:

• Addition of an explanatory text on how the main adverse environmental, social, or governance impacts of the subfund's investments are taken into account.

• An appendix detailing how the promoted environmental and/or social characteristics are implemented has been included in the SICAV's prospectus.

• In furtherance of the incorporation in the prospectus of the European criteria for environmentally sustainable economic activities provided for in European Regulation 2020/852 of 18 June 2020 ("Taxonomy Regulation"), the explanatory text introduced on 1 January 2022 was supplemented by four other environmental objectives defined by the Taxonomy Regulation: the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

➢ **1 January 2023**

The subfund's KIIDs (Key Investor Information Documents) were replaced by the KIDs (Key Information Documents) pursuant to Regulation (EU) No 1286/2014 of 26 November 2014 ("PRIIPs Regulation").

➢ **10 March 2023**

Correction of the wording of the paragraph entitled "Rules for valuation and recognition of assets of the SICAV" in the prospectus

Following an inconsistency raised by Ernst & Young et Autres, the subfund's statutory auditor, on the coupon calculation method mentioned in the prospectus since 30 September 2019 and that applied by CACEIS Fund Administration since its creation on 12 July 2019.
The management company has corrected the prospectus to reflect the reality of the accounting method applicable to the subfund.

An ad hoc report issued by Ernst & Young et Autres has been appended to the annual report.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY

Information on Environmental, Social, and Governance (ESG) criteria

In accordance with Article L.533-22-1 of the French Monetary and Financial Code, the policy on considering environmental, social, and governance quality (ESG) criteria in the investment strategy is available on the management company's website at www.assetmanagement.hsbc.fr.

Further information on the inclusion of ESG criteria in the investment policy over the fiscal year

Information on SRI criteria

The HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY subfund simultaneously addresses environmental, social, and governance criteria in its management.

The HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY subfund has adopted the AFG/FIR/Eurosif transparency code for SRI UCIs open to the public. This transparency code fully describes how environmental, social, and governance criteria are reflected in the investment policy of the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY subfund. This code is available on the management company's website at the following address:

www.assetmanagement.hsbc.fr/-/media/files/attachments/france/common/code-de-transparence-hsbc-rif.pdf

All information and historical data on the financial performance of the HSBC Asset Management range of SRI UCIs are available on the management company's information website:

www.assetmanagement.hsbc.fr/fr/retail-investors/fund-centre.

SRI philosophy

www.assetmanagement.hsbc.fr/fr/retail-**investor**/investment-expertise/sustainable-investments

The approach taken by HSBC Asset Management is to offer investors in SRI UCIs the prospect of performance in line with that of comparable conventional UCIs, while at the same time incorporating Environmental, Social/Societal, and Governance (ESG) factors, the pillars of Sustainable Development. **In our view, it is possible to reconcile our clients' individual interest of seeking performance with the collective interest of consideration of Sustainable Development issues.**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY

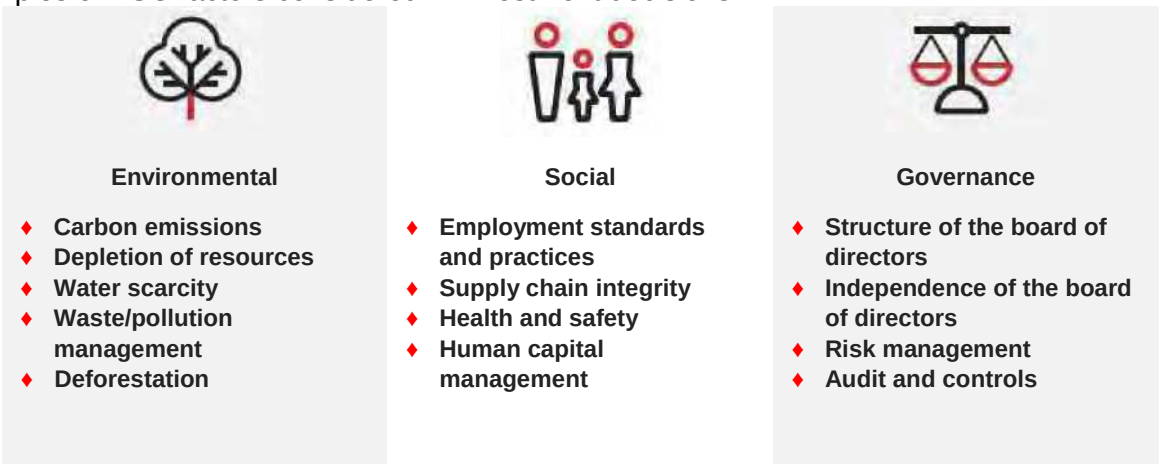
In practical terms, we believe that ESG factors can influence a company's business activity and a country's long-term policy and, as a result, the profitability of financial assets. We feel that the SRI UCI offering must be transparent and capable of reflecting our clients' expectations. Our objective is therefore to construct a disciplined, pragmatic offering for them, enhanced by our experience, gained over more than 16 years, and based on our management expertise. Complete financial data histories are available on request from the management company's head office:

HSBC Global Asset Management (France)
110, esplanade de Général de Gaulle – La Défense 4 – 92400 Courbevoie
@: hsbc.client.services-am@hsbc.fr

Description of the main criteria for these environmental, social, and governance (ESG) objectives.

What ESG criteria are taken into account?
The portfolio's ESG analysis is made possible primarily through an analysis of ESG scores from MSCI, to which we apply an internal weighting for each E, S, and G pillar by sector.

Examples of ESG factors considered in investment decisions



Source: HSBC Asset Management. For illustration purposes only.

Within each pillar, the MSCI research is based on a selection of more than 35 sub-criteria identified below. In bold are the sub-criteria common to the 30 HSBC sectors that map the specific characteristics of each industry.

- Environment pillar: 14 criteria including 3 criteria common to all sectors: Carbon emissions - Energy efficiency - Product carbon footprint - Climate change risks - Water stress - Biodiversity and land use - Origin of raw materials - Assessment of the environmental impact of financing - Toxic emissions and waste - Packaging material and waste - Electronic waste - Opportunities in clean technologies - Opportunities in green construction - Opportunities in renewable energy
- Social pillar: 15 criteria including 2 criteria common to all sectors: Development of human capital - Social dialogue - Health and safety - Compliance with employment standards in the supply chain - Contentious procurement - Product safety and Quality - Chemical safety - Security of financial products - Privacy and information security - Health insurance and Demographic risk - Responsible investment - Access to k communication - Access to financing - Access to medical services - Opportunities in nutrition and health

- Governance pillar: 5 criteria including 3 criteria common to all sectors: Corruption and instability - Ethics and fraud - Anti-competitive practices - Financial manipulation and misappropriation - Corporate governance

More specifically, in the sphere of Corporate Governance, the Governance pillar monitors opacity and lack of transparency in financial practices, directors' independence, the existence of key committees, directors' qualifications and experience, executive remuneration, the ownership structure and voting rights, the existence of anti-takeover measures, obstacles to voting, and shareholders' right to take collective action.

Issuer analysis and ESG assessment methodology (construction, rating scale, etc.)

Beyond internal research, we have chosen to rely on various and complementary external research and provide it to all our managers and analysts.

The objective is to hedge all securities that we manage through an ESG analysis.

- S&P Trucost: provides analyses and data on carbon, water, waste, and natural resources with tracking of more than 6,200 issuers;
- Carbon4 Finance: tracks 15,000 issuers worldwide; provides data to measure "greenhouse gas emissions saved" through a more in-depth analysis of the climate trajectory of companies;
- MSCI ESG Research: covers the MSCI ACWI (All Countries World Index) with around 9,100 companies;
- ISS Ethix: banned and controversial weapons - tracking of 6,000 issuers; lists of securities identified as being involved in anti-personnel mines and cluster munitions). These exclusion lists are the subject of a highly formal distribution and a pre-trade and post-trade check set up and overseen by the Risk and Compliance departments.
- ISS ESG (formerly Oekom): rating of the world's top 54 issuing countries and non-listed issuers;
- FTSE Green Revenues: FTSE Russell's green revenues methodology comprehensively evaluates all companies whose revenues are exposed to green activities defined by the Green Revenue Classification System (GRCS), which is a taxonomy used to define and measure the industrial transition to a green economy.
- RepRisks: tracks 40,700 companies and provides a dynamic ESG and reputational risk assessment based on nearly 80,000 public sources and stakeholders, in 20 languages, with more than 500,000 incidents analysed each day;
- Sustainalytics: 23,000 companies are monitored against the 10 principles of the Global Compact. The UN Global Compact compliance research framework is based on international conventions and treaties and underpins these principles, including international ESG standards, such as those of the OECD, the Guidelines for Multinational Enterprises, International Labour Organisation conventions, Universal Declarations of Human Rights, Equator Principles, and sector-specific initiatives such as the International Council on Mining and Metals

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY

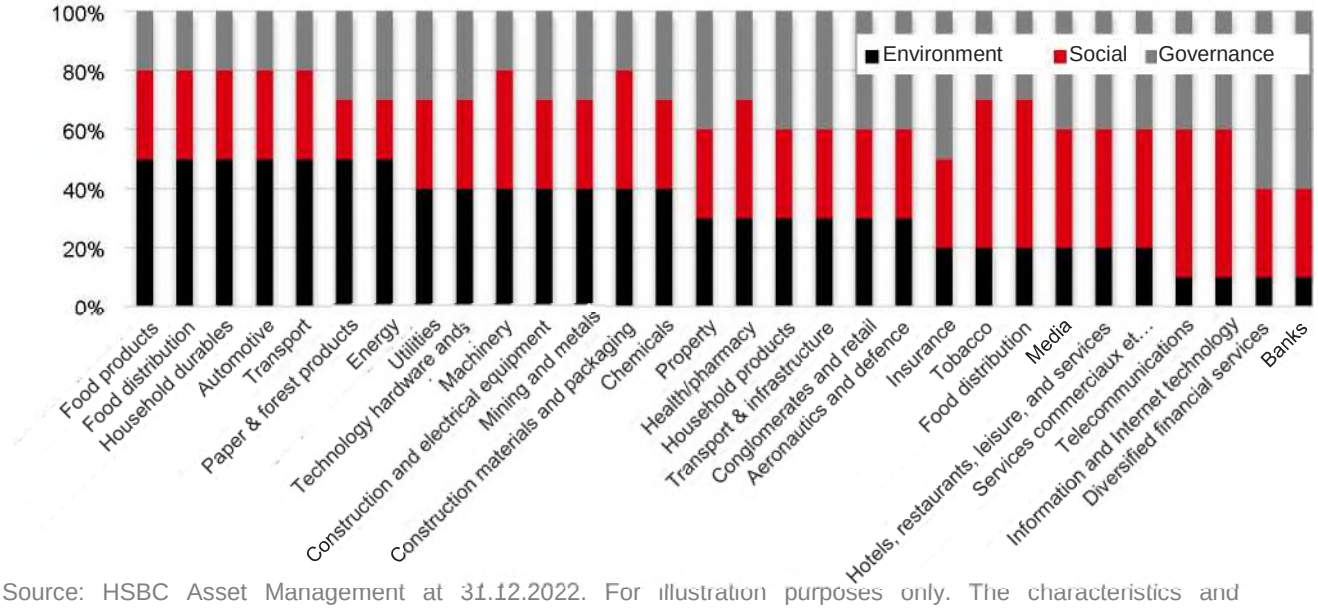
All types of investment thus incorporate the ESG aspect, which contributes to the overall analysis. ESG criteria are incorporated into the analysis and stock-picking processes in all the active management portfolios.

- Each security is linked to one of the 30 “house” sectors grouping consistent sets from the perspective of ESG issues and similarities presented by the economic models. Then, for each sector, we determined a weighting of the E, S, and G pillars reflecting the industrial reality of each sector. This approach is the result of extensive joint studies by the credit and equity analyst teams under the coordination of the Global Head of ESG Research.
- As shown in the diagram below, the contribution of E, S, and G pillars to the overall ESG score can vary significantly by sector. While the Environment is the most weighted parameter – the one with the greatest potential financial impact – in sectors such as Food and Automotive, it is clearly outweighed by Governance in the Banking sector.
- The companies are then classified as Low, Medium, and High Risk. Securities identified as High Risk undergo a thorough analysis. These are companies that have violated one or more of the ten principles of the United Nations Global Compact and/or are not aligned with the Financial Crime Compliance (FCC) standards or are ranked in the bottom 5 per cent of their benchmark universe according to our ESG analysis. This phase of heightened vigilance allows us to put financial attractiveness and ESG risks in perspective and to determine whether these securities have been properly valued. At the end of the analysis, if the company is qualified to remain in the portfolio, it is monitored, and a dialogue is initiated with the company’s management. This special monitoring ends once all the indicators lead to a “Low Risk” classification. In SRI funds, securities identified as “High Risk” are excluded from the investment universe

ESG rating: methodology

- The ESG ratings provided by MSCI are used to calculate ESG scores for each security/each issuer. Among the results of these ratings is the production of an SRI investment universe for each of the subfunds of the HSBC RIF SICAV.
- We then assign an E (Environment) rating, an S (Social) rating, and a G (Governance) rating and an overall ESG score of the portfolio. The rating scale ranges from 0 to 10, with 10 being the best score. Each of the E, S, and G pillars is assigned a specific weighting in each of the 30 business sectors using our internal rating process, and the overall rating is calculated on this basis.
- Weight of the E, S, and G pillars for each of the 30 sectors of the ESG segmentation.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY



Source: HSBC Asset Management at 31.12.2022. For illustration purposes only. The characteristics and measurements are provided for illustration purposes only and may be modified to take market changes into account.

- The portfolio's ESG score is the average of the ESG ratings weighted by the proportion of each security in the portfolio.
- Sovereign and supranational issues have only two equally weighted pillars: E and S. The S rating incorporates the issues covered in the G pillar.
- Securities classified as "High Risk" are subject to Enhanced Due Diligence (EDD) review and monitoring.

In SRI funds, securities identified as "High Risk" are excluded from the investment universe.

Step 1: ESG analysis and definition of the investment universe

- Investment universe

Name of the subfund	Benchmark for information	Initial investment universe
HSBC RIF – SRI EUROLAND EQUITY	MSCI EMU (NR)	Approximately 400 eurozone large and mid-cap stocks

Source: HSBC Asset Management at 30.12.2022. For illustration purposes only. The characteristics and measurements are provided for illustration purposes only and may be modified to take market changes into account.

These initial universes can be enriched by adding companies or stocks that are not part of the market indexes mentioned above. These additions are made at the discretion of the managers and analysts.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY

The SRI universe of the subfund includes companies in the top two quartiles in each sector as well as stocks selected from the third quartile for up to a maximum of 15% of net assets.
In addition, the subfund will:
- Exclude issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or with at least two alleged violations) and the OECD Guidelines for Multinational Enterprises.
- Exclude shares of companies involved in the production of controversial weapons or their components. Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons, and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties.
- Exclude shares of companies in the Defence sector.
- Exclude shares of companies engaged in thermal coal activities. With regard to electricity generation, companies deriving more than 10% of their turnover from electricity generated using thermal coal are partially excluded. Mining companies are completely excluded.
- Exclude shares of companies involved in tobacco production.

Our SRI selection methodology introduces selectivity leading to the exclusion of 25% of companies within a single sector.

Step 2: financial process

Steps in the financial process	
Investment process	**Profitability/Valuation analysis** Picking stocks with the best profitability/valuation profile. The aim of our process of analysis is to understand and measure the company's structural profitability.
Portfolio construction and optimisation	We select those companies on which our convictions are strongest in terms of their profitability and valuation.
Risk monitoring	Risk monitoring is an integral part of our investment process. The main aim is to monitor and manage regulatory, internal, and fund-specific risks. Risks are managed by experienced professionals, according to stringent control and due diligence procedures and using appropriate tools.

Source: HSBC Asset Management. For illustration purposes only. Overview of the general investment process, which may differ depending on the product or market conditions.

The minimum non-financial analysis rate of 90% is applied to the subfund's eligible assets.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY

Description of the incorporation of environmental, social, and governance criteria analysis results into the investment and disinvestment process. If applicable, description of how stocks not assessed on these criteria are taken into account.

As a reminder, there are two major consecutive, independent steps in our investment process for the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY subfund, as detailed in the paragraphs below.

Based on the research results and the ESG analysis process, we define a universe of SRI stocks meeting the criteria specified for the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY subfund in accordance with the description of the ESG investment criteria and the ESG analysis process described above.

Taking this SRI universe as the starting point, the fund manager then picks stocks according to an active fundamental approach based on financial criteria. The fund manager can therefore only invest in stocks that meet the criteria that we described above.

Based on the ratings determined by our internal rating system, the SRI universe of the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY subfund is defined and updated monthly, no later than the 15th of each month, using the updates from the end of the previous month. Within each sector, the universe is segmented into quartiles. Stocks classified in the bottom quartile are excluded, and it is possible to invest a maximum of 15% of net assets in the third quartile and without restriction in those classified in the top two quartiles. According to this stock-picking methodology, within the same sector, at least 25% of companies are excluded.

The portfolio of the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY subfund must be brought into line with changes in quartiles resulting from changes in ratings within two weeks after the new SRI universes are sent out and before the end of each calendar month at the latest. Exceptionally, however, this period may be extended by a further three months, at the fund manager’s discretion, for companies in the bottom quartile.

Implementation of an issuer engagement policy

Our voting and engagement activities aim to protect and enhance the value of the assets entrusted to us by our clients. These activities allow us to better understand and assess ESG risks and opportunities at the level of each company, encourage responsible behaviour, and promote high standards of governance.

Engagement - Our engagement policy is based on systematic ESG questioning during meetings with companies and monitoring of the riskiest companies. We believe that consideration of ESG issues can have a long-term impact on the performance of companies. As part of our fiduciary responsibility, we are obliged to monitor the companies in which we are invested on behalf of our clients.
Our engagement objective is to allow companies to explain their ESG approach to us. The Managers and analysts initiate a shareholder dialogue for a constructive exchange with the management of the companies in which we invest on behalf of our clients. These discussions are a good way to explore in more detail and better understand the underlying ESG and climate risks and to encourage companies to incorporate ESG risks.

It also provides an opportunity to promote the improvement of corporate governance on the basis of our voting directives and to encourage them to establish and maintenance a high level of transparency.

Direct engagement. We regularly meet with company managers as part of the active management process. We ask issuers about the implementation of their business strategy, performance, financial and non-financial risks, capital allocation, and management of ESG issues. We also encourage companies in our portfolios to establish and maintain a high level of transparency, particularly with regard to their management of ESG risks and climate risk.

Exercising our voting rights

We vote in accordance with our voting policy, which is available on our website.

Presentation of voting policy

Our voting policy can be accessed on the HSBC Asset Management website:

www.assetmanagement.hsbc.fr/-media/files/attachments/france/common/policy/politique-de-vote.pdf

HSBC Asset Management has set up a Corporate Governance Committee responsible for determining and monitoring the voting policy at general meetings. Fund managers and analysts make voting decisions based on the principles defined by this Committee. The Middle Office is responsible for implementation and for the operational process of exercising voting rights at general meetings.

Together with HSBC Asset Management (UK) Ltd, HSBC Asset Management uses the services of ISS, a world leader in supplying corporate governance services, particularly when it comes to managing voting rights.

HSBC Asset Management has defined guidelines or voting criteria that include the recommendations of the AFG, the OECD, AFEP/MEDEF, and the UK Corporate Governance Code.

Voting resolutions not covered by our guidelines shall be examined on a case-by-case basis.

HSBC Asset Management votes on all securities held in the portfolio, regardless of their level of ownership, on the basis of the overall voting policy, defined by the Asset Management business line. This applies to all markets throughout the world, with the exception of:

- markets that do not meet acceptable voting conditions,

- English, French, and Irish securities for which there are specific voting policies.

With regard to French securities, the HSBC Asset Management voting policy is applied to French shares held in UCIs managed in Paris.

With regard to English and Irish securities, voting rights are exercised based on the principles defined by the management structure in London, HSBC Asset Management (UK) Ltd.

Our voting policy describes a general framework that covers the main issues identified concerning the appointment and removal of companies' corporate bodies, remuneration of the board of directors

and executive officers (stock options, bonus shares, etc.), employee-only capital increases, respect for shareholders' rights (securities issuance and redemption programmes), approval of the accounts, appropriation of earnings, appointment of statutory auditors, regulated agreements, dividend distribution, decisions resulting in changes to the articles of association, shareholder resolutions, and consideration of E, S, and G issues by the company. Our voting policy also describes the procedures in place to prevent and manage conflicts of interest within the HSBC Group.

The Corporate Governance Committee meets at least once a year or when the situation calls for it to develop a plan. Its role is to validate and draw up the voting policy of the management company HSBC Asset Management for French securities. The members of this meeting review all regulatory issues or changes in market behaviour. The head of the Corporate Governance meeting is in charge of this regulatory watch.

The HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY subfund has chosen not to lend its securities and therefore exercises its voting rights in respect of all the shares it holds.

Evaluation of the implementation of the voting and engagement policy

We undertake a comprehensive evaluation. It can be accessed on the website mentioned above in the "Activity report on the exercise of voting rights":

www.assetmanagement.hsbc.fr/-/media/files/attachments/france/common/rapport-sur-lexercice.pdf

"SFDR" Annex to Regulation (EU) 2019/2088 and its implementing technical standards

The subfund promotes environmental or social characteristics within under Article 8 of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR").

Information on environmental or social characteristics is available in the SFDR appendix of the annual report.

"Article 29" report under the French Energy and Climate Act No. 2019-1147

As the Subfund has assets in excess of €500 million, the Article 29 report under the French Energy and Climate Act No. 2019-1147 of 8 November 2019 (LEC) is available on the management company's website: www.assetmanagement.hsbc.fr. This document is published within six months of the Subfund's accounting close.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY

Additional information relating to Shareholder Rights Directive II (SRD2)

Contribution to medium- and long-term performance

During the period under review, the investment strategy was implemented in a disciplined manner and yielded results in line with expectations, giving us confidence that we will achieve the performance and risk management objectives over the recommended investment period for this Subfund.
The investment strategy is based on selecting companies with the best ESG ratings within their sector and with profitability and growth prospects that are not reflected in their valuations.
The integration of non-financial factors (environmental, social, and governance) into the analysis of investment cases allows us to better assess the soundness and sustainability of the business model(s) of the examined company and therefore to integrate into its valuation any elements of risk or opportunities that the mere analysis of its financial statements might not have identified.

- Main significant risks

  The subfund incurs primary and secondary risks, which are listed in the subfund's prospectus.

- Turnover rate

  Portfolio turnover rate: 34.89%

  The SEC method is used to calculate the turnover rate: Annual TO = Min (Purchase of securities; Sale of securities) / Average AUM

- Management of conflicts of interest

  During the past fiscal year, there were no conflicts of interest related to engagement activities.

  During this period, the management company decided to use a voting advisor, Institutional Shareholder Services (ISS), for engagement activities.

- Securities lending

  The management company did not engage in securities lending during the past fiscal year.

- Information about investment decisions

  Investment decisions are based on fundamental analysis of the companies included in the investment universe. Markets are not always efficient and do not always reflect the intrinsic value of companies.
  In this context, investment decisions are based on long-term fundamental analysis, thus enabling us to take advantage of these opportunities arising from the excessive volatility of financial markets.
  The management processes are based on exploiting the data from the fundamental analysis conducted by our independent research teams, whether in the short, medium, or long term.

Furthermore, regardless of the asset class, the consideration of Environmental, Social, and Governance risks and opportunities (E.S.G. integration) is an integral part of the security selection process of the manager of the subfunds concerned with the objective of long-term outperformance.

Information relating to efficient portfolio management techniques and derivatives used by the subfund of the SICAV, pursuant to AMF position No. 2013-06

Efficient portfolio management techniques

As of the close of the fiscal year, the subfund of the SICAV did not use efficient portfolio management techniques.

Derivatives

As of the close of the fiscal year, the subfund of the SICAV did not use derivatives.

Policy on claims for the return of foreign withholding taxes

In the Santander ruling of 10 May 2012 (C-338/11 – Santander Asset Management SGIIC), the Court of Justice of the European Union held that “EU law precludes the French legislation which taxes at source nationally sourced dividends when received by UCITS resident in another State but exempts such dividends from tax when received by UCITS resident in France”.

This ruling can be transposed in various EU countries where the taxation of dividends paid to resident investment funds and non-resident investment funds appears to be discriminatory with regard to the free movement of capital guaranteed by EU law.

In this context, as management company of the SICAV, HSBC Global Asset Management (France) followed all the steps described in the handbook of the French association of management companies (AFG) (“Refund of withholding taxes on foreign securities of French UCITSs” - version of 21 December 2012) to identify opportunities and then initiate requests for refund of withholding taxes levied in contradiction with EU law.

HSBC Global Asset Management (France) thus acts in the interests of the shareholders by making claims on behalf of the HRIF – SRI Euroland Equity subfund where the materiality threshold, the likelihood of recovery, and the costs would be favourable to the unitholders. This claim policy is subject to uncertainties in terms of timeframes and reimbursed amounts.

The amount of reimbursements actually received in respect of these claims for the past fiscal year was €107,568.28 for the HRIF - SRI Euroland Equity subfund excluding the deduction of the costs of returning this sum received from Finland.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY

Aggregate exposure

The commitment method is used to calculate the aggregate exposure on financial futures.

Main movements in the portfolio during the period

Securities	Movements ("Accounting currency")	
	Acquisitions	Disposals
SIEMENS AG-REG	395,406.42	23,239,944.41
VONOVIA SE	1,531,938.24	20,047,068.21
MICHELIN - CATEGORY B	2,419,118.85	18,391,345.87
CAPGEMINI SE	2,441,194.41	17,455,644.75
ENEL SPA	9,944,902.06	9,413,605.57
KONINKLIJKE AHOLD NV	12,494,350.33	5,552,433.15
INTESA SANPAOLO	3,491,961.08	14,287,315.32
ASML HOLDING NV	16,073,767.20	1,601,140.16
SANOFI	8,724,406.83	8,655,560.56
ALLIANZ SE-REG	4,217,593.00	12,905,296.94

Transparency of securities financing transactions and the reuse of financial instruments - SFTR - in the accounting currency of the UCI (EUR)

The UCI did not carry out any transactions covered by the SFTR during the fiscal year.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY

Annual Financial Statements

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY

Balance Sheet – Assets

Balance Sheet – Assets as at 30/12/2022
Portfolio: 109006 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY

	30 December 2022	31 December 2021
NET FIXED ASSETS		
DEPOSITS		
FINANCIAL INSTRUMENTS	**627,668,448.63**	**749,349,293.29**
Equities and equivalent securities	**627,668,448.63**	**749,349,293.29**
Traded on a regulated or equivalent market	627,668,448.63	749,349,293.29
Not traded on a regulated or equivalent market		
Bonds and equivalent securities		
Traded on a regulated or equivalent market		
Not traded on a regulated or equivalent market		
Debt instruments		
Traded on a regulated or equivalent market		
Negotiable debt instruments		
Other debt instruments		
Not traded on a regulated or equivalent market		
Undertakings for collective investment		
UCITS and AIF for retail investors and equivalents in other countries		
Other funds for retail investors and equivalents in other EU Member States		
Professional general investment funds and equivalents in other EU member states and listed securitisation funds		
Other professional investment funds and equivalent in other EU Member States and non-listed securitisation funds		
Other non-European vehicles		
Repos and reverse repos		
Receivables under repurchase agreements		
Receivables representing lent securities		
Borrowed securities		
Securities delivered under repurchase agreements		
Other temporary transactions		
Financial futures		
Transactions on a regulated or equivalent market		
Other transactions		
Other financial instruments		
RECEIVABLES		
Forward foreign currency transactions		
Other		
FINANCIAL ACCOUNTS	**23,186,087.47**	**16,530,498.59**
Cash and cash equivalents	23,186,087.47	16,530,498.59
TOTAL ASSETS	**650,854,536.10**	**765,879,791.88**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY

Balance Sheet – Liabilities & Equity

Balance Sheet – Liabilities & Equity as at 30/12/2022
Portfolio: 109006 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY

	30 December 2022	31 December 2021
EQUITY		
Capital	642,874,476.20	693,602,535.10
Prior net gains and losses not distributed (a)		
Retained earnings (a)		
Net gains and losses for the period (a,b)	-6,254,650.48	62,630,284.67
Result for the fiscal year (a, b)	13,563,388.70	8,888,291.92
TOTAL EQUITY *	**650,183,214.42**	**765,121,111.69**
* *Amount representing net assets*		
FINANCIAL INSTRUMENTS		
Disposals of financial instruments		
Repos and reverse repos		
Payables under repurchase agreements		
Payables representing borrowed securities		
Other temporary transactions		
Financial futures		
Transactions on a regulated or equivalent market		
Other transactions		
PAYABLES	**671,321.68**	**758,680.19**
Forward foreign currency transactions		
Other	671,321.68	758,680.19
FINANCIAL ACCOUNTS		
Current bank facilities		
Loans		
TOTAL LIABILITIES	**650,854,536.10**	**765,879,791.88**

(a) Including accruals
(b) Minus interim payments for the fiscal year

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY

Off-balance sheet commitments

Off-balance-sheet commitments as at 30/12/2022
Portfolio: 109006 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY

	30 December 2022	31 December 2021
HEDGING TRANSACTIONS		
Commitments on regulated or equivalent markets		
Commitments on over-the-counter markets		
Other commitments		
OTHER TRANSACTIONS		
Commitments on regulated or equivalent markets		
Commitments on over-the-counter markets		
Other commitments		

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY

Income Statement

Income Statement as at 30/12/2022
Portfolio: 109006 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY

	30 December 2022	31 December 2021
Income from financial transactions		
Income from deposits and financial accounts	27,060.14	
Income from equities and equivalent securities	21,308,433.19	20,166,002.72
Income from bonds and equivalent securities		
Income from debt instruments		
Income from repos and reverse repos		
Income from financial futures		
Other financial income		
TOTAL (1)	**21,335,493.33**	**20,166,002.72**
Expenses on financial transactions		
Expenses from repos and reverse repos		
Expenses from financial futures		
Expenses from financial debts	87,263.47	150,711.18
Other financial expenses		
TOTAL (2)	**87,263.47**	**150,711.18**
RESULT FROM FINANCIAL TRANSACTIONS (1 - 2)	**21,248,229.86**	**20,015,291.54**
Other income (3)		
Management fees and amortisation allowance (4)	6,974,003.43	7,751,421.98
NET INCOME FOR THE PERIOD (L. 214-17-1) (1 - 2 + 3 - 4)	**14,274,226.43**	**12,263,869.56**
Accrued income for the fiscal year (5)	-710,837.73	-3,375,577.64
Interim dividends paid during the fiscal year (6)		
RESULT (1 - 2 + 3 - 4 + 5 - 6)	**13,563,388.70**	**8,888,291.92**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY

Notes

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY

1. Accounting policies

The annual financial statements are presented in the form prescribed by ANC regulation 2014-01, as amended.

General accounting principles are applied:
- true and fair view, comparability, going concern;
- accuracy, reliability;
- prudence;
- consistency of accounting methods from one period to the next.

The interest accrual basis is used to recognise revenue from fixed-income securities.

Securities bought and sold are recognised excluding costs.
The euro is the reference currency for the portfolio's accounting.
The duration of the reporting period is 12 months.

Asset valuation rules

The asset valuation rules applied by the accounting manager are outlined below according to the instruments held by the subfund:

The subfund has adopted the euro as the reference currency.

The prices used for the valuation of securities traded on the stock exchange are the closing prices.

The prices applied for the valuation of bonds are an average contributor. The UCIs are valued at the last known price.

Negotiable debt securities with a residual life of more than three months are valued at the market rate, with the exception of variable-rate or adjustable-rate negotiable debt securities not presenting any particular market sensitivity.

A simplified method known as "linearisation" is applied for negotiable debt instruments whose residual lifespan is less than three months with no particular sensitivity to the market on the basis of the crystallised three-month rate.

Repos are valued at the contract price.

Futures, options, or exchange transactions made on OTC markets, authorised by applicable UCI regulations, are measured at their market value or at an estimated value according to methods chosen by the management company.

Interest rate and/or currency swaps are valued at their market value based on the price calculated by discounting future cash flows (principal and interest), at the market interest and/or exchange rates.

European and foreign futures are valued on the basis of the clearing prices.

Interest-rate and foreign currency swaps are valued under market conditions.

The valuation of interest-rate swaps against share performance is carried out:
- under market conditions for the fixed income branch
- according to the underlying security rate for the equity branch.

The valuation of Credit Default Swaps (CDS) stems from a model used by the spreads market.

Off-balance-sheet commitments in the European and foreign futures markets are calculated as follows:

- FUTURES
(Qty x Nominal x Daily rate x Contract currency)

- OPTIONS
(Qty x delta) x (Nominal of the underlying instrument x Daily rate of the underlying instrument x Contract currency).

For swaps, the off-balance-sheet commitment corresponds to the nominal value of the contract plus or minus the interest differential and the unrealised capital gain or loss on the closing date.

Transaction fees are recognised in specific accounts of each subfund and are not added to the price.

Financial instruments whose prices were not determined on the day of valuation or whose prices have been adjusted are valued at their probable trading price under the responsibility of the Management Company. These valuations and proof therein are provided to the Statutory Auditor in connection with its audits.

Valuation of financial guarantees

Collateral is marked to market on a daily basis.
Haircuts can be applied to collateral received in the form of securities according to the level of risk.

Margin calls occur daily unless otherwise indicated in the master agreement covering these transactions on in case of agreement between the Management Company and the counterparty on the application of a trigger threshold.

Management fees

Management fees and running costs cover all costs relating to the UCI: financial, administrative and accounting management, custodianship, distribution, audit fees, etc.
These fees are charged to the income statement of the UCI.
Management fees do not include transaction fees. For more information on the costs actually billed to the UCI, please see the prospectus.

They are recognised on a pro rata basis each time the net asset value is calculated.

The aggregate of these fees complies with the maximum fee rate as a percentage of the net assets given in the prospectus or the rules of the fund:

FR0010250324 - HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY ZC share: Maximum fee rate of 0%
FR0010250316 - HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY IC share: Maximum fee rate of 0.75% including tax
FR0014003KN0 - HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY SC share: Maximum fee rate of 0.60% including tax
FR0000437113 - HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY AC share: Maximum fee rate of 1.50% including tax
FR0013287257 - HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY BC share: Maximum fee rate of 0.75% including tax

Administrative charges outside the management company are a maximum of 0.10% including taxes for the AC, SC, ZC, IC, and BC units and a maximum of 0.20% including taxes for the IT unit.

Indirect charges have a non-significant maximum rate, as the subfund invests less than 20% in UCIs.

Swing pricing

The management company has implemented a swing pricing mechanism to adjust the net asset value of each of the subfunds once a trigger threshold is reached in order to protect the interests of the unitholders present in each of the subfunds.

Under this mechanism, investors bear the portfolio adjustment costs — including transaction fees, bid/offer spreads and taxes or fees applicable to the UCI — relating to investments or disinvestments when there are significant numbers of subscriptions and redemptions.

When the net balance of investor subscription and redemption orders exceeds a predefined threshold, called the “trigger threshold”, the NAV is adjusted.

The NAV is adjusted up or down if the balance of subscriptions– redemptions is respectively positive or negative, so as to take into account the readjustment costs attributable to the net subscription and/or redemption orders.

The trigger threshold is expressed as a percentage of the subfund’s net assets.
The parameters for the trigger threshold and the NAV adjustment factor are determined by the management company and periodically reviewed.

The adjusted (“swung”) NAV is the subfund’s only NAV and is therefore the only NAV published and communicated to unitholders.

By applying swing pricing with a trigger threshold, it is possible that the UCI’s volatility will not come from only the volatility of the financial instruments in the portfolio.

In accordance with the regulatory provisions, the management company does not communicate the trigger thresholds and ensures that internal communication channels are restricted so as to safeguard the confidential nature of the information.

Appropriation of distributable amounts

Definition of distributable amounts

Distributable amounts consist of the following:

Result:

Net income for the fiscal year is equal to the amount of interest, arrears, premiums and bonuses, dividends, directors' fees, and any other income relating to the securities comprising the portfolio, plus the income from any amounts temporarily available, less management fees and borrowing costs.
Retained earnings are added to net income, and the balance of accrued income is added or subtracted as appropriate.

Capital gains and losses:

Capital gains realised, net of costs, minus realised losses, net of costs, recognised during the fiscal year, plus net gains of the same type recognised in previous fiscal years that were not distributed or accumulated, plus or minus the balance of accrued gains.

Appropriation of distributable amounts:

Share(s)	*Appropriation of net income*	*Appropriation of realised net capital gains or losses*
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY AC share	Accumulation	Accumulation
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY BC share	Accumulation	Accumulation
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY IC share	Accumulation	Accumulation
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY SC share	Accumulation	Accumulation
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY ZC share	Accumulation	Accumulation

2. Change in Net Assets

Change in net assets as at 30/12/2022
Portfolio: 109006 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY

	30 December 2022	31 December 2021
BEGINNING NET ASSETS	**765,121,111.69**	**657,116,878.77**
Subscriptions (including subscription fees paid into the UCI)	175,200,664.11	528,933,369.17
Redemptions (after deducting redemption fees paid into the UCI)	-173,142,248.70	-551,278,118.84
Capital gains realised on deposits and financial instruments	32,926,472.08	98,937,652.87
Capital losses realised on deposits and financial instruments	-39,190,163.01	-18,111,950.20
Capital gains realised on financial futures		
Capital losses realised on financial futures		
Transaction fees	-489,270.31	-858,319.53
Foreign exchange gains/losses	-682,568.17	684,053.42
Changes in the valuation differential of deposits and financial instruments	-123,835,009.70	37,433,676.47
Valuation differential period N	*2,750,662.59*	*126,585,672.29*
Valuation differential period N-1	*-126,585,672.29*	*-89,151,995.82*
Changes in the valuation differential of financial futures		
Valuation differential period N		
Valuation differential period N-1		
Prior-year distribution on net gains and losses		
Prior-year distribution on earnings		
Net income for the period before accruals	14,274,226.43	12,263,869.56
Current-year interim distribution(s) on net gains and losses		
Current-year interim distribution(s) on earnings		
Other items		
ENDING NET ASSETS	**650,183,214.42**	**765,121,111.69**

3. Additional information

3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC NATURE

	Amount	%
ASSETS		
BONDS AND EQUIVALENT SECURITIES		
TOTAL BONDS AND EQUIVALENT SECURITIES		
DEBT INSTRUMENTS		
TOTAL DEBT INSTRUMENTS		
LIABILITIES & EQUITY		
DISPOSALS OF FINANCIAL INSTRUMENTS		
TOTAL DISPOSALS OF FINANCIAL INSTRUMENTS		
OFF-BALANCE SHEET COMMITMENTS		
HEDGING TRANSACTIONS		
TOTAL HEDGING TRANSACTIONS		
OTHER TRANSACTIONS		
TOTAL OTHER TRANSACTIONS		

3.2. BREAKDOWN OF ASSETS, LIABILITIES, AND OFF-BALANCE-SHEET ITEMS BY RATE TYPE

	Fixed rate	%	Variable rate	%	Adjustable rate	%	Other	%
ASSETS								
Deposits								
Bonds and equivalent securities								
Debt instruments								
Repos and reverse repos								
Financial accounts							23,186,087.47	3.57
LIABILITIES & EQUITY								
Repos and reverse repos								
Financial accounts								
OFF-BALANCE SHEET COMMITMENTS								
Hedging transactions								
Other transactions								

3.3. BREAKDOWN OF ASSETS, LIABILITIES, AND OFF-BALANCE SHEET COMMITMENTS BY RESIDUAL MATURITY(*)

	< 3 months	%	]3 months - 1 year]	%	]1 - 3 years]	%	]3 - 5 years]	%	> 5 years	%
ASSETS										
Deposits										
Bonds and equivalent securities										
Debt instruments										
Repos and reverse repos										
Financial accounts	23,186,087.47	3.57								
LIABILITIES & EQUITY										
Repos and reverse repos										
Financial accounts										
OFF-BALANCE SHEET COMMITMENTS										
Hedging transactions										
Other transactions										

(*) Forward-rate positions are presented according to the maturity of the underlying assets.

3.4. BREAKDOWN OF ASSETS, LIABILITIES, AND OFF-BALANCE SHEET COMMITMENTS BY LISTING CURRENCY OR VALUATION CURRENCY (EXCLUDING EURO)

	Currency 1 SEK		Currency 2		Currency 3		Currency N OTHER(S)	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Deposits								
Equities and equivalent securities								
Bonds and equivalent securities								
Debt instruments								
UCI								
Repos and reverse repos								
Receivables								
Financial accounts	0.04							
LIABILITIES & EQUITY								
Disposals of financial instruments								
Repos and reverse repos								
Payables								
Financial accounts								
OFF-BALANCE SHEET COMMITMENTS								
Hedging transactions								
Other transactions								

3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Debit/credit type	30 December 2022
RECEIVABLES		
TOTAL RECEIVABLES		
PAYABLES		
	Fixed management fees	671,321.68
TOTAL PAYABLES		**671,321.68**
TOTAL PAYABLES AND RECEIVABLES		**-671,321.68**

3.6. EQUITY

3.6.1. Number of securities issued or redeemed

	Shares	Amount
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY AC share		
Shares subscribed during the period	1,272,041.2640	70,180,446.81
Shares redeemed during the period	-456,389.0090	-25,248,930.44
Net balance of subscriptions/redemptions	815,652.2550	44,931,516.37
Number of shares outstanding at year-end	6,250,922.5270	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY BC share		
Shares subscribed during the period	822.711	935,028.30
Shares redeemed during the period	-7,308.405	-8,127,327.56
Net balance of subscriptions/redemptions	-6,485.694	-7,192,299.26
Number of shares outstanding at year-end	3,178.518	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY IC share		
Shares subscribed during the period	58,368.0720	10,450,967.99
Shares redeemed during the period	-380,965.0260	-66,028,053.19
Net balance of subscriptions/redemptions	-322,596.9540	-55,577,085.20
Number of shares outstanding at year-end	691,960.5170	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY SC share		
Shares subscribed during the period	86,408.000	83,472,768.01
Shares redeemed during the period	-51,994.000	-47,952,069.89
Net balance of subscriptions/redemptions	34,414.000	35,520,698.12
Number of shares outstanding at year-end	134,159.072	

	Shares	Amount
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY ZC share		
Shares subscribed during the period	85,498.799	10,161,453.00
Shares redeemed during the period	-224,206.167	-25,785,867.62
Net balance of subscriptions/redemptions	-138,707.368	-15,624,414.62
Number of shares outstanding at year-end	642,990.157	

3.6.2. Subscription and/or redemption fees

	Amount
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY AC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY BC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY IC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY SC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY ZC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	

3.7. MANAGEMENT FEES

	30 December 2022
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY AC share	
Guarantee commissions	
Fixed management fees	4,939,804.34
Percentage of fixed management fees	1.53
Retrocession of management fees	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY BC share	
Guarantee commissions	
Fixed management fees	43,233.87
Percentage of fixed management fees	0.78
Retrocession of management fees	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY IC share	
Guarantee commissions	
Fixed management fees	1,163,324.16
Percentage of fixed management fees	0.78
Retrocession of management fees	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY SC share	
Guarantee commissions	
Fixed management fees	801,832.31
Percentage of fixed management fees	0.63
Retrocession of management fees	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY ZC share	
Guarantee commissions	
Fixed management fees	25,808.75
Percentage of fixed management fees	0.03
Retrocession of management fees	

3.8. COMMITMENTS RECEIVED AND GIVEN

3.8.1. Guarantees received by the UCI:

None.

3.8.2. Other commitments received and/or given:

None.

3.9. OTHER INFORMATION

3.9.1. Present value of borrowed financial instruments

	30 December 2022
Securities under a repurchase agreement Borrowed securities	

3.9.2. Present value of financial instruments constituting security deposits

	30 December 2022
Financial instruments given as collateral and maintained in their original line item Financial instruments received as collateral and not recorded on the balance sheet	

3.9.3. Financial instruments held, issued, and/or managed by the Group

	ISIN code	Name	30 December 2022
Equities Bonds Negotiable debt instruments UCI Financial futures **Total group securities**			

3.10. APPROPRIATION OF DISTRIBUTABLE AMOUNTS

Appropriation of the share of distributable amounts relating to earnings

	30 December 2022	31 December 2021
Amounts remaining to be appropriated		
Retained earnings		
Result	13,563,388.70	8,888,291.92
Total	**13,563,388.70**	**8,888,291.92**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY AC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	5,393,254.08	3,008,819.68
Total	**5,393,254.08**	**3,008,819.68**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY BC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	80,669.57	192,099.21
Total	**80,669.57**	**192,099.21**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY IC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	2,793,140.78	3,208,031.33
Total	**2,793,140.78**	**3,208,031.33**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY SC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	3,060,490.66	162,765.94
Total	**3,060,490.66**	**162,765.94**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY ZC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	2,235,833.61	2,316,575.76
Total	**2,235,833.61**	**2,316,575.76**

Appropriation of the share of distributable amounts relating to net gains and losses

	30 December 2022	31 December 2021
Amounts remaining to be appropriated		
Past net gains and losses not distributed		
Net gains and losses for the period	-6,254,650.48	62,630,284.67
Interim payments on net gains and losses for the period		
Total	**-6,254,650.48**	**62,630,284.67**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY AC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	-3,220,371.04	30,994,012.90
Total	**-3,220,371.04**	**30,994,012.90**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY BC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	-32,845.21	1,091,701.02
Total	**-32,845.21**	**1,091,701.02**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY IC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	-1,137,215.71	18,230,683.64
Total	**-1,137,215.71**	**18,230,683.64**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY SC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	-1,171,966.65	3,221,766.09
Total	**-1,171,966.65**	**3,221,766.09**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY ZC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	-692,251.87	9,092,121.02
Total	**-692,251.87**	**9,092,121.02**

3.11. RESULTS AND OTHER CHARACTERISTIC FEATURES OF THE ENTITY DURING THE LAST FIVE FISCAL YEARS

	31 December 2018	31 December 2019	31 December 2020	31 December 2021	30 December 2022
Total net assets in EUR	**298,877,851.28**	**490,506,184.66**	**657,116,878.77**	**765,121,111.69**	**650,183,214.42**
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY AC (EUR) share					
Net assets	137,223,309.03	209,095,210.27	258,286,406.93	343,288,931.76	335,017,809.54
Number of securities	3,211,828.5200	3,940,658.0480	4,806,458.9850	5,435,270.2720	6,250,922.5270
Net asset value per unit	42.72	53.06	53.73	63.15	53.59
Accumulation per unit on net gains/losses	0.58	0.60	-0.08	5.70	-0.51
Accumulation per unit on the result	0.96	0.91	0.27	0.55	0.86
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY BC (EUR) share					
Net assets	534,569.92	2,354,210.39	3,664,140.14	12,134,962.69	3,412,865.68
Number of securities	645.134	2,270.535	3,458.873	9,664.212	3,178.518
Net asset value per unit	828.61	1,036.85	1,059.34	1,255.65	1,073.72
Accumulation per unit on net gains/losses	11.40	11.73	-1.56	112.96	-10.33
Accumulation per unit on the result	25.79	24.92	12.47	19.87	25.37
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY IC (EUR) share					
Net assets	157,138,782.79	253,715,201.93	292,214,454.86	202,618,332.99	118,165,851.22
Number of securities	1,191,487.7990	1,537,468.0000	1,733,680.6410	1,014,557.4710	691,960.5170
Net asset value per unit	131.88	165.02	168.55	199.71	170.76
Accumulation per unit on net gains/losses	1.80	1.86	-0.24	17.96	-1.64
Accumulation per unit on the result	4.08	3.96	1.98	3.16	4.03

3.11. RESULTS AND OTHER CHARACTERISTIC FEATURES OF THE ENTITY DURING THE LAST FIVE FISCAL YEARS

	31 December 2018	31 December 2019	31 December 2020	31 December 2021	30 December 2022
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY SC (EUR) share					
Net assets				105,695,458.84	121,747,543.05
Number of securities				99,745.072	134,159.072
Net asset value per unit				1,059.65	907.48
Accumulation per unit on net gains/losses				32.30	-8.73
Accumulation per unit on the result				1.63	22.81
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY ZC (EUR) share					
Net assets	3,981,189.54	25,341,562.07	102,951,876.84	101,383,425.41	71,839,144.93
Number of securities	47,519.356	239,944.797	947,544.336	781,697.525	642,990.157
Net asset value per unit	83.78	105.61	108.65	129.69	111.72
Accumulation per unit on net gains/losses	1.13	1.19	-0.15	11.63	-1.07
Accumulation per unit on the result	3.28	3.25	1.99	2.96	3.47

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
Equities and equivalent securities				
Equities and equivalent securities traded on a regulated or equivalent market				
GERMANY				
ALLIANZ SE-REG	in EUR	57,162	11,483,845.80	1.77
BMW BAYERISCHE MOTOREN WERKE	in EUR	189,701	15,817,269.38	2.43
DEUTSCHE POST AG NAMEN	in EUR	407,539	14,337,222.02	2.20
FRESENIUS	in EUR	396,352	10,404,240.00	1.60
MERCK KGA	in EUR	80,758	14,609,122.20	2.25
MUENCHENER RUECKVERSICHERUNG AG	in EUR	76,413	23,229,552.00	3.57
SAP SE	in EUR	245,318	23,646,202.02	3.64
TOTAL GERMANY			**113,527,453.42**	**17.46**
AUSTRIA				
BAWAG GROUP AG	in EUR	175,944	8,762,011.20	1.35
OMV AG	in EUR	285,173	13,716,821.30	2.11
TOTAL AUSTRIA			**22,478,832.50**	**3.46**
BELGIUM				
KBC GROUPE	in EUR	159,566	9,586,725.28	1.47
TOTAL BELGIUM			**9,586,725.28**	**1.47**
SPAIN				
BANCO DE BILBAO VIZCAYA S.A.	in EUR	2,697,598	15,198,267.13	2.34
GRIFOLS SA SHARES A	in EUR	288,141	3,103,278.57	0.48
IBERDROLA SA	in EUR	2,522,540	27,571,362.20	4.24
INDITEX	in EUR	393,642	9,782,003.70	1.50
TOTAL SPAIN			**55,654,911.60**	**8.56**
FINLAND				
ELISA COMMUNICATION OXJ - A	in EUR	171,904	8,502,371.84	1.31
METSO OUTOTEC OYJ	in EUR	1,130,197	10,863,453.56	1.67
NESTE OYJ	in EUR	328,933	14,150,697.66	2.18
TOTAL FINLAND			**33,516,523.06**	**5.16**
France				
ALSTOM	in EUR	305,310	6,967,174.20	1.07
AXA SA	in EUR	672,663	17,526,234.47	2.70
CARREFOUR	in EUR	825,904	12,917,138.56	1.99
KERING	in EUR	43,645	20,753,197.50	3.20
MICHELIN (CGDE)	in EUR	556,755	14,467,278.68	2.23
ORANGE	in EUR	1,211,526	11,244,172.81	1.73
PERNOD RICARD	in EUR	55,372	10,174,605.00	1.56
PLASTIC OMNIUM	in EUR	318,322	4,322,812.76	0.67
PUBLICIS GROUPE SA	in EUR	203,266	12,078,065.72	1.86
REXEL	in EUR	308,476	5,688,297.44	0.87
SAINT-GOBAIN	in EUR	314,600	14,361,490.00	2.21

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
SCHNEIDER ELECTRIC SA	in EUR	172,452	22,542,925.44	3.47
SEB SA	in EUR	103,961	8,134,948.25	1.25
SOCIETE GENERALE SA	in EUR	564,742	13,260,142.16	2.03
SR TELEPERFORMANCE	in EUR	43,167	9,613,290.90	1.48
TOTALENERGIES SE	in EUR	172,767	10,132,784.55	1.55
VIVENDI	in EUR	1,000,167	8,915,488.64	1.37
TOTAL FRANCE			**203,100,047.08**	**31.24**
IRELAND				
CRH PLC	in EUR	431,749	15,979,030.49	2.45
TOTAL IRELAND			**15,979,030.49**	**2.45**
ITALY				
ENEL SPA	in EUR	1,948,039	9,798,636.17	1.51
TOTAL ITALY			**9,798,636.17**	**1.51**
NETHERLANDS				
AKZO NOBEL	in EUR	113,063	7,073,221.28	1.09
ASML HOLDING NV	in EUR	23,672	11,925,953.60	1.84
ASR NEDERLAND NV	in EUR	183,949	8,158,138.15	1.26
CNH INDUSTRIAL NV	in EUR	905,457	13,550,164.01	2.08
HEINEKEN	in EUR	176,440	15,505,547.20	2.39
ING GROEP NV	in EUR	1,591,240	18,121,041.12	2.78
KONINKLIJKE AHOLD NV	in EUR	509,386	13,671,920.24	2.10
KONINKLIJKE DSM	in EUR	113,739	13,000,367.70	2.00
KONINKLIJKE KPN NV	in EUR	5,585,599	16,142,381.11	2.48
SIGNIFY NV	in EUR	261,228	8,197,334.64	1.26
TOTAL NETHERLANDS			**125,346,069.05**	**19.28**
PORTUGAL				
ELEC DE PORTUGAL	in EUR	1,632,516	7,600,994.50	1.17
TOTAL PORTUGAL			**7,600,994.50**	**1.17**
UNITED KINGDOM				
RELX PLC	in EUR	609,029	15,737,309.36	2.42
TOTAL UNITED KINGDOM			**15,737,309.36**	**2.42**
SWITZERLAND				
STMICROELECTRONICS NV	in EUR	464,977	15,341,916.12	2.36
TOTAL SWITZERLAND			**15,341,916.12**	**2.36**
TOTAL Equities and equivalent securities traded on a regulated or equivalent market			**627,668,448.63**	**96.54**
TOTAL Equities and equivalent securities			**627,668,448.63**	**96.54**
Payables			**-671,321.68**	**-0.11**
Financial accounts			**23,186,087.47**	**3.57**
Net assets			**650,183,214.42**	**100.00**

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY BC share	**in EUR**	**3,178.518**	**1,073.72**
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY AC share	**in EUR**	**6,250,922.5270**	**53.59**
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY IC share	**in EUR**	**691,960.5170**	**170.76**
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY ZC share	**in EUR**	**642,990.157**	**111.72**
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY SC share	**in EUR**	**134,159.072**	**907.48**

Product name:	**HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EUROLAND EQUITY**
Legal entity identifier:	**969500MDTK64JZ4B4F91**
Reporting Date	**31 December 2022**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes** ☒ **No**

☐ It made sustainable investments with an environmental objective: _%

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made sustainable investments with a social objective: _%

☒ **It promoted Environmental/Social (E/S) characteristics**, and while it did not have as its objective a sustainable investment, it had a proportion of 51.14% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ with a social objective

☐ It promoted E/S characteristics but will **not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective are not necessarily aligned with the taxonomy.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The subfund promotes E, S, and G characteristics by investing in equities of eurozone countries through a selection of corporate securities chosen for their financial qualities and their good environmental, social, and governance practices according to a best-in-class approach. This approach consists of selecting the best companies in each sector based on environmental, social, and governance criteria. For each ESG pillar, several criteria are used, including CO2 emissions for the E pillar, the management of staff for the S pillar, and level of independence of directors for the G pillar.
In addition, the subfund will:
- Exclude issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or at least two alleged violations) and the OECD Guidelines for Multinational Enterprises.
- Exclude shares of companies involved in the production of controversial weapons or their components.

Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons, and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties.
- Exclude shares of companies in the Defence sector.
- Exclude shares of companies engaged in thermal coal activities. Companies with more than 10% revenue generated from coal-fired power generation are partially excluded. Mining companies are completely excluded.
- Exclude shares of companies involved in tobacco production.
- Carefully consider environmental issues through voting and engagement activities.
The subfund is actively managed and does not track a benchmark. The indicator used by the subfund to measure performance is the MSCI EMU (NR). However, it has not been designated to determine whether the subfund is aligned with the environmental or social characteristics it promotes.

Alignment with the environmental and social characteristics was 96.52% as at 31 December 2022

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

The subfund promotes all the pillars (E, S, and G). Therefore, the primary sustainability indicator used to measure the portfolio's ESG performance is the ESG rating.

	ESG rating source*	ESG	E	G	S	Coverage rate
Fund	HSBC	6.69	7.85	6.3	6.37	100%
Benchmark	HSBC	6.15	7.13	5.98	5.73	100%

* HSBC Proprietary ESG rating (look-through)

The fund's management strategy is to select companies with the highest ESG ratings within each economic sector. Companies with the lowest scores (25% lowest) are systematically excluded from the selection.

The subfund also takes the following principal adverse impacts into consideration: · Corporate greenhouse gas intensity, · Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises: Exclusion · Exposure to controversial weapons. Exclusion · In addition, the subfund will not invest in shares of companies or other securities equivalent to shares of companies exposed to certain activities ("excluded activities"). The excluded activities are set out below among the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product.

Scores	Carbon intensity (Scope 1+2)*	Coverage rate
Benchmark	142.57	99.63
Fund	118.25	100

* Expressed in tonnes of CO2/$M of revenue, taking scope 1 & 2 emissions into account.

The fund's management policy takes into account the adverse impact of greenhouse gas emissions in its selection of securities. In addition, the fund excludes companies involved in coal mining from its investments and limits investments to those that have more than 10% of their activities related to coal use.

The international Greenhouse Gas (GHG) Protocol was created in 1998 to help companies conduct their carbon or greenhouse gas assessments by identifying the main direct and indirect emission items in order to better target reduction strategies. The GHG Protocol serves to quantify all the impacts generated by the production and consumption of products and services by companies. It is divided into three CO2 emissions scopes:

- Scope 1 includes direct emissions resulting from combustion of fossil fuels, such as gas, oil, and coal.
- Scope 2 relates to indirect emissions from the consumption of electricity, heat, or steam necessary to manufacture the product. A company's scope 2 will include emissions associated with the production of energy it uses: electricity, steam, heat, cold, and compressed air. These indirect emissions therefore depend greatly on the primary energy source (oil, gas, coal, biomass, wind, solar, etc.) used to produce them.
- Scope 3 corresponds to other indirect emissions. Scope 3 carbon emissions are not yet included in the calculation of carbon intensities because this scope of emissions is difficult to understand and is not yet sufficiently taken into account in the carbon assessment of companies.

- **…and compared to previous periods?**

Not applicable

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

The subfund's sustainable investments are aligned with its environmental characteristics. The identification and ESG analysis of companies are performed as part of the investment decision-making process to reduce sustainability risks and increase returns.

- ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The principle of "do no significant harm" to environmental or social objectives applies only to the underlying sustainable investments of the subfund. This principle is incorporated into the investment decision-making process, which includes consideration of principal adverse impacts.

How were the indicators for adverse impacts on sustainability factors taken into account?

HSBC Asset Management's "do no significant harm" (DNSH) assessment of issuers as part of its sustainable investment process includes consideration of principal adverse impacts (PAI). All the PAIs included in table 1 of Annex 1 of Commission Delegated Regulation (EU) 2022/1288 were thus examined and integrated into the investment process according to an approach that combines exclusions (sectoral, the most severe ESG controversies, norms-based exclusions, etc.) with voting and shareholder engagement activities to instil and maintain a positive change dynamic within companies. As such, the subfund's eligible universe during the past financial year excluded issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or with at least two alleged violations) and the OECD Guidelines for Multinational Enterprises,- shares of companies involved in the production of controversial weapons or their components. Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons, and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties. The examination of the other PAIs was conducted with proxies. For example, to address all PAIs related to greenhouse gas emissions, we have used our coal policy as an exclusion filter. Companies with more than 10% revenue generated from coal-fired power generation are partially excluded. Mining companies are completely excluded. Furthermore, the 'do no significant harm' (DNSH) test of issuers described above was supplemented by the application of an exclusion policy (with a 0% threshold for tobacco) and the exclusion of issuers for which the level of controversy provided by Sustainalytics was very severe (equal to 5). In our view, the setting of exclusion thresholds for each PAI is not always relevant and could compromise the fact that many sectors and companies are in a transition strategy. Lastly, the subfund takes into consideration the principal adverse impacts in its engagement approach, which incorporates several levers for action including 1) direct dialogue with companies about their consideration of environmental and social issues to ensure that they are able to face the future and maintain long-term financial viability, 2) the exercising of voting rights by which we express our support for positive development initiatives or, conversely, our disagreement when directors do not meet our expectations, and 3) a gradual escalation procedure with companies when the ESG risks or controversies to which they are exposed are not managed.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Yes, the sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Pre-trade and post-trade monitoring ensures that issuers in violation of one or more of the Ten Principles of the United Nations Global Compact (or with at least two alleged violations) and the OECD Guidelines for Multinational Enterprises are systematically excluded.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.
The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.
Any other sustainable investments must also do no significant harm to any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

The methodology for addressing the principal adverse impacts selected by the subfund combines exclusions with voting and shareholder engagement activities to instil and maintain a positive change dynamic within companies. The manner in which each PAI is considered is explained in the table below.

	Impact 31 December 2022	Comment
Greenhouse gas intensity of investee companies	118.25	The fund's management policy takes into account the adverse impact of greenhouse gas emissions in its selection of securities. In addition, the fund excludes companies involved in coal mining from its investments and limits investments to those that have more than 10% of their activities related to coal use.
Exclusion of issuers in violation of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises.	0%	Issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or at least two alleged violations) and the OECD Guidelines for Multinational Enterprises.
Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	Application of the exclusion policy
Exposure to companies active in the fossil fuel sector,	0%	Pre-trade monitoring ensures the exclusion of companies whose core business is fossil fuel exploration, production, and exploitation. We have chosen to exclude the following companies in particular: Companies with more than 10% revenue generated from coal-fired power generation are partially excluded. Mining companies are completely excluded. Companies involved in oil and gas development must have more than 15% of their CAPEX dedicated to renewable energy. -Involved in unconventional fossil fuel exploitation (oil sands, oil shale, and Arctic oil and gas exploitation for more than 5% of their turnover). A post-trade check is also in place to ensure that existing positions in these issuers are sold as soon as possible.

What were the top investments of this financial product?

The list includes the investments constituting the largest share of investments of the financial product as at: 31 December 2022

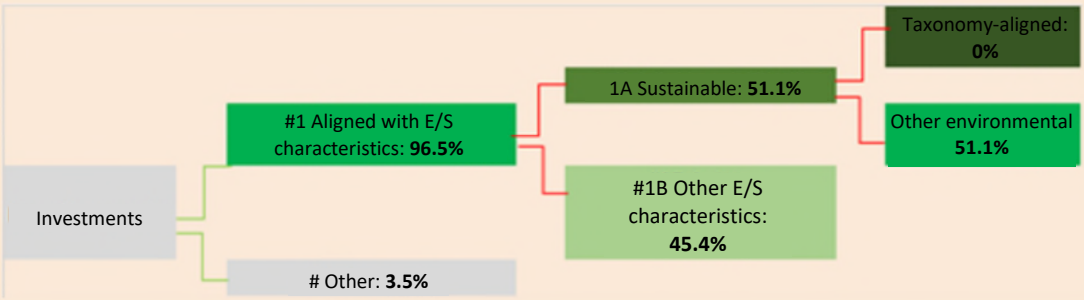
Largest investments	Sector	% Assets	Country
IBERDROLA SA	Utilities	4.24%	Spain
SAP SE	Information technology	3.64%	Germany
MUENCHENER RUECKVER AG-REG	Finance	3.57%	Germany
SCHNEIDER ELECTRICSE	Industry	3.47%	France
KERING	Consumer discretionary	3.19%	France
ING GROEP NV	Finance	2.79%	NETHERLANDS
AXA SA	Finance	2.70%	France
KONINKLIJKE KPN NV	Telecommunications services	2.48%	NETHERLANDS
CRH PLC	Materials	2.46%	IRELAND
BAYERISCHE MOTOREN WERKE AG	Consumer discretionary	2.43%	Germany
RELX PLC	Industry	2.42%	United Kingdom
HEINEKEN	Consumer staples	2.38%	NETHERLANDS
STMICROELECTRONICS NV	Information technology	2.36%	SWITZERLAND
BANCO DE BILBAO VIZCAYA S.A.	Finance	2.34%	Spain
MERCK KGA	Health	2.25%	Germany

What was the proportion of sustainability-related investments?

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.

Although the subfund does not have sustainable investments as an objective, it commits to a minimum proportion of 10% of its assets in sustainable investments. At 31/12/2022, the share of sustainable investments was 51.1%.



Category **#1 "Aligned with E/S characteristics"** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

Category **#2 "Other"** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Category **#1 "Aligned with E/S characteristics"** covers:
-subcategory **#1A "Sustainable"** covers sustainable investments with environmental or social objectives;

-subcategory #1B "Other E/S characteristics" covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Sector	% Assets
Finance	19.28%
Industry	18.74%
Consumer discretionary	11.27%
Telecommunications services	8.75%
Consumer staples	8.04%
Information technology	7.83%
Utilities	6.92%
Energy	5.84%
Materials	5.55%
Health	4.32%
Other	3.46%
Total	100%

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The subfund does not commit to a minimum proportion of sustainable investments with an environmental objective aligned with the European Union's taxonomy. However, when assessing issuers, the subfund manager takes into consideration two environmental indicators and applies our coal phase-out policy as well as the sectoral exclusions set out in the label guidelines.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

Yes ☐

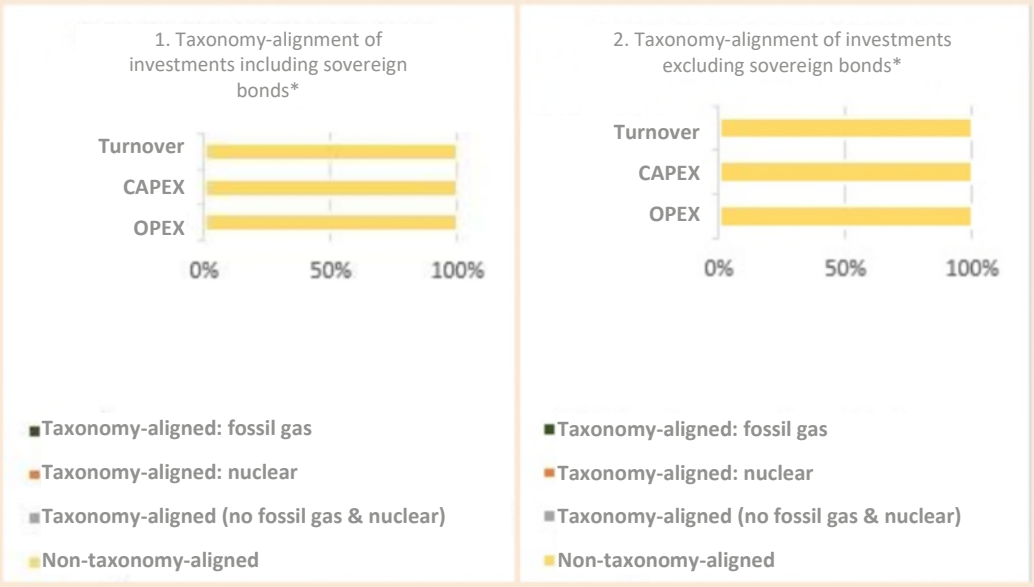
☐ In fossil gas ☐ In nuclear energy

No ☒

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:
-**turnover** reflecting the share of revenue from green activities of investee companies;
-**capital expenditure** (CAPEX) showing the green investments made by investee companies, e.g. for a transition to a green economy;
-**operational expenditure** (OPEX) reflecting green operational activities of investee companies.

The two graphs below show, in green, the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.

The share of sustainable investments with an environmental objective aligned with the European Union's taxonomy is 0%.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What was the share of investments made in transitional and enabling activities?

This does not apply to the mandate, as the share of sustainable investments with an EU Taxonomy-aligned environmental objective was 0% as at 31/12/2022.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Not applicable.

The symbol denotes sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective that were not aligned with the European Union's taxonomy was 51.14%.

What was the share of socially sustainable investments?

The subfund does not commit to having a minimum share of socially sustainable investments. However, when assessing issuers, the subfund manager does look at the social characteristics, respect for human rights and employee rights, management conduct, and corporate social responsibility of the companies.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The fund's "Other" category is composed of cash and UCITS units.

What actions were taken to meet the environmental and/or social characteristics during the reference period?

The fund promotes ESG characteristics by investing primarily in companies chosen for their good environmental, social, and governance practices according to a best-in-class approach and their financial qualities. This approach consists of selecting the top companies within each sector according to ESG criteria. During 2022, we constantly adjusted the portfolio to meet our commitments. For example, we sold our shares in Telefonica, Siemens, and Vonovia, which were no longer compatible with our objectives.

How did this financial product perform compared to the reference benchmark?

The subfund is actively managed and does not track a benchmark. There is no benchmark representative of our management philosophy and therefore of our investment universe or an index designated to determine whether the subfund is aligned with the environmental or social characteristics it promotes. The information expected in this section is therefore not applicable to this product.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How does the reference benchmark differ from a broad market index?***

Not applicable.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

Not applicable.

- ***How did this financial product perform compared to the reference benchmark?***

Not applicable.

- ***How did this financial product perform compared with the broad market index?***

Not applicable.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

Subfund:

HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

Activity report

Management policy

From a market behaviour perspective, 2022 was characterised by a very sharp rise in government interest rates, generated by an acceleration of inflation, and by a widening of credit risk premiums, mainly during the first half of the year. The central banks, accused of having played down the persistent nature of the rise in prices, sought to make up for this by adopting very firm rhetoric, even if it meant temporarily sacrificing economic growth, and by raising key rates significantly. The Fed thus carried out seven hikes, bringing rates from 0% to 4.25%. In the eurozone, they rose from 0% to 2.50% through four hikes. For both the Fed and the ECB, the pace slowed in December, with an increase of 50 bp versus 75 bp previously, while inflation increased slightly less than expected at the end of the year. In the face of absolute levels that are still high, though, central banks remained determined to continue tightening monetary conditions.

In this context, the HRIF - SRI Euro Bond subfund maintained a lower sensitivity than that of the benchmark, in line with inflationary pressures and expectations of a gradual tightening of central banks' monetary policies. However, the size of the bet was reduced at the end of the year given the level reached on interest rates. Regarding peripheral government debt, we reduced our exposure to Italian debt slightly to return to a neutral to slightly underweight position, while we maintained a modest overweight position on Portugal's sovereign debt.
Regarding credit, we approached the year with a strategic overexposure to credit, to the detriment of government yields in core countries, while actively managing this segment. We did not fundamentally change this positioning during the period, supported by corporate earnings above expectations on average and favourable outlooks from rating agencies for changes in ratings and default rates. In addition, technical factors, such as risk aversion, generated by an uncertain geopolitical environment and less visibility on central bank policies dependent on inflation data, also seemed likely to lead to excessive spreads.

On the management side, we participated selectively and occasionally in the primary market. The premiums offered relative to the secondary market were a little more attractive than in 2021, and these purchases were an opportunity to carry out some arbitrage transactions, particularly in line with changes in the E, S, and G ratings of issuers, but also to optimise the positioning on the credit curve. During the second half of the year, the market improvement was an opportunity to reduce the positioning on subordinated insurance debt, helping to reduce the overall credit risk of the portfolio at the end of the year.

In terms of performance, the sharp widening of credit risk premiums in the first half was particularly unfavourable to performance, but the improvement in some of the technical factors mentioned and the attractiveness of credit yields relative to the underlying risks enabled a correction that had a positive impact on relative performance, especially in the fourth quarter. Ultimately, gross performance was negative at 17bp.

At the end of December, the subfund's duration was 6.14, and the current yield was 4.13%, for an index yield of 3.43%.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

Performance

At the close of the fiscal year, the subfund posted performance of -18.08% for the AC share, -18.09% for the AD share (coupons reinvested), and -17.76% for the BC and IC shares. The ZC and IT shares are inactive.

For the sake of comparison, the performance of the subfund's benchmark "for information" was -17.22%.

Past performance is not an indicator of the future results of the SICAV subfund.

Information on distributed income eligible for the 40% tax allowance

In accordance with the provisions of Article 41 sexdecies H Annex III of the French General Tax Code, income from distributing unit classes is subject to a 40% tax allowance.

Incidents affecting the subfund during the fiscal year and forthcoming

➢ **10 February 2022**

Annual update of 2021 performance in each KIID.

➢ **06 May 2022**

Update of the prospectus with a warning regarding the ban on Russian or Belarusian nationals from subscribing for shares of the SICAV, which includes any natural person residing in Russia or Belarus or any legal person, entity, or body established in Russia or Belarus except for nationals of a Member State of the European Union (EU) and natural persons holding a temporary or permanent residence permit in a Member State of the European Union (EU).

On that occasion, the new address of CACEIS Bank and CACEIS FA was added to the prospectus, with effect from 1 June 2022.

➢ **30 December 2022**

The prospectus was brought into line with the EU Sustainable Finance Regulation:

• Addition of an explanatory text on how the main adverse environmental, social, or governance impacts of the subfund's investments are taken into account.

• An appendix detailing how the promoted environmental and/or social characteristics are implemented has been included in the SICAV's prospectus.

• In furtherance of the incorporation in the prospectus of the European criteria for environmentally sustainable economic activities provided for in European Regulation 2020/852 of 18 June 2020 ("Taxonomy Regulation"), the explanatory text introduced on 1 January 2022 was supplemented by four other environmental objectives defined by the Taxonomy Regulation: the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

➢ **1 January 2023**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

-
- The subfund's KIIDs (Key Investor Information Documents) were replaced by the KIDs (Key Information Documents) pursuant to Regulation (EU) No 1286/2014 of 26 November 2014 ("PRIIPs Regulation").

➢ **10 March 2023**

Correction of the wording of the paragraph entitled "Rules for valuation and recognition of assets of the SICAV" in the prospectus

Following an inconsistency raised by Ernst & Young et Autres, the subfund's statutory auditor, on the coupon calculation method mentioned in the prospectus since 30 September 2019 and that applied by CACEIS Fund Administration since its creation on 12 July 2019.
The management company has corrected the prospectus to reflect the reality of the accounting method applicable to the subfund.

An ad hoc report issued by Ernst & Young et Autres has been appended to the annual report.

Information on Environmental, Social, and Governance (ESG) criteria

In accordance with Article L.533-22-1 of the French Monetary and Financial Code, the policy on considering environmental, social, and governance quality (ESG) criteria in the investment strategy is available on the management company's website at www.assetmanagement.hsbc.fr.

Further information on the inclusion of ESG criteria in the investment policy over the fiscal year.

Information on SRI criteria

The HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND subfund simultaneously addresses environmental, social, and governance criteria in its management.

The HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND subfund has adopted the AFG/FIR/Eurosif transparency code for SRI UCIs open to the public. This transparency code fully describes how environmental, social, and governance criteria are reflected in the investment policy of the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND TRANSITION subfund. This code is available on the management company's website at the following address:

www.assetmanagement.hsbc.fr/-/media/files/attachments/france/common/code-de-transparence-hsbc-rif.pdf

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

All information and historical data on the financial performance of the HSBC Asset Management range of SRI UCIs are available on the management company's information website:

www.assetmanagement.hsbc.fr/fr/retail-investors/fund-centre.

SRI philosophy

www.assetmanagement.hsbc.fr/fr/retail-**investor**/investment-expertise/sustainable-investments

The approach taken by HSBC Asset Management is to offer investors in SRI UCIs the prospect of performance in line with that of comparable conventional UCIs, while at the same time incorporating Environmental, Social/Societal, and Governance (ESG) factors, the pillars of Sustainable Development. **In our view, it is possible to reconcile our clients' individual interest of seeking performance with the collective interest of consideration of Sustainable Development issues.**

In practical terms, we believe that ESG factors can influence a company's business activity and a country's long-term policy and, as a result, the profitability of financial assets. We feel that the SRI UCI offering must be transparent and capable of reflecting our clients' expectations. Our objective is therefore to construct a disciplined, pragmatic offering for them, enhanced by our experience, gained over more than 16 years, and based on our management expertise. Complete financial data histories are available on request from the management company's head office:

HSBC Global Asset Management (France)
110, esplanade de Général de Gaulle – La Défense 4 – 92400 Courbevoie
@: hsbc.client.services-am@hsbc.fr

Description of the main criteria for these environmental, social, and governance (ESG) objectives.

What ESG criteria are taken into account?
The portfolio's ESG analysis is made possible primarily through an analysis of ESG scores from MSCI, to which we apply an internal weighting for each E, S, and G pillar by sector.

Examples of ESG factors considered in investment decisions

Environmental

- **Carbon emissions**
- **Depletion of resources**
- **Water scarcity**
- **Waste/pollution management**
- **Deforestation**

Social

- **Employment standards and practices**
- **Supply chain integrity**
- **Health and safety**
- **Human capital management**

Governance

- **Structure of the board of directors**
- **Independence of the board of directors**
- **Risk management**
- **Audit and controls**

Source: HSBC Asset Management. (For illustration purposes only).

Within each pillar, the MSCI research is based on a selection of more than 35 sub-criteria identified below. In bold are the sub-criteria common to the 30 HSBC sectors that map the specific characteristics of each industry.

- Environment pillar: 14 criteria including 3 criteria common to all sectors: Carbon emissions - Energy efficiency - Product carbon footprint - Climate change risks - Water stress - Biodiversity and land use - Origin of raw materials - Assessment of the environmental impact of financing - Toxic emissions and waste - Packaging material and waste - Electronic waste - Opportunities in clean technologies - Opportunities in green construction - Opportunities in renewable energy
- Social pillar: 15 criteria including 2 criteria common to all sectors: Development of human capital - Social dialogue - Health and safety - Compliance with employment standards in the supply chain - Contentious procurement - Product safety and Quality - Chemical safety - Security of financial products - Privacy and information security - Health insurance and Demographic risk - Responsible investment - Access to k communication - Access to financing - Access to medical services - Opportunities in nutrition and health
- Governance pillar: 5 criteria including 3 criteria common to all sectors: Corruption and instability - Ethics and fraud - Anti-competitive practices - Financial manipulation and misappropriation - Corporate governance

More specifically, in the sphere of Corporate Governance, the Governance pillar monitors opacity and lack of transparency in financial practices, directors' independence, the existence of key committees, directors' qualifications and experience, executive remuneration, the ownership structure and voting rights, the existence of anti-takeover measures, obstacles to voting, and shareholders' right to take collective action.

Issuer analysis and ESG assessment methodology (construction, rating scale, etc.)

Beyond internal research, we have chosen to rely on various and complementary external research and provide it to all our managers and analysts.

The objective is to hedge all securities that we manage through an ESG analysis.

- S&P Trucost: provides analyses and data on carbon, water, waste, and natural resources with tracking of more than 6,200 issuers;
- Carbon4 Finance: tracks 15,000 issuers worldwide; provides data to measure "greenhouse gas emissions saved" through a more in-depth analysis of the climate trajectory of companies;
- MSCI ESG Research: covers the MSCI ACWI (All Countries World Index) with around 9,100 companies;
- ISS Ethix: banned and controversial weapons - tracking of 6,000 issuers; lists of securities identified as being involved in anti-personnel mines and cluster munitions). These exclusion lists are the subject of a highly formal distribution and a pre-trade and post-trade check set up and overseen by the Risk and Compliance departments.
- ISS ESG (formerly Oekom): rating of the world's top 54 issuing countries and non-listed issuers;
- FTSE Green Revenues: FTSE Russell's green revenues methodology comprehensively evaluates all companies whose revenues are exposed to green activities defined by the Green Revenue Classification System (GRCS), which is a taxonomy used to define and measure the industrial transition to a green economy.

- RepRisks: tracks 40,700 companies and provides a dynamic ESG and reputational risk assessment based on nearly 80,000 public sources and stakeholders, in 20 languages, with more than 500,000 incidents analysed each day;
- Sustainalytics: 23,000 companies are monitored against the 10 principles of the Global Compact. The UN Global Compact compliance research framework is based on international conventions and treaties and underpins these principles, including international ESG standards, such as those of the OECD, the Guidelines for Multinational Enterprises, International Labour Organisation conventions, Universal Declarations of Human Rights, Equator Principles, and sector-specific initiatives such as the International Council on Mining and Metals

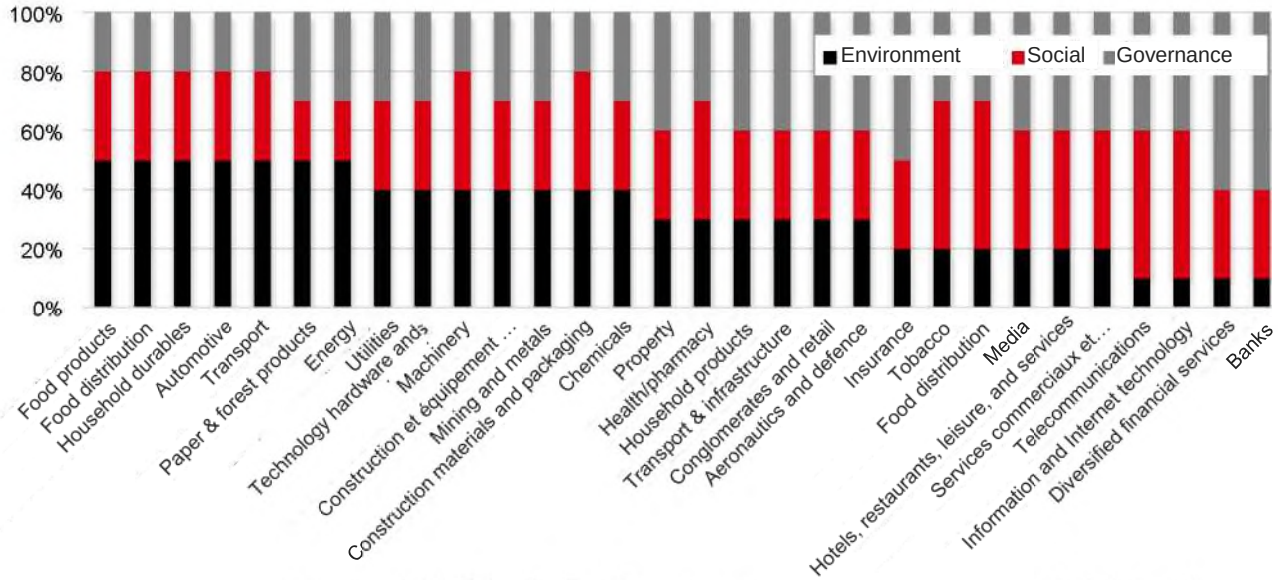
All types of investment thus incorporate the ESG aspect, which contributes to the overall analysis. ESG criteria are incorporated into the analysis and stock-picking processes in all the active management portfolios.

- Each security is linked to one of the 30 “house” sectors grouping consistent sets from the perspective of ESG issues and similarities presented by the economic models. Then, for each sector, we determined a weighting of the E, S, and G pillars reflecting the industrial reality of each sector. This approach is the result of extensive joint studies by the credit and equity analyst teams under the coordination of the Global Head of ESG Research.
- As shown in the diagram below, the contribution of E, S, and G pillars to the overall ESG score can vary significantly by sector. While the Environment is the most weighted parameter – the one with the greatest potential financial impact – in sectors such as Food and Automotive, it is clearly outweighed by Governance in the Banking sector.
- The companies are then classified as Low, Medium, and High Risk. Securities identified as High Risk undergo a thorough analysis. These are companies that have violated one or more of the ten principles of the United Nations Global Compact and/or are not aligned with the Financial Crime Compliance (FCC) standards or are ranked in the bottom 5 per cent of their benchmark universe according to our ESG analysis. This phase of heightened vigilance allows us to put financial attractiveness and ESG risks in perspective and to determine whether these securities have been properly valued. At the end of the analysis, if the company is qualified to remain in the portfolio, it is monitored, and a dialogue is initiated with the company’s management. This special monitoring ends once all the indicators lead to a “Low Risk” classification. In SRI funds, securities identified as “High Risk” are excluded from the investment universe

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

ESG rating: methodology

- The ESG ratings provided by MSCI are used to calculate ESG scores for each security/each issuer. Among the results of these ratings is the production of an SRI investment universe for each of the subfunds of the HSBC RIF SICAV.
- We then assign an E (Environment) rating, an S (Social) rating, and a G (Governance) rating and an overall ESG score of the portfolio. The rating scale ranges from 0 to 10, with 10 being the best score. Each of the E, S, and G pillars is assigned a specific weighting in each of the 30 business sectors using our internal rating process, and the overall rating is calculated on this basis.
- Weight of the E, S, and G pillars for each of the 30 sectors of the ESG segmentation.



Source: HSBC Asset Management at 31.12.2022. For illustration purposes only. The characteristics and measurements are provided for illustration purposes only and may be modified to take market changes into account.

- The portfolio's ESG score is the average of the ESG ratings weighted by the proportion of each security in the portfolio.
- Sovereign and supranational issues have only two equally weighted pillars: E and S. The S rating incorporates the issues covered in the G pillar.
- Securities classified as "High Risk" are subject to Enhanced Due Diligence (EDD) review and monitoring.

In SRI funds, securities identified as "High Risk" are excluded from the investment universe.

Step 1: ESG analysis and definition of the investment universe

◆ Investment universe

Name of the subfund	Benchmark for information	Initial investment universe
HSBC RIF – SRI EURO BOND	Bloomberg Barclays Euro Aggregate 500MM	Approximately 4,000 euro-denominated bonds

Source: HSBC Asset Management at 31.12.2022. For illustration purposes only. The characteristics and measurements are provided for illustration purposes only and may be modified to take market changes into account.

These initial universes can be enriched by adding companies or stocks that are not part of the market indexes mentioned above. These additions are made at the discretion of the managers and analysts.

- Issuers in the investment universe are ranked relative to their peers in each of the 30 sectors (best-in-class approach) according to a proprietary methodology. The ESG scores come from MSCI ESG Research, to which we apply an internal weighting for each E, S, and G pillar representative of the specific characteristics of each sector.
  The weighting of the three ESG pillars is determined within each sector based on the experience that we have developed since June 2001. We have created 30 sectors corresponding to existing MSCI sectors and one of the following four levels: 10 sectors, 24 industry groups, 68 industries, and 154 sub-industries. These 30 sectors, which assign a specific weight to the E, S, and G pillars, allow every company in the universe to be given an overall ESG rating. The E, S, and G ratings supplied by MSCI ESG Research are factored in and weighted using the weight determined within each of the 30 sectors and, if applicable, are adjusted by the Equity/ESG and/or Credit/ESG analyst responsible for the sector.

- Information provided by Sustainalytics, ISS-Ethix, and Trucost and meetings with company management teams are also incorporated into this rating. These meetings allow analysts to substantiate their opinion on the analysed companies by discussing with them the ESG themes specific to them.

- **Government issues**
  Government issues are classified according to the ratings assigned by the ISS-Oekom rating agency. Country ratings result from the consideration of 100 criteria, 30 % of which are qualitative, divided into two pillars: Social including Governance (50%) and Environmental (50%). The final rating is updated annually, and we use it to rank the countries.
  The SRI investment universe is defined according to the ISS-Oekom ratings as follows:
  - For countries rated between A+ and B-: no limits.
  - For countries classified as C+, the weight of these States in the portfolio may not exceed the weight of these countries in the Bloomberg Barclays Euro Aggregate 500MM index.
  - For countries rated between C and D-: investments are not permitted because their social and environmental practices lag behind their peers.

For the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND subfund, securities in the bottom quartile are excluded, but it is possible to invest up to 10% of net assets and eight issuers in the third quartile and without limitation in those in the top two quartiles.

In addition, the subfund will:

- Exclude issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or with at least two alleged violations) and the OECD Guidelines for Multinational Enterprises.
- Exclude securities of companies involved in the production of controversial weapons or their components. Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons, and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties.
- Exclude securities of companies in the Defence sector.
- Exclude securities of companies engaged in thermal coal activities. With regard to electricity generation, companies deriving more than 10% of their turnover from electricity generated using thermal coal are partially excluded. Mining companies are completely excluded.
- Exclude securities of companies involved in tobacco production.

Across all the subfunds, our SRI selection methodology introduces selectivity leading to the exclusion of 25% of companies in the same sector.

Step 2: financial process

Steps in the financial process	
Investment process	**Active fundamental management**, which aims to identify and exploit market inefficiencies. Several sources of performance with little correlation between them can help in leveraging sources of performance.
Portfolio construction and optimisation	We select bond securities that reflect these strategic choices, according to their valuation and the liquidity of the market.
Risk monitoring	Risk monitoring is an integral part of our investment process. The main aim is to monitor and manage regulatory, internal, and fund-specific risks. Risks are managed by experienced professionals, according to stringent control and due diligence procedures and using appropriate tools.

Source: HSBC Asset Management. For illustration purposes only. Overview of the general investment process, which may differ depending on the product or market conditions.

The minimum non-financial analysis rate of 90% is applied to the subfund's eligible assets.

Description of the incorporation of environmental, social, and governance criteria analysis results into the investment and disinvestment process. If applicable, description of how stocks not assessed on these criteria are taken into account.

As a reminder, there are two major consecutive, independent steps in our investment process for the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND subfund, as detailed in the paragraphs below.

Based on the research results and the ESG analysis process, we define a universe of SRI stocks meeting the criteria specified for the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND subfund in accordance with the description of the ESG investment criteria and the ESG analysis process described above.

Taking this SRI universe as the starting point, the fund manager then picks stocks according to an active fundamental approach based on financial criteria. The fund manager can therefore only invest in stocks that meet the criteria that we described above.

Based on the ratings determined by our internal rating system, the SRI universe of the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND subfund is defined and updated monthly, no later than the 15th of each month, using the updates from the end of the previous month.

The portfolio of the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND subfund must be brought into line with changes in quartiles resulting from changes in ratings within two weeks after the new SRI universes are sent out and before the end of each calendar month at the latest.

However, on an exceptional basis, this period may be extended by three additional months, at the manager's discretion, for companies in the bottom quartile.

Implementation of an issuer engagement policy

Our voting and engagement activities aim to protect and enhance the value of the assets entrusted to us by our clients. These activities allow us to better understand and assess ESG risks and opportunities at the level of each company, encourage responsible behaviour, and promote high standards of governance.

Engagement - **Our engagement policy is based on systematic ESG questioning** during meetings with companies and monitoring of the riskiest companies. We believe that consideration of ESG issues can have a long-term impact on the performance of companies. As part of our fiduciary responsibility, we are obliged to monitor the companies in which we are invested on behalf of our clients.
Our engagement objective is to allow companies to explain their ESG approach to us. The Managers and analysts initiate a shareholder dialogue for a constructive exchange with the management of the companies in which we invest on behalf of our clients. These discussions are a good way to explore in more detail and better understand the underlying ESG and climate risks and to encourage companies to incorporate ESG risks. It also provides an opportunity to promote the improvement of corporate governance on the basis of our voting directives and to encourage them to establish and maintenance a high level of transparency.

Direct engagement. We regularly meet with company managers as part of the active management process. We ask issuers about the implementation of their business strategy, performance, financial and non-financial risks, capital allocation, and management of ESG issues. We also encourage companies in our portfolios to establish and maintain a high level of transparency, particularly with regard to their management of ESG risks and climate risk.

Exercising our voting rights

We vote in accordance with our voting policy, which is available on our website.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

Presentation of voting policy

Our voting policy can be accessed on the HSBC Asset Management website:

www.assetmanagement.hsbc.fr/-/media/files/attachments/france/common/policy/politique-de-vote.pdf

HSBC Asset Management has set up a Corporate Governance Committee responsible for determining and monitoring the voting policy at general meetings. Fund managers and analysts make voting decisions based on the principles defined by this Committee. The Middle Office is responsible for implementation and for the operational process of exercising voting rights at general meetings.

Together with HSBC Asset Management (UK) Ltd, HSBC Asset Management uses the services of ISS, a world leader in supplying corporate governance services, particularly when it comes to managing voting rights.

HSBC Asset Management has defined guidelines or voting criteria that include the recommendations of the AFG, the OECD, AFEP/MEDEF, and the UK Corporate Governance Code.

Voting resolutions not covered by our guidelines shall be examined on a case-by-case basis.

HSBC Asset Management votes on all securities held in the portfolio, regardless of their level of ownership, on the basis of the overall voting policy, defined by the Asset Management business line. This applies to all markets throughout the world, with the exception of:

- markets that do not meet acceptable voting conditions,

- English, French, and Irish securities for which there are specific voting policies.

With regard to French securities, the HSBC Asset Management voting policy is applied to French shares held in UCIs managed in Paris.

With regard to English and Irish securities, voting rights are exercised based on the principles defined by the management structure in London, HSBC Asset Management (UK) Ltd.

Our voting policy describes a general framework that covers the main issues identified concerning the appointment and removal of companies' corporate bodies, remuneration of the board of directors and executive officers (stock options, bonus shares, etc.), employee-only capital increases, respect for shareholders' rights (securities issuance and redemption programmes), approval of the accounts, appropriation of earnings, appointment of statutory auditors, regulated agreements, dividend distribution, decisions resulting in changes to the articles of association, shareholder resolutions, and consideration of E, S, and G issues by the company. Our voting policy also describes the procedures in place to prevent and manage conflicts of interest within the HSBC Group.

The Corporate Governance Committee meets at least once a year or when the situation calls for it to develop a plan. Its role is to validate and draw up the voting policy of the management company HSBC Asset Management for French securities. The members of this meeting review all regulatory issues or changes in market behaviour. The head of the Corporate Governance meeting is in charge of this regulatory watch.

Evaluation of the implementation of the engagement policy

We undertake a comprehensive evaluation. It can be accessed on the website mentioned above in the engagement section in the activity report on the exercise of voting rights:

www.assetmanagement.hsbc.fr/-/media/files/attachments/france/common/rapport-sur-lexercice.pdf

“SFDR” Annex to Regulation (EU) 2019/2088 and its implementing technical standards

The subfund promotes environmental or social characteristics within under Article 8 of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (“SFDR”).

Information on environmental or social characteristics is available in the SFDR appendix of the annual report.

Information relating to efficient portfolio management techniques and derivatives used by the subfund of the SICAV, pursuant to AMF position No. 2013-06

Efficient portfolio management techniques

As of the close of the fiscal year, the subfund of the SICAV did not use efficient portfolio management techniques.

Derivatives

As of the close of the fiscal year, the subfund of the SICAV did not use derivatives.

Aggregate exposure

The commitment method is used to calculate the aggregate exposure on financial futures.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

Main movements in the portfolio during the period

Securities	Movements ("Accounting currency")	
	Acquisitions	Disposals
HSBC Monétaire	47,917,067.66	47,882,244.87
ITALY BUONI POLIENNALI DEL TESORO 1.3% 15-05-28	3,848,932.03	3,811,592.34
BGB 2.6 06/22/24	600,210.00	3,365,901.00
SPGB 2 3/4 10/31/24		3,239,250.00
FRANCE GOVERNMENT BOND OAT 0.7% 25-07-30	1,369,941.77	1,366,512.13
SPAIN GOVERNMENT BOND 1.5% 30-04-27	1,593,060.00	704,392.50
HSBC 6.364% 16-11-32	1,000,000.00	1,018,120.00
KONI PH 0.75 06-22	605,706.00	1,008,020.00
BBVA 0.875% 14-01-29	798,608.00	728,256.00
FRANCE 0.5% 25-05-25	1,465,000.00	

Transparency of securities financing transactions and the reuse of financial instruments - SFTR - in the accounting currency of the UCI (EUR)

The UCI did not carry out any transactions covered by the SFTR during the fiscal year.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

Annual Financial Statements

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

Balance Sheet – Assets

Balance Sheet – Assets as at 30/12/2022
Portfolio: 1260 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

	30 December 2022	31 December 2021
NET FIXED ASSETS		
DEPOSITS		
FINANCIAL INSTRUMENTS	**228,996,465.12**	**292,584,813.80**
Equities and equivalent securities		
Traded on a regulated or equivalent market		
Not traded on a regulated or equivalent market		
Bonds and equivalent securities	**227,826,753.75**	**292,222,803.80**
Traded on a regulated or equivalent market	227,826,753.75	292,222,803.80
Not traded on a regulated or equivalent market		
Debt instruments		
Traded on a regulated or equivalent market		
Negotiable debt instruments		
Other debt instruments		
Not traded on a regulated or equivalent market		
Undertakings for collective investment	**33,401.37**	
UCITS and AIF for retail investors and equivalents in other countries	33,401.37	
Other funds for retail investors and equivalents in other EU Member States		
Professional general investment funds and equivalents in other EU member states and listed securitisation funds		
Other professional investment funds and equivalent in other EU Member States and non-listed securitisation funds		
Other non-European vehicles		
Repos and reverse repos		
Receivables under repurchase agreements		
Receivables representing lent securities		
Borrowed securities		
Securities delivered under repurchase agreements		
Other temporary transactions		
Financial futures	**1,136,310.00**	**362,010.00**
Transactions on a regulated or equivalent market	1,136,310.00	362,010.00
Other transactions		
Other financial instruments		
RECEIVABLES	**651,969.13**	**445,148.80**
Forward foreign currency transactions		
Other	651,969.13	445,148.80
FINANCIAL ACCOUNTS		**471,640.75**
Cash and cash equivalents		471,640.75
TOTAL ASSETS	**229,648,434.25**	**293,501,603.35**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

Balance Sheet – Liabilities & Equity

Balance Sheet – Liabilities & Equity as at 30/12/2022
Portfolio: 1260 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

	30 December 2022	31 December 2021
EQUITY		
Capital	233,665,664.10	288,978,203.38
Prior net gains and losses not distributed (a)		
Retained earnings (a)	139.00	86.07
Net gains and losses for the period (a,b)	-8,312,244.15	488,530.83
Result for the fiscal year (a, b)	2,837,810.44	2,904,575.81
TOTAL EQUITY *	**228,191,369.39**	**292,371,396.09**
** Amount representing net assets*		
FINANCIAL INSTRUMENTS	**1,136,310.00**	**362,010.00**
Disposals of financial instruments		
Repos and reverse repos		
Payables under repurchase agreements		
Payables representing borrowed securities		
Other temporary transactions		
Financial futures	1,136,310.00	362,010.00
Transactions on a regulated or equivalent market	1,136,310.00	362,010.00
Other transactions		
PAYABLES	**145,445.54**	**185,206.25**
Forward foreign currency transactions		
Other	145,445.54	185,206.25
FINANCIAL ACCOUNTS	**175,309.32**	**582,991.01**
Current bank facilities	175,309.32	582,991.01
Loans		
TOTAL LIABILITIES	**229,648,434.25**	**293,501,603.35**

(a) Including accruals
(b) Minus interim payments for the fiscal year

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

Off-balance sheet commitments

Off-balance-sheet commitments as at 30/12/2022
Portfolio: 1260 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

	30 December 2022	31 December 2021
HEDGING TRANSACTIONS		
Commitments on regulated or equivalent markets		
Futures contracts		
EURO SCHATZ 0323	2,213,820.00	
EURO BOBL 0322		3,331,000.00
EURO BOBL 0323	2,199,250.00	
FGBL BUND 10A 0322		2,227,810.00
FGBL BUND 10A 0323	6,779,430.00	
XEUR FGBX BUX 0322		6,615,680.00
XEUR FGBX BUX 0323	4,057,200.00	
Commitments on over-the-counter markets		
Other commitments		
OTHER TRANSACTIONS		
Commitments on regulated or equivalent markets		
Commitments on over-the-counter markets		
Other commitments		

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

Income Statement

Income Statement as at 30/12/2022
Portfolio: 1260 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

	30 December 2022	31 December 2021
Income from financial transactions		
Income from deposits and financial accounts	328.58	
Income from equities and equivalent securities		
Income from bonds and equivalent securities	4,305,705.52	4,520,297.19
Income from debt instruments		
Income from repos and reverse repos		
Income from financial futures		
Other financial income		
TOTAL (1)	**4,306,034.10**	**4,520,297.19**
Expenses on financial transactions		
Expenses from repos and reverse repos		
Expenses from financial futures		
Expenses from financial debts	10,999.85	15,045.56
Other financial expenses		
TOTAL (2)	**10,999.85**	**15,045.56**
RESULT FROM FINANCIAL TRANSACTIONS (1 - 2)	**4,295,034.25**	**4,505,251.63**
Other income (3)		
Management fees and amortisation allowance (4)	1,397,298.71	1,639,126.33
NET INCOME FOR THE PERIOD (L. 214-17-1) (1 - 2 + 3 - 4)	**2,897,735.54**	**2,866,125.30**
Accrued income for the fiscal year (5)	-59,925.10	38,450.51
Interim dividends paid during the fiscal year (6)		
RESULT (1 - 2 + 3 - 4 + 5 - 6)	**2,837,810.44**	**2,904,575.81**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

Notes

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

1. Accounting policies

The annual financial statements are presented in the form prescribed by ANC regulation 2014-01, as amended.

General accounting principles are applied:
- true and fair view, comparability, going concern;
- accuracy, reliability;
- prudence;
- consistency of accounting methods from one period to the next.

The interest accrual basis is used to recognise revenue from fixed-income securities.

Securities bought and sold are recognised excluding costs.
The euro is the reference currency for the portfolio's accounting.
The duration of the reporting period is 12 months.

Asset valuation rules

The asset valuation rules applied by the accounting manager are outlined below according to the instruments held by the subfund:

The subfund has adopted the euro as the reference currency.

The prices used for the valuation of securities traded on the stock exchange are the closing prices.

The prices applied for the valuation of bonds are an average contributor. The UCIs are valued at the last known price.

Negotiable debt securities with a residual life of more than three months are valued at the market rate, with the exception of variable-rate or adjustable-rate negotiable debt securities not presenting any particular market sensitivity.

A simplified method known as "linearisation" is applied for negotiable debt instruments whose residual lifespan is less than three months with no particular sensitivity to the market on the basis of the crystallised three-month rate.

Repos are valued at the contract price.

Futures, options, or exchange transactions made on OTC markets, authorised by applicable UCI regulations, are measured at their market value or at an estimated value according to methods chosen by the management company.

Interest rate and/or currency swaps are valued at their market value based on the price calculated by discounting future cash flows (principal and interest), at the market interest and/or exchange rates.

European and foreign futures are valued on the basis of the clearing prices.

Interest-rate and foreign currency swaps are valued under market conditions.

The valuation of interest-rate swaps against share performance is carried out:
- under market conditions for the fixed income branch

- according to the underlying security rate for the equity branch.

The valuation of Credit Default Swaps (CDS) stems from a model used by the spreads market.

Off-balance-sheet commitments in the European and foreign futures markets are calculated as follows:

- FUTURES
(Qty x Nominal x Daily rate x Contract currency)

- OPTIONS
(Qty x delta) x (Nominal of the underlying instrument x Daily rate of the underlying instrument x Contract currency).

For swaps, the off-balance-sheet commitment corresponds to the nominal value of the contract plus or minus the interest differential and the unrealised capital gain or loss on the closing date.

Transaction fees are recognised in specific accounts of each subfund and are not added to the price.

Financial instruments whose prices were not determined on the day of valuation or whose prices have been adjusted are valued at their probable trading price under the responsibility of the Management Company. These valuations and proof therein are provided to the Statutory Auditor in connection with its audits.

Valuation of financial guarantees

Collateral is marked to market on a daily basis.
Haircuts can be applied to collateral received in the form of securities according to the level of risk.

Margin calls occur daily unless otherwise indicated in the master agreement covering these transactions on in case of agreement between the Management Company and the counterparty on the application of a trigger threshold.

Management fees

Management fees and running costs cover all costs relating to the UCI: financial, administrative and accounting management, custodianship, distribution, audit fees, etc.
These fees are charged to the income statement of the UCI.
Management fees do not include transaction fees. For more information on the costs actually billed to the UCI, please see the prospectus.

They are recognised on a pro rata basis each time the net asset value is calculated.

The aggregate of these fees complies with the maximum fee rate as a percentage of the net assets given in the prospectus or the rules of the fund:

FR0011332733 - HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND AD share: Maximum fee rate of 1.50% including tax
FR0013287232 - HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND BC share: Maximum fee rate of 0.75% including tax
FR0013234937 - HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND IT share: Maximum fee rate of 0.75% including tax
FR0010489567 - HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND IC share: Maximum fee rate of 0.75% including tax
FR0010061283 - HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND AC share: Maximum fee rate of 1.50% including tax

Administrative charges outside the Management Company are a maximum of 0.30% including taxes for the IT unit and a maximum of 0.20% including taxes for the AC, AD, IC, BC, and ZC units.

Swing pricing

The management company has implemented a swing pricing mechanism to adjust the net asset value of each of the subfunds once a trigger threshold is reached in order to protect the interests of the unitholders present in each of the subfunds.

Under this mechanism, investors bear the portfolio adjustment costs — including transaction fees, bid/offer spreads and taxes or fees applicable to the UCI — relating to investments or disinvestments when there are significant numbers of subscriptions and redemptions.

When the net balance of investor subscription and redemption orders exceeds a predefined threshold, called the “trigger threshold”, the NAV is adjusted.

The NAV is adjusted up or down if the balance of subscriptions– redemptions is respectively positive or negative, so as to take into account the readjustment costs attributable to the net subscription and/or redemption orders.

The trigger threshold is expressed as a percentage of the subfund’s net assets.
The parameters for the trigger threshold and the NAV adjustment factor are determined by the management company and periodically reviewed.

The adjusted (“swung”) NAV is the subfund’s only NAV and is therefore the only NAV published and communicated to unitholders.

By applying swing pricing with a trigger threshold, it is possible that the UCI’s volatility will not come from only the volatility of the financial instruments in the portfolio.

In accordance with the regulatory provisions, the management company does not communicate the trigger thresholds and ensures that internal communication channels are restricted so as to safeguard the confidential nature of the information.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

Appropriation of distributable amounts

Definition of distributable amounts

Distributable amounts consist of the following:

Result:

Net income for the fiscal year is equal to the amount of interest, arrears, premiums and bonuses, dividends, directors' fees, and any other income relating to the securities comprising the portfolio, plus the income from any amounts temporarily available, less management fees and borrowing costs.
Retained earnings are added to net income, and the balance of accrued income is added or subtracted as appropriate.

Capital gains and losses:

Capital gains realised, net of costs, minus realised losses, net of costs, recognised during the fiscal year, plus net gains of the same type recognised in previous fiscal years that were not distributed or accumulated, plus or minus the balance of accrued gains.

Appropriation of distributable amounts:

Share(s)	*Appropriation of net income*	*Appropriation of realised net capital gains or losses*
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND AC share	Accumulation	Accumulation
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND AD share	Distribution	Accumulation and/or Distribution by decision of the SICAV
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND BC share	Accumulation	Accumulation
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND IC share	Accumulation	Accumulation
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND ZC share	Accumulation	Accumulation

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

2. Change in Net Assets

Change in net assets as at 30/12/2022
Portfolio: 1260 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

	30 December 2022	31 December 2021
BEGINNING NET ASSETS	**292,371,396.09**	**293,181,736.37**
Subscriptions (including subscription fees paid into the UCI)	46,690,557.99	56,647,360.94
Redemptions (after deducting redemption fees paid into the UCI)	-59,680,781.25	-48,427,133.43
Capital gains realised on deposits and financial instruments	182,287.26	1,771,392.98
Capital losses realised on deposits and financial instruments	-6,720,855.79	-1,159,243.81
Capital gains realised on financial futures	1,243,141.74	921,230.00
Capital losses realised on financial futures	-3,251,430.00	-1,047,680.00
Transaction fees	-2,382.12	-1,415.87
Foreign exchange gains/losses		
Changes in the valuation differential of deposits and financial instruments	-44,571,617.81	-11,404,493.27
Valuation differential period N	*-44,453,953.29*	*117,664.52*
Valuation differential period N-1	*-117,664.52*	*-11,522,157.79*
Changes in the valuation differential of financial futures	-774,300.00	-449,420.00
Valuation differential period N	*-1,136,310.00*	*-362,010.00*
Valuation differential period N-1	*362,010.00*	*-87,410.00*
Prior-year distribution on net gains and losses		
Prior-year distribution on earnings	-305,325.99	-527,063.12
Net income for the period before accruals	2,897,735.54	2,866,125.30
Current-year interim distribution(s) on net gains and losses		
Current-year interim distribution(s) on earnings		
Other items	112,943.73	
ENDING NET ASSETS	**228,191,369.39**	**292,371,396.09**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

3. Additional information

3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC NATURE

	Amount	%
ASSETS		
BONDS AND EQUIVALENT SECURITIES		
Fixed-rate bonds traded on a regulated or equivalent market	227,826,643.75	99.84
Variable/adjustable-rate bonds traded on a regulated or equivalent market	110.00	
TOTAL BONDS AND EQUIVALENT SECURITIES	**227,826,753.75**	**99.84**
DEBT INSTRUMENTS		
TOTAL DEBT INSTRUMENTS		
LIABILITIES & EQUITY		
DISPOSALS OF FINANCIAL INSTRUMENTS		
TOTAL DISPOSALS OF FINANCIAL INSTRUMENTS		
OFF-BALANCE SHEET COMMITMENTS		
HEDGING TRANSACTIONS		
Rate	15,249,700.00	6.68
TOTAL HEDGING TRANSACTIONS	**15,249,700.00**	**6.68**
OTHER TRANSACTIONS		
TOTAL OTHER TRANSACTIONS		

3.2. BREAKDOWN OF ASSETS, LIABILITIES, AND OFF-BALANCE-SHEET ITEMS BY RATE TYPE

	Fixed rate	%	Variable rate	%	Adjustable rate	%	Other	%
ASSETS								
Deposits								
Bonds and equivalent securities	227,826,643.75	99.84			110.00			
Debt instruments								
Repos and reverse repos								
Financial accounts								
LIABILITIES & EQUITY								
Repos and reverse repos								
Financial accounts							175,309.32	0.08
OFF-BALANCE SHEET COMMITMENTS								
Hedging transactions	15,249,700.00	6.68						
Other transactions								

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

3.3. BREAKDOWN OF ASSETS, LIABILITIES, AND OFF-BALANCE SHEET COMMITMENTS BY RESIDUAL MATURITY(*)

	< 3 months	%	]3 months - 1 year]	%	]1 - 3 years]	%	]3 - 5 years]	%	> 5 years	%
ASSETS										
Deposits										
Bonds and equivalent securities	110.00		3,940,026.76	1.73	42,503,743.99	18.63	50,537,109.14	22.15	130,845,763.86	57.34
Debt instruments										
Repos and reverse repos										
Financial accounts										
LIABILITIES & EQUITY										
Repos and reverse repos										
Financial accounts	175,309.32	0.08								
OFF-BALANCE SHEET COMMITMENTS										
Hedging transactions					2,213,820.00	0.97	2,199,250.00	0.96	10,836,630.00	4.75
Other transactions										

(*) Forward-rate positions are presented according to the maturity of the underlying assets.

3.4. BREAKDOWN OF ASSETS, LIABILITIES, AND OFF-BALANCE SHEET COMMITMENTS BY LISTING CURRENCY OR VALUATION CURRENCY (EXCLUDING EURO)

	Currency 1		Currency 2		Currency 3		Currency N OTHER(S)	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Deposits								
Equities and equivalent securities								
Bonds and equivalent securities								
Debt instruments								
UCI								
Repos and reverse repos								
Receivables								
Financial accounts								
LIABILITIES & EQUITY								
Disposals of financial instruments								
Repos and reverse repos								
Payables								
Financial accounts								
OFF-BALANCE SHEET COMMITMENTS								
Hedging transactions								
Other transactions								

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Debit/credit type	30 December 2022
RECEIVABLES		
	Cash security deposits	537,525.40
	Coupons and dividends in cash	1,500.00
	Other receivables	112,943.73
TOTAL RECEIVABLES		**651,969.13**
PAYABLES		
	Fixed management fees	145,445.54
TOTAL PAYABLES		**145,445.54**
TOTAL PAYABLES AND RECEIVABLES		**506,523.59**

3.6. EQUITY

3.6.1. Number of securities issued or redeemed

	Shares	Amount
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND AC share		
Shares subscribed during the period	11,129.03400	18,257,094.78
Shares redeemed during the period	-11,390.06800	-18,738,955.05
Net balance of subscriptions/redemptions	-261.03400	-481,860.27
Number of shares outstanding at year-end	51,939.11600	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND AD share		
Shares subscribed during the period	289.242	282,472.30
Shares redeemed during the period	-5,087.911	-4,979,495.57
Net balance of subscriptions/redemptions	-4,798.669	-4,697,023.27
Number of shares outstanding at year-end	36,169.603	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND BC share		
Shares subscribed during the period	42.505	40,087.30
Shares redeemed during the period	-623.442	-600,970.96
Net balance of subscriptions/redemptions	-580.937	-560,883.66
Number of shares outstanding at year-end	6,562.911	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND IC share		
Shares subscribed during the period	98.56900	15,860,550.81
Shares redeemed during the period	-156.98850	-25,375,646.59
Net balance of subscriptions/redemptions	-58.41950	-9,515,095.78
Number of shares outstanding at year-end	458.39570	

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

	Shares	Amount
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND ZC share		
Shares subscribed during the period	12,806.325	12,250,352.80
Shares redeemed during the period	-10,383.697	-9,985,713.08
Net balance of subscriptions/redemptions	2,422.628	2,264,639.72
Number of shares outstanding at year-end	50,487.188	

3.6.2. Subscription and/or redemption fees

	Amount
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND AC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND AD share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND BC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND IC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND ZC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

3.7. MANAGEMENT FEES

	30 December 2022
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND AC share	
Guarantee commissions	
Fixed management fees	699,644.46
Percentage of fixed management fees	0.84
Retrocession of management fees	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND AD share	
Guarantee commissions	
Fixed management fees	311,444.04
Percentage of fixed management fees	0.84
Retrocession of management fees	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND BC share	
Guarantee commissions	
Fixed management fees	28,387.10
Percentage of fixed management fees	0.44
Retrocession of management fees	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND IC share	
Guarantee commissions	
Fixed management fees	340,293.36
Percentage of fixed management fees	0.44
Retrocession of management fees	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND ZC share	
Guarantee commissions	
Fixed management fees	17,529.75
Percentage of fixed management fees	0.04
Retrocession of management fees	

3.8. COMMITMENTS RECEIVED AND GIVEN

3.8.1. Guarantees received by the UCI:

None.

3.8.2. Other commitments received and/or given:

None.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

3.9. OTHER INFORMATION

3.9.1. Present value of borrowed financial instruments

	30 December 2022
Securities under a repurchase agreement	
Borrowed securities	

3.9.2. Present value of financial instruments constituting security deposits

	30 December 2022
Financial instruments given as collateral and maintained in their original line item	
Financial instruments received as collateral and not recorded on the balance sheet	

3.9.3. Financial instruments held, issued, and/or managed by the Group

	ISIN code	Name	30 December 2022
Equities			
Bonds			
Negotiable debt instruments			
UCI			33,401.37
	FR0007486634	HSBC MONETAIRE	33,401.37
Financial futures			
Total group securities			**33,401.37**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

3.10. APPROPRIATION OF DISTRIBUTABLE AMOUNTS

Appropriation of the share of distributable amounts relating to earnings

	30 December 2022	31 December 2021
Amounts remaining to be appropriated		
Retained earnings	139.00	86.07
Result	2,837,810.44	2,904,575.81
Total	**2,837,949.44**	**2,904,661.88**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND AC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	716,845.60	669,129.59
Total	**716,845.60**	**669,129.59**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND AD share		
Appropriation		
Distribution	301,292.79	319,962.20
Retained earnings for the period	290.76	156.87
Accumulation		
Total	**301,583.55**	**320,119.07**
Information on units with distribution rights		
Number of units	36,169.603	40,968.272
Distribution per unit	8.33	7.81
Tax credit		
Tax credit attached to the distribution of the result		

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND BC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	78,514.79	84,815.09
Total	**78,514.79**	**84,815.09**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND IC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	930,325.55	1,040,898.12
Total	**930,325.55**	**1,040,898.12**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND ZC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	810,679.95	789,700.01
Total	**810,679.95**	**789,700.01**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

Appropriation of the share of distributable amounts relating to net gains and losses

	30 December 2022	31 December 2021
Amounts remaining to be appropriated		
Past net gains and losses not distributed		
Net gains and losses for the period	-8,312,244.15	488,530.83
Interim payments on net gains and losses for the period		
Total	**-8,312,244.15**	**488,530.83**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND AC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	-2,801,556.28	157,629.59
Total	**-2,801,556.28**	**157,629.59**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND AD share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	-1,178,075.99	74,273.94
Total	**-1,178,075.99**	**74,273.94**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND BC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	-209,442.91	12,753.83
Total	**-209,442.91**	**12,753.83**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND IC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	-2,481,691.08	156,520.56
Total	**-2,481,691.08**	**156,520.56**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND ZC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	-1,641,477.89	87,352.91
Total	**-1,641,477.89**	**87,352.91**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

3.11. RESULTS AND OTHER CHARACTERISTIC FEATURES OF THE ENTITY DURING THE LAST FIVE FISCAL YEARS

	31 December 2018	31 December 2019	31 December 2020	31 December 2021	30 December 2022
Total net assets in EUR	**152,597,646.09**	**226,213,496.04**	**293,181,736.37**	**292,371,396.09**	**228,191,369.39**
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND AC (EUR) share					
Net assets	10,238,333.80	62,863,657.84	85,122,617.11	94,249,372.72	76,819,253.82
Number of securities	5,991.38600	34,770.53500	45,659.28100	52,200.15000	51,939.11600
Net asset value per unit	1,708.84	1,807.95	1,864.30	1,805.53	1,479.02
Accumulation per unit on net gains/losses	-2.34	18.13	-1.27	3.01	-53.93
Accumulation per unit on the result	21.40	20.19	18.30	12.81	13.80
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND AD (EUR) share					
Net assets	12,628,358.78	18,510,054.23	56,419,229.71	44,922,174.43	32,234,639.85
Number of securities	11,759.635	16,494.931	49,328.669	40,968.272	36,169.603
Net asset value per unit	1,073.87	1,122.16	1,143.74	1,096.51	891.20
Accumulation per unit on net gains/losses	-1.49	11.25	-0.77	1.81	-32.57
Distribution per unit on the result	13.52	12.57	11.28	7.81	8.33
Tax credit per unit					
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND BC (EUR) share					
Net assets	4,099,426.93	6,917,172.40	8,130,722.94	7,616,630.74	5,754,719.07
Number of securities	4,111.339	6,531.013	7,415.175	7,143.848	6,562.911
Net asset value per unit	997.10	1,059.12	1,096.49	1,066.18	876.85
Accumulation per unit on net gains/losses	-1.56	10.60	-0.74	1.78	-31.91
Accumulation per unit on the result	15.56	15.86	15.02	11.87	11.96

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

3.11. RESULTS AND OTHER CHARACTERISTIC FEATURES OF THE ENTITY DURING THE LAST FIVE FISCAL YEARS

	31 December 2018	31 December 2019	31 December 2020	31 December 2021	30 December 2022
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND IC (EUR) share					
Net assets	102,597,561.28	97,859,474.51	97,840,625.61	93,475,814.56	68,188,722.60
Number of securities	606.61710	544.68150	525.99830	516.81520	458.39570
Net asset value per unit	169,130.67	179,663.66	186,009.39	180,868.93	148,755.15
Accumulation per unit on net gains/losses	-230.76	1,799.42	-126.17	302.85	-5,413.86
Accumulation per unit on the result	2,796.54	2,690.64	2,548.59	2,014.06	2,029.52
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND ZC (EUR) share					
Net assets	23,033,965.30	40,063,137.06	45,668,541.00	52,107,403.64	45,194,034.05
Number of securities	22,993.000	37,499.416	41,124.861	48,064.560	50,487.188
Net asset value per unit	1,001.78	1,068.36	1,110.48	1,084.11	895.15
Accumulation per unit on net gains/losses	-1.36	10.68	-0.74	1.81	-32.51
Accumulation per unit on the result	20.54	20.24	19.50	16.42	16.05

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
Bonds and equivalent securities				
Bonds and equivalent securities traded on a regulated or equivalent market				
GERMANY				
ADIDAS AG 0.0% 05-10-28	in EUR	500,000	417,312.50	0.18
GERMANY 2.5% 04/07/2044	in EUR	1,700,000	1,699,548.22	0.74
GERMANY 4.75% 07/40	in EUR	1,800,000	2,364,183.12	1.04
ALLIANZ SE 2.121% 08-07-50	in EUR	800,000	652,897.29	0.29
ALLIANZ SE 2.241% 07-07-45	in EUR	600,000	567,270.90	0.25
ALLIANZ SE 3.375% PERP	in EUR	400,000	390,323.53	0.18
CMZB FRANCFORT 3.0% 14-09-27	in EUR	1,000,000	939,233.29	0.41
DEUTSCHE BOERSE 1.25% 16-06-47	in EUR	300,000	264,158.57	0.12
DEUTSCHE POST AG 0.75% 20-05-29	in EUR	450,000	391,574.22	0.17
DEUTSCHE POST AG 1.625% 05-12-28	in EUR	300,000	276,219.33	0.12
ENBW ENERGIE BADENWUERTTEMB 1.125% 05-11-79	in EUR	1,000,000	927,913.49	0.41
E ON AG 1.625% 22-05-29 EMTN	in EUR	300,000	265,965.49	0.12
EON SE 0.125% 18-01-26 EMTN	in EUR	697,000	631,223.16	0.28
EON SE 0.6% 01-10-32 EMTN	in EUR	667,000	485,039.20	0.21
EVONIK INDUSTRIES 0.625% 18-09-25	in EUR	700,000	647,295.03	0.28
EVONIK INDUSTRIES 2.25% 25-09-27	in EUR	400,000	375,133.75	0.16
FRESENIUS MEDICAL CARE AG 1.0% 29-05-26	in EUR	1,900,000	1,718,626.00	0.76
FRESENIUS SE 4.25% 28-05-26	in EUR	800,000	790,313.42	0.34
GERMANY 4% 04-01-37	in EUR	4,000,000	4,792,481.64	2.10
INFINEON TECHNOLOGIES AG 2.0% 24-06-32	in EUR	600,000	505,026.21	0.22
KFW 0.0% 15-12-27 EMTN	in EUR	500,000	430,525.00	0.19
KFW 0.01% 05-05-27 EMTN	in EUR	1,550,000	1,361,049.69	0.60
LEGGR 0 7/8 11/28/27	in EUR	800,000	663,258.41	0.29
LEG IMMOBILIEN SE 0.375% 17-01-26	in EUR	400,000	351,740.47	0.15
LEG IMMOBILIEN SE 0.75% 30-06-31	in EUR	700,000	494,978.73	0.21
MERCK KGAA 1.625% 09-09-80	in EUR	1,000,000	895,179.38	0.40
MUNICH RE 1.0% 26-05-42	in EUR	900,000	634,843.97	0.27
VONOVIA SE 5.0% 23-11-30 EMTN	in EUR	200,000	197,099.29	0.09
TOTAL GERMANY			**24,130,413.30**	**10.58**
AUSTRALIA				
SYDNEY AIRPORT 2.75% 23/04/2024	in EUR	850,000	852,619.98	0.37
TCLAU 1 7/8 09/16/24	in EUR	600,000	589,409.59	0.26
TRANSBURBAN FINANCE COMPANY 1.45% 16-05-29	in EUR	300,000	258,687.43	0.12
TOTAL AUSTRALIA			**1,700,717.00**	**0.75**
AUSTRIA				
AUST GOVE BON 2.4% 23-05-34	in EUR	1,000,000	942,734.52	0.41
AUSTRIA GOVERNMENT BOND 0.0% 20-02-30	in EUR	1,000,000	805,170.00	0.35
ERSTE GR BK 0.1% 16-11-28 EMTN	in EUR	600,000	492,273.90	0.22

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
ERSTE GR BK 0.25% 26-06-24	in EUR	500,000	478,709.11	0.21
ERSTE GR BK 0.625% 17-04-26	in EUR	500,000	459,609.59	0.20
ERSTE GR BK 1.0% 10-06-30 EMTN	in EUR	1,000,000	887,546.23	0.39
OMV AG 0.0% 03-07-25 EMTN	in EUR	500,000	459,782.50	0.21
OMV AG 2.875% PERP	in EUR	600,000	589,800.53	0.25
OMV AG 6.25% PERP	in EUR	700,000	726,835.08	0.32
VERBUND AG 0.9% 01-04-41	in EUR	300,000	189,430.54	0.08
TOTAL AUSTRIA			**6,031,892.00**	**2.64**
BELGIUM				
BELGIUM 1.0% 22-06-31	in EUR	2,000,000	1,704,334.93	0.75
BELGIUM GOVERNMENT BOND 0.8% 22-06-28	in EUR	2,200,000	1,989,017.74	0.87
BELGIUM GOVERNMENT BOND 1.7% 22-06-50	in EUR	500,000	351,621.10	0.16
BGB 2.6 06/22/24	in EUR	600,000	606,768.25	0.26
COMMUNAUTE EUROPEAN BRU 0.0% 04-10-30	in EUR	1,000,000	789,800.00	0.34
COMMUNAUTE EUROPEAN BRU 0.3% 04-11-50	in EUR	132,000	62,169.12	0.03
EUROPEAN UNION 0.0% 02-06-28	in EUR	1,701,000	1,444,667.81	0.64
EUROPEAN UNION 0.0% 04-07-31	in EUR	245,000	188,569.15	0.08
EUROPEAN UNION 0.0% 22-04-31	in EUR	1,000,000	775,395.00	0.34
KBC GROUPE 0.625% 07-12-31	in EUR	1,200,000	992,876.79	0.44
KBC GROUPE 1.5% 29-03-26 EMTN	in EUR	800,000	762,401.48	0.33
KBC GROUPE 4.375% 23-11-27	in EUR	400,000	402,951.75	0.18
KBC GROUPE SA 1.625% 18-09-29	in EUR	1,800,000	1,682,781.66	0.74
TOTAL BELGIUM			**11,753,354.78**	**5.16**
CANADA				
CPPIB CAPITAL 0.25% 18-01-41	in EUR	312,000	176,907.83	0.08
DAIMLER CANADA FINANCE 3.0% 23-02-27	in EUR	628,000	615,970.57	0.27
PROVINCE DE L'ONTARIO 1.875% 21/05/2024	in EUR	2,210,000	2,192,708.87	0.97
PROVINCE DE L'ONTARIO 0.01% 25-11-30	in EUR	1,000,000	765,520.68	0.33
TORONTODOMINION BANK THE 0.375% 25-04-24	in EUR	950,000	916,692.35	0.40
TORONTO DOMINION BANK THE 3.25% 27-04-26	in EUR	800,000	798,903.84	0.35
TOTAL CANADA			**5,466,704.14**	**2.40**
DENMARK				
ORSTED 2.25% 14-06-28 EMTN	in EUR	581,000	546,118.91	0.24
ORSTED 3.25% 13-09-31 EMTN	in EUR	336,000	325,095.99	0.14
TOTAL DENMARK			**871,214.90**	**0.38**
SPAIN				
BANKINTER 0.875% 08-07-26 EMTN	in EUR	400,000	356,016.44	0.16
BANKINTER 1.25% 23-12-32	in EUR	600,000	479,419.03	0.21
BANKINTER 3.05% 29-05-28	in EUR	1,000,000	974,734.66	0.43
BBVA 3.375% 20-09-27 EMTN	in EUR	500,000	489,996.95	0.21
SPAIN 1.95% 30-07-30	in EUR	3,900,000	3,567,047.92	1.56
SPAIN 4.70% 30/07/41	in EUR	2,600,000	2,936,274.74	1.28

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
SPAIN 5.75%01-32	in EUR	800,000	966,402.30	0.43
IBERDROLA FINANZAS SAU 1.0% 07-03-25	in EUR	1,200,000	1,151,782.77	0.50
RED ELECTRICA FINANCIACIONES 1.25% 13-03-27	in EUR	500,000	463,870.99	0.21
SPAI GOVE BON 1.95% 30-04-26	in EUR	3,000,000	2,938,557.95	1.29
SPAI GOVE BON 2.9% 31-10-46	in EUR	1,000,000	857,564.93	0.37
SPAIN GOVERNMENT BOND 1.45% 31-10-71	in EUR	1,000,000	461,197.47	0.21
SPAIN GOVERNMENT BOND 1.5% 30-04-27	in EUR	2,110,000	1,999,017.76	0.87
TOTAL SPAIN			**17,641,883.91**	**7.73**
UNITED STATES				
AMERICAN HONDA FIN 1.95% 18-10-24	in EUR	500,000	488,626.85	0.22
AMT 0 1/2 01/15/28	in EUR	700,000	577,769.93	0.25
BAXTER INTL 0.4% 15-05-24	in EUR	1,450,000	1,394,600.47	0.61
BOOKING 4.5% 15-11-31	in EUR	1,017,000	1,033,034.12	0.45
EQUINIX 0.25% 15-03-27	in EUR	1,000,000	866,303.70	0.37
IBRD 0 1/2 04/16/30	in EUR	1,350,000	1,124,683.71	0.49
INTL BK FOR RECONS DEVELOP 0.1% 17-09-35	in EUR	500,000	336,907.95	0.15
INTL BK FOR RECONS DEVELOP 0.25% 10-01-50	in EUR	400,000	194,130.82	0.09
LEHMAN BROTHERS HOLDINGS INC E1M 14-03-19 DEFAULT	in EUR	1,100,000	110.00	-0.01
MANPOWER 3.5% 30-06-27	in EUR	593,000	591,844.54	0.26
MICROSOFT 2.625% 05/33	in EUR	400,000	380,828.71	0.17
MICROSOFT CORP 3.125% 061228	in EUR	1,700,000	1,747,000.34	0.77
NATL GRID NORTH AMERICA 1.054% 20-01-31	in EUR	1,000,000	783,284.10	0.34
TMO 1.45 03/16/27	in EUR	509,000	473,761.79	0.21
TOTAL UNITED STATES			**9,992,887.03**	**4.37**
FINLAND				
FINLAND 4% 04/07/25	in EUR	1,030,000	1,083,235.34	0.47
KOJAMO OYJ 2.0% 31-03-26 EMTN	in EUR	500,000	452,653.94	0.20
NORDEA BKP 0.5% 19-03-31 EMTN	in EUR	350,000	273,287.91	0.12
UPM KYMMENE OY 0.5% 22-03-31	in EUR	1,200,000	912,691.81	0.40
TOTAL FINLAND			**2,721,869.00**	**1.19**
France				
A 3.941% PERP EMTN	in EUR	1,050,000	1,034,952.91	0.45
AGENCE FRANCAISE DE DEVELOPPEMEN 0.5% 31-10-25	in EUR	600,000	557,023.03	0.24
AGENCE FRANCAISE DE DEVELOPPEMEN 1.375% 05-07-32	in EUR	300,000	251,106.35	0.11
AIR LIQ FIN 0.375% 20-09-33	in EUR	700,000	501,741.64	0.22
ALSTOM 0.0% 11-01-29	in EUR	800,000	627,768.00	0.27
ATOS SE 1.75% 07-05-25	in EUR	800,000	668,631.84	0.29
AXA 1.125% 15-05-28 EMTN	in EUR	500,000	445,920.75	0.20
AXA 1.375% 07-10-41 EMTN	in EUR	800,000	593,840.05	0.26
AXA 1.875% 10-07-42 EMTN	in EUR	838,000	631,840.35	0.28
AXA BANK EUROPE 0.625% 16-02-28	in EUR	1,000,000	877,666.58	0.38
AXA HOME LOAN SFH 0.01% 16-10-29	in EUR	400,000	320,046.66	0.14

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
AXA HOME LOAN SFH 0.05% 05-07-27	in EUR	600,000	518,366.59	0.23
BFCM BANQUE FEDERATIVE CREDIT MUTUEL 1.0% 23-05-25	in EUR	900,000	852,317.45	0.37
BFCM BANQUE FEDERATIVE CREDIT MUTUEL 1.625% 15-11-27	in EUR	800,000	707,933.21	0.31
BFCM BANQUE FEDERATIVE CREDIT MUTUEL 2.625% 06-11-29	in EUR	700,000	632,954.86	0.28
BN 2.25% 11-01-27 EMTN	in EUR	1,600,000	1,534,738.96	0.68
BPCE 4.0% 29-11-32 EMTN	in EUR	600,000	585,855.37	0.25
ITALY 4.625% 18/07/2023	in EUR	1,400,000	1,441,096.14	0.63
BQ POSTALE 0.25% 12-07-26 EMTN	in EUR	1,000,000	887,793.63	0.39
BQ POSTALE 1.375% 24-04-29	in EUR	900,000	766,987.64	0.34
CARREFOUR 4.125% 12-10-28 EMTN	in EUR	300,000	302,773.54	0.13
CIE GEN DES ETS MICHELIN 1.75% 03-09-30	in EUR	200,000	180,603.86	0.08
COMPAGNIE DE SAINT GOBAIN 0.625% 15-03-24	in EUR	800,000	778,283.40	0.34
COVIVIO SA 1.5% 21-06-27	in EUR	500,000	452,699.90	0.20
E.ETAT 4,75%04 OAT	in EUR	1,500,000	1,766,526.99	0.77
FRANCE 0.5% 25-05-25	in EUR	5,000,000	4,750,273.97	2.08
FRANCE GOVERNMANT BOND OAT 0.5% 25-05-40	in EUR	3,200,000	2,018,159.34	0.89
FRANCE GOVERNMENT BOND OAT 0.75% 25-05-52	in EUR	1,990,000	1,057,888.36	0.46
FRANCE GOVERNMANT BOND OAT 1.0% 25-05-27	in EUR	1,900,000	1,768,367.22	0.77
FRANCE GOVERNMANT BOND OAT 4.0% 25-10-38	in EUR	1,250,000	1,357,964.04	0.60
FRANCE GOVERNMENT BOND OAT 0.5% 25-05-72	in EUR	1,100,000	409,936.77	0.18
FRANCE GOVERNMENT BOND OAT 5.75% 25-10-32	in EUR	1,220,250	1,504,766.42	0.66
FRAN GOVE BON 1.25% 25-05-36	in EUR	2,300,000	1,805,240.07	0.79
GECINA 0.875% 30-06-36 EMTN	in EUR	700,000	455,156.01	0.20
KLEPIERRE 0.625% 01-07-30 EMTN	in EUR	800,000	586,483.95	0.26
LA POSTE 1.375% 21-04-32 EMTN	in EUR	500,000	403,328.25	0.18
LEGRAND 0.375% 06-10-31	in EUR	800,000	606,199.51	0.27
LEGRAND 0.625% 24-06-28	in EUR	500,000	424,157.40	0.19
ITALY 2.75% 25/10/2027	in EUR	3,050,000	3,057,255.87	1.34
ORANGE 1.75% PERP EMTN	in EUR	1,000,000	821,860.62	0.36
ORANGE 2.375% PERP	in EUR	500,000	483,381.51	0.21
ORANGE 5.25% PERP	in EUR	200,000	211,556.15	0.10
PERNOD RICARD 0.125% 04-10-29	in EUR	1,200,000	952,909.97	0.42
PERNOD RICARD 1.125% 07-04-25	in EUR	600,000	575,161.64	0.25
PERNOD RICARD 1.375% 07-04-29	in EUR	200,000	177,466.78	0.08
PERNOD RICARD 3.75% 02-11-32	in EUR	400,000	398,363.95	0.17
SCHNEIDER ELECTRIC SE 3.5% 09-11-32	in EUR	1,000,000	989,368.97	0.43
SG 0.625% 02-12-27	in EUR	800,000	687,474.36	0.30
SG 1.5% 30-05-25 EMTN	in EUR	1,200,000	1,172,836.68	0.51
SOCIETE DES AUTOROUTES PARIS RHIN RHONE 0.125% 18-01-29	in EUR	300,000	245,180.59	0.11
TOTALENERGIES SE 1.75% PERP	in EUR	1,200,000	1,151,588.38	0.51
TOTALENERGIES SE 2.708% PERP	in EUR	600,000	605,669.16	0.26
UNIBAIL RODAMCO SE 2.125% 09-04-25	in EUR	600,000	583,056.58	0.25

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
UNIBAIL RODAMCO SE 2.125% PERP	in EUR	1,100,000	948,519.38	0.42
WENDEL 1.375% 26-04-26	in EUR	1,000,000	921,668.15	0.40
TOTAL FRANCE			**49,050,709.75**	**21.49**
IRELAND				
AIB GROUP 0.5% 17-11-27 EMTN	in EUR	1,000,000	846,473.84	0.38
AIB GROUP 1.25% 28-05-24 EMTN	in EUR	1,100,000	1,067,829.67	0.46
ATLAS COPCO FINANCE DAC 0.75% 08-02-32	in EUR	391,000	302,491.39	0.13
IRELAND GOVERNMENT BOND 0.0% 18-10-31	in EUR	700,000	538,877.50	0.24
IRELAND GOVERNMENT BOND 0.2% 18-10-30	in EUR	250,000	202,725.48	0.09
IRELAND GOVERNMENT BOND 1.3% 15-05-33	in EUR	300,000	254,183.59	0.11
JOHNSON CONTROLS INTL 1.0% 15-09-23	in EUR	1,026,000	1,014,553.63	0.44
JOHNSON NTROLS INTL PLC TY 0.375% 15-09-27	in EUR	500,000	427,230.07	0.18
SWISSCOM AG VIA LUNAR FUNDING V 1.75% 15-09-25	in EUR	500,000	480,794.49	0.22
VODAFONE INTL FINANCING DAC 3.75% 02-12-34	in EUR	468,000	442,427.39	0.20
TOTAL IRELAND			**5,577,587.05**	**2.45**
ITALY				
ASS GENERALI 2.429% 14-07-31	in EUR	1,200,000	996,795.37	0.43
ENEL 3.375% 24-11-81	in EUR	1,700,000	1,546,411.17	0.68
INTE 0.5% 05-03-24	in EUR	600,000	583,283.63	0.26
INTE 0.75% 16-03-28 EMTN	in EUR	1,016,000	850,575.44	0.37
INTE 1.0% 04-07-24 EMTN	in EUR	2,400,000	2,318,480.88	1.01
INTE 1.75% 04-07-29 EMTN	in EUR	1,000,000	848,323.97	0.37
ITAL BUON POL 1.25% 01-12-26	in EUR	5,100,000	4,654,888.53	2.04
ITALY 1.5% 01-06-25	in EUR	2,000,000	1,914,389.78	0.84
ITALY 3.50% 01/03/2030	in EUR	2,000,000	1,935,217.90	0.85
ITALY 5%09-010940	in EUR	2,980,000	3,086,317.67	1.35
ITALY BUONI POLIENNALI DEL TESORO 0.5% 01-02-26	in EUR	2,000,000	1,821,191.96	0.80
ITALY BUONI POLIENNALI DEL TESORO 0.95% 15-09-27	in EUR	1,470,000	1,293,815.71	0.57
ITALY BUONI POLIENNALI DEL TESORO 2.0% 01-02-28	in EUR	2,400,000	2,209,041.39	0.97
ITALY BUONI POLIENNALI DEL TESORO 3.1% 01-03-40	in EUR	1,600,000	1,292,974.06	0.57
ITALY BUONI POLIENNALI DEL TESORO 3.45% 01-03-48	in EUR	3,100,000	2,548,518.31	1.12
ITALY BUONI POLIENNALI DEL TESORO 6.0% 01-05-31	in EUR	3,350,000	3,768,572.41	1.65
TOTAL ITALY			**31,668,798.18**	**13.88**
JERSEY				
HEATHROW FU 1.5% 12-10-25	in EUR	642,000	598,976.99	0.27
TOTAL JERSEY			**598,976.99**	**0.27**
LUXEMBOURG				
BANQ EURO DIN 1.0% 14-04-32	in EUR	800,000	668,550.30	0.29
BANQUE EUROPEAN DINVESTISSEMENT 0.01% 15-11-35	in EUR	400,000	264,007.37	0.11
BANQUE EUROPEAN DINVESTISSEMENT 0.25% 15-06-40	in EUR	500,000	300,974.28	0.13
BANQUE EUROPEAN DINVESTISSEMENT 0.875% 14-01-28	in EUR	600,000	546,291.78	0.24
BANQUE EUROPEAN DINVESTISSEMENT 1.125% 13-04-33	in EUR	800,000	662,170.25	0.29

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
DH EUROPE FINANCE II SARL 0.75% 18-09-31	in EUR	700,000	546,545.04	0.24
EFSF 1.2 02/17/45	in EUR	500,000	350,551.71	0.15
EURO FIN 2.35% 29-07-44 EMTN	in EUR	600,000	528,568.56	0.24
EUROPEAN FINL STABILITY FACIL 0.0% 13-10-27	in EUR	2,600,000	2,251,808.00	0.99
EUROPEAN FINL STABILITY FACIL 0.125% 18-03-30	in EUR	1,000,000	811,382.05	0.36
HAMMERSON IRELAND FINANCE DAC 1.75% 03-06-27	in EUR	500,000	396,255.14	0.18
JOHN DEERE BANK 2.5% 14-09-26	in EUR	255,000	247,627.37	0.10
LUXEMBOURG GOVERNMENT BOND 0.0% 28-04-30	in EUR	200,000	160,779.00	0.07
MEDTRONIC GLOBAL HOLDINGS SCA 1.5% 02-07-39	in EUR	400,000	275,211.10	0.12
MEDTRONIC GLOBAL HOLDINGS SCA 1.75% 02-07-49	in EUR	350,000	216,518.70	0.09
PROLOGIS INTL FUND II 0.75% 23-03-33	in EUR	406,000	272,891.57	0.12
PROLOGIS INTL FUND II 0.875% 09-07-29	in EUR	800,000	646,757.70	0.28
SELP FINANCE SARL 1.5% 20-11-25	in EUR	200,000	181,491.64	0.08
SELP FINANCE SARL 1.5% 20-12-26	in EUR	300,000	259,008.10	0.12
TOTAL LUXEMBOURG			**9,587,389.66**	**4.20**
NORWAY				
DNB BANK A 0.25% 09-04-24	in EUR	1,400,000	1,349,169.45	0.59
DNB BANK A 1.625% 31-05-26	in EUR	1,200,000	1,148,329.15	0.51
DNB BANK A 4.625% 28-02-33	in EUR	550,000	543,378.90	0.24
DNB BANK ASA 1.125% 20-03-28	in EUR	650,000	649,757.90	0.28
DNB BOLIGKREDITT 0.625% 14-01-26	in EUR	500,000	463,755.82	0.20
DNB BOLIGKREDITT 0.625% 19-06-25	in EUR	1,500,000	1,410,338.12	0.62
EQUINOR A 0.75% 22-05-26 EMTN	in EUR	1,250,000	1,151,836.04	0.50
STATKRAFT AS 2.875% 13-09-29	in EUR	146,000	140,910.72	0.06
TELENOR AS 0.25% 14-02-28 EMTN	in EUR	1,000,000	839,752.33	0.37
TELENOR AS 1.125% 31-05-29	in EUR	800,000	685,846.68	0.30
TOTAL NORWAY			**8,383,075.11**	**3.67**
NETHERLANDS				
ALLIANZ FIN II 0.5% 14-01-31	in EUR	800,000	636,219.45	0.28
ALLI FI 1.375% 21-04-31 EMTN	in EUR	400,000	341,116.60	0.15
ANNGR 1 5/8 04/07/2024	in EUR	700,000	688,660.05	0.30
ASML HOLDING NV 2.25% 17-05-32	in EUR	381,000	349,635.98	0.16
ASML HOLD NV 1.375% 07-07-26	in EUR	700,000	661,038.58	0.29
BMW FIN 0.0% 11-01-26 EMTN	in EUR	335,000	304,141.48	0.13
BRENNTAG FINANCE BV 0.5% 06-10-29	in EUR	1,000,000	757,694.18	0.33
BV FOR ZURICH INSURANCE 2.75% 19-02-49	in EUR	700,000	621,014.73	0.27
ENBW INTL FINANCE 0.25% 19-10-30	in EUR	257,000	191,388.04	0.08
ENEL FINANCE INTL NV 0.375% 28-05-29	in EUR	1,100,000	874,973.30	0.38
ENEL FINANCE INTL NV 0.5% 17-06-30	in EUR	969,000	742,815.75	0.33
ENEL FINANCE INTL NV 0.875% 17-01-31	in EUR	500,000	388,387.19	0.17
IBERDROLA INTERNATIONAL BV 1.875% PERP	in EUR	2,300,000	2,315,938.05	1.01
IBERDROLA INTL BV 1.45% PERP	in EUR	200,000	172,847.03	0.08

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
IBERDROLA INTL BV 3.25% PERP	in EUR	800,000	794,606.68	0.35
ING BANK NV 0.125% 08-12-31	in EUR	1,000,000	759,054.04	0.34
ING GROEP NV 0.875% 09-06-32	in EUR	600,000	508,638.78	0.22
ING GROEP NV 4.875% 14-11-27	in EUR	600,000	614,164.85	0.27
KPN 0.875% 14-12-32 EMTN	in EUR	200,000	145,734.89	0.06
LINDE FINANCE BV 0.25% 19-05-27	in EUR	1,000,000	885,063.49	0.39
NETHERLANDS GOVERNMENT 0.25% 15-07-29	in EUR	400,000	341,001.23	0.15
NETHERLANDS 5.50%98-28	in EUR	620,000	732,388.50	0.32
RELX FINANCE BV 1.0% 22-03-24	in EUR	500,000	488,836.51	0.22
SCHLUMBERGER FINANCE BV 0.0% 15-10-24	in EUR	700,000	658,210.00	0.29
SIEMENS FINANCIERINGSMAATNV 1.0% 25-02-30	in EUR	500,000	429,346.47	0.19
SIEMENS FINANCIERINGSMAATNV 1.25% 28-02-31	in EUR	400,000	340,746.88	0.15
SLB 2 05/06/32	in EUR	600,000	519,852.16	0.23
SWIS REIN CO VIA 2.6% PERP	in EUR	1,450,000	1,359,756.17	0.60
TENNET HOLDING BV 0.75% 26-06-25	in EUR	1,000,000	943,619.66	0.41
TENNET HOLDING BV 1.5% 03-06-39	in EUR	800,000	569,011.62	0.25
TENNET HOLDING BV 4.25% 28-04-32	in EUR	405,000	415,562.95	0.18
TOYOTA MOTOR FINANCE NETHERLANDS BV 0.0% 27-10-25	in EUR	1,300,000	1,182,610.00	0.51
URENCO FINANCE NV 3.25% 13-06-32	in EUR	248,000	233,344.29	0.10
WOLTERS KLUWER NV 3.0% 23-09-26	in EUR	181,000	178,434.06	0.08
TOTAL NETHERLANDS			**21,145,853.64**	**9.27**
PORTUGAL				
PGB 2 7/8 10/15/25	in EUR	1,700,000	1,710,406.33	0.75
PORTUGAL OBRIGACOES DO TESOURO OT 0.9% 12-10-35	in EUR	1,200,000	864,745.89	0.37
PORTUGAL OBRIGACOES DO TESOURO OT 1.0% 12-04-52	in EUR	500,000	249,986.34	0.11
PORTUGAL OBRIGACOES DO TESOURO OT 2.125% 17-10-28	in EUR	800,000	765,836.88	0.34
PORTUGAL OBRIGACOES DO TESOURO OT 2.25% 18-04-34	in EUR	1,000,000	890,177.40	0.39
TOTAL PORTUGAL			**4,481,152.84**	**1.96**
UNITED KINGDOM				
ANGLO AMER CAP 4.75% 21-09-32	in EUR	250,000	248,499.81	0.11
BRITISH TEL 0.5% 12-09-25 EMTN	in EUR	800,000	733,366.36	0.32
CCE 0.7 09/12/1931	in EUR	300,000	231,156.64	0.10
DIAGEO FINANCE 0.5% 19-06-24	in EUR	850,000	820,179.73	0.36
MOTABILITY OPERATIONS GROUP 0.125% 20-07-28	in EUR	200,000	166,972.38	0.07
MOTABILITY OPERATIONS GROUP 0.375% 03-01-26	in EUR	400,000	363,500.00	0.16
NATIONWIDE BUILDING SOCIETY 0.25% 14-09-28	in EUR	600,000	481,203.16	0.21
NATL GRID 0.25% 01-09-28 EMTN	in EUR	966,000	783,826.23	0.34
NATL GRID ELECTRICITY TRANSMISSION P 0.823% 07-07-32	in EUR	250,000	187,408.41	0.08
NATWEST GROUP 4.067% 06-09-28	in EUR	353,000	348,251.99	0.15
NATWEST MKTS 0.125% 18-06-26	in EUR	640,000	558,020.16	0.25
NGG FINANCE 1.625% 05-12-79	in EUR	500,000	467,165.55	0.21
NWIDE 2 04/28/27	in EUR	800,000	749,662.90	0.33

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
SCOTTISH AND SOUTHERN ENERGY 0.875% 06-09-25	in EUR	1,400,000	1,306,063.84	0.57
SSE 4.0% PERP	in EUR	412,000	387,924.53	0.17
TESCO CORPORATE TREASURY SERVICES 0.875% 29-05-26	in EUR	700,000	636,685.00	0.28
TESCO CORPORATE TREASURY SERVICES 1.375% 24-10-23	in EUR	1,500,000	1,484,376.99	0.65
TOTAL UNITED KINGDOM			**9,954,263.68**	**4.36**
SWEDEN				
NORDEA BK PUBL 0.625% 18-08-31	in EUR	704,000	606,645.96	0.27
SCA HYGIENE AB 1.125% 27-03-24	in EUR	1,350,000	1,324,818.15	0.58
SVENSKA HANDELSBANKEN AB 0.05% 06-09-28	in EUR	847,000	688,660.14	0.30
TELE2 AB 1.125% 15-05-24 EMTN	in EUR	2,000,000	1,942,403.01	0.85
TELIA COMPANY AB 1.375% 11-05-81	in EUR	600,000	538,897.85	0.23
VOLVO TREASURY AB 0.0% 18-05-26	in EUR	280,000	247,221.80	0.11
VOLVO TREASURY AB 2.625% 20-02-26	in EUR	932,000	907,694.72	0.40
TOTAL SWEDEN			**6,256,341.63**	**2.74**
SWITZERLAND				
GIVAUDAN AG 2.0% 17-09-30	in EUR	500,000	446,703.90	0.20
UBS GROUP AG 0.875% 03-11-31	in EUR	486,000	364,965.26	0.15
TOTAL SWITZERLAND			**811,669.16**	**0.35**
TOTAL Bonds and equivalent securities traded on a regulated or equivalent market			**227,826,753.75**	**99.84**
TOTAL Bonds and equivalent securities			**227,826,753.75**	**99.84**
Undertakings for collective investment				
UCITS and AIF for retail investors and equivalents in other countries				
France				
HSBC MONETAIRE	in EUR	11	33,401.37	0.01
TOTAL FRANCE			**33,401.37**	**0.01**
TOTAL UCITS and AIF for retail investors and equivalents in other countries			**33,401.37**	**0.01**
TOTAL Undertakings for collective investment			**33,401.37**	**0.01**
Financial futures				
Futures, forwards, and swaps				
Futures, forwards, and swaps on regulated or equivalent markets				
EURO BOBL 0323	in EUR	19	-190.00	0.01
EURO SCHATZ 0323	in EUR	21	-18,480.00	-0.01
FGBL BUND 10A 0323	in EUR	51	-341,600.00	-0.15
XEUR FGBX BUX 0323	in EUR	30	-776,040.00	-0.34
TOTAL Futures, forwards, and swaps on regulated or equivalent markets			**-1,136,310.00**	**-0.49**
TOTAL Futures, forwards, and swaps			**-1,136,310.00**	**-0.49**
TOTAL Financial futures			**-1,136,310.00**	**-0.49**
Margin call				
CACEIS MARGIN CALL	in EUR	1,136,310	1,136,310.00	0.49
TOTAL Margin call			**1,136,310.00**	**0.49**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
Receivables			651,969.13	0.29
Payables			-145,445.54	-0.06
Financial accounts			-175,309.32	-0.08
Net assets			228,191,369.39	100.00

HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND AD share	in EUR	36,169.603	891.20	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND AC share	in EUR	51,939.11600	1,479.02	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND IC share	in EUR	458.39570	148,755.15	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND ZC share	in EUR	50,487.188	895.15	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND BC share	in EUR	6,562.911	876.85	

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND

ADDITIONAL INFORMATION ABOUT THE TAX REGIME APPLICABLE TO THE COUPON

Breakdown of the coupon: HSBC Responsible Investment Funds SRI Euro Bond AD share

	OVERALL NET	CURRENCY	NET PER UNIT	CURRENCY
Income subject to a mandatory, non-final withholding tax	301,292.79	in EUR	8.33	in EUR
Shares with tax allowance rights and subject to a mandatory, non-final withholding tax				
Other income with no tax allowance rights and subject to a mandatory, non-final withholding tax				
Non-declarable, non-taxable income				
Distributed amounts on capital gains and losses				
Total	301,292.79	in EUR	8.33	in EUR

Product name:	**HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND**
Legal entity identifier:	**9695002FAVKRMMSQE25**
Reporting Date	**31 December 2022**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

●● ☐ **Yes** ●○ ☒ **No**

☐ It made sustainable investments with an environmental objective: _%

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made sustainable investments with a social objective: _%

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective are not necessarily aligned with the taxonomy.

☒ **It promoted Environmental/Social (E/S) characteristics**, and while it did not have as its objective a sustainable investment, it had a proportion of 24.31% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ with a social objective

☐ It promoted E/S characteristics but did **not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The subfund promotes E, S, and G characteristics by investing in euro-denominated bonds and debt securities across a universe of issues that meets socially responsible economic, environmental, social, and governance criteria.
For public or private listed corporate issues: the manager uses a best-in-class approach to select within each sector the companies that have the best ESG practices compared with their peers within each sector of the economy.
For each ESG pillar, several criteria are used, including CO2 emissions for the E pillar, the management of staff for the S pillar, and level of independence of directors for the G pillar.
For government issues (bonds): euro-denominated issuing countries are ranked according to their overall "ESG" rating, which is based 50% on the Environmental pillar (E) and 50% on the Social/Governance pillar (S/G).

The Social and Governance pillar includes the analysis of the political and governance system, human rights and fundamental freedoms, and social conditions. The Environmental pillar includes the analysis of natural resources, climate change and energy, production, and sustainable consumption.
The manager uses an ESG Selection approach to select the countries with a minimum ESG rating according to the non-financial rating agency ISS-Oekom from among euro-denominated issuing countries.

In addition, the subfund will:
- Exclude issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or at least two alleged violations) and the OECD Guidelines for Multinational Enterprises.
- Exclude securities of companies involved in the production of controversial weapons or their components. Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons, and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties.
- Exclude securities of companies in the Defence sector.
- Exclude securities of companies engaged in thermal coal activities.
Companies with more than 10% revenue generated from coal-fired power generation are partially excluded. Mining companies are completely excluded.
- Exclude securities of companies involved in tobacco production.
- Carefully consider environmental issues through engagement activities.
The subfund is actively managed and does not track a benchmark. The indicator used by the subfund to measure performance is the Bloomberg Capital Euro Aggregate 500MM. However, it has not been designated to determine whether the subfund is aligned with the environmental or social characteristics it promotes.

Alignment with the environmental and social characteristics was 94.52% as at 31 December 2022

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

The subfund promotes all the pillars (E, S, and G). Therefore, the primary sustainability indicator used to measure the portfolio's ESG performance is the ESG rating.

	ESG rating source*	ESG	E	G	S	Coverage rate
Fund	HSBC	6.53	6.6	6.57	6.74	99.65%
Benchmark	HSBC	6.28	5.39	6.72	6.9	97.23%

* HSBC Proprietary ESG rating (look-through)

The SICAV takes into account all the E, S, and G pillars to obtain an overall ESG score that is higher than that of its reference benchmark. It will also exclude issuers in the bottom quartile of ESG scores and limit the number of issuers in the 3rd quartile. Other exclusions are also applied, such as issuers with an excessive percentage of carbon emissions, controversial weapons, or the tobacco sector. At the end of 2022, the top issuers in terms of ESG score were Sydney Airport, Transurban, and Orsted.

The subfund also takes the following principal adverse impacts into consideration: · Corporate greenhouse gas intensity, · Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises: Exclusion · Exposure to controversial weapons. Exclusion · In addition, the subfund will not invest in shares of companies or other securities equivalent to shares of companies exposed to certain activities ("excluded activities"). The excluded activities are set out below among the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product.

Scores	Carbon intensity (Scope 1+2)*	Coverage rate
Benchmark	135.43	91.43
Fund	117.11	94.35

* Expressed in tonnes of CO2/$M of revenue, taking scope 1 & 2 emissions into account.

Carbon intensity is not one of the basic constraints of the SICAV. However, the manager will not be able to invest in emitters for which the percentage of CO2 will be greater than 10% of turnover. The evolution of carbon intensity over time will also be taken into account by the manager, who will strive to favour companies making the greatest efforts in terms of decarbonisation.

The international Greenhouse Gas (GHG) Protocol was created in 1998 to help companies conduct their carbon or greenhouse gas assessments by identifying the main direct and indirect emission items in order to better target reduction strategies. The GHG Protocol serves to quantify all the impacts generated by the production and consumption of products and services by companies. It is divided into three CO2 emissions scopes:

• Scope 1 includes direct emissions resulting from combustion of fossil fuels, such as gas, oil, and coal.

• Scope 2 relates to indirect emissions from the consumption of electricity, heat, or steam necessary to manufacture the product. A company's scope 2 will include emissions associated with the production of energy it uses: electricity, steam, heat, cold, and compressed air. These indirect emissions therefore depend greatly on the primary energy source (oil, gas, coal, biomass, wind, solar, etc.) used to produce them.

• Scope 3 corresponds to other indirect emissions. Scope 3 carbon emissions are not yet included in the calculation of carbon intensities because this scope of emissions is difficult to understand and is not yet sufficiently taken into account in the carbon assessment of companies.

…and compared to previous periods?

Not applicable

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The subfund's sustainable investments are aligned with its environmental characteristics. The identification and ESG analysis of companies are performed as part of the investment decision-making process to reduce sustainability risks and increase returns.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmetnal or sustainable investment objective?

The principle of "do no significant harm" to environmental or social objectives applies only to the underlying sustainable investments of the subfund. This principle is incorporated into the investment decision-making process, which includes consideration of principal adverse impacts.

How were the indicators for adverse impacts on sustainability factors taken into account?

HSBC Asset Management's "do no significant harm" (DNSH) assessment of issuers as part of its sustainable investment process includes consideration of principal adverse impacts (PAI). All the PAIs included in table 1 of Annex 1 of Commission Delegated Regulation (EU) 2022/1288 were thus examined and integrated into the investment process according to an approach that combines exclusions (sectoral, the most severe ESG controversies, norms-based exclusions, etc.) with voting and shareholder engagement activities to instil and maintain a positive change dynamic within companies. As such, the subfund's eligible universe during the past financial year excluded issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or with at least two alleged violations) and the OECD Guidelines for Multinational Enterprises,- shares of companies involved in the production of controversial weapons or their components. Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons, and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties. The examination of the other PAIs was conducted with proxies. For example, to address all PAIs related to greenhouse gas emissions, we have used our coal policy as an exclusion filter. Companies with more than 10% revenue generated from coal-fired power generation are partially excluded. Mining companies are completely excluded. Furthermore, the 'do no significant harm' (DNSH) test of issuers described above was supplemented by the application of an exclusion policy (with a 0% threshold for tobacco) and the exclusion of issuers for which the level of controversy provided by Sustainalytics was very severe (equal to 5). In our view, the setting of exclusion thresholds for each PAI is not always relevant and could compromise the fact that many sectors and companies are in a transition strategy. Lastly, the subfund takes into consideration the principal adverse impacts in its engagement approach, which incorporates several levers for action including 1) direct dialogue with companies about their consideration of environmental and social issues to ensure that they are able to face the future and maintain long-term financial viability, 2) the exercising of voting rights by which we express our support for positive development initiatives or, conversely, our disagreement when directors do not meet our expectations, and 3) a gradual escalation procedure with companies when the ESG risks or controversies to which they are exposed are not managed.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Yes, the sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Pre-trade and post-trade monitoring ensures that issuers in violation of one or more of the Ten Principles of the United Nations Global Compact (or with at least two alleged violations) and the OECD Guidelines for Multinational Enterprises are systematically excluded.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.
The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.
Any other sustainable investments must also do no significant harm to any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

The methodology for addressing the principal adverse impacts selected by the subfund combines exclusions with voting and shareholder engagement activities to instil and maintain a positive change dynamic within companies. The manner in which each PAI is considered is explained in the table below.

	Impact 31 December 2022	Comment
Greenhouse gas intensity of investee companies	124.09	The fund's management policy takes into account the adverse impact of greenhouse gas emissions in its selection of securities. In addition, the fund excludes companies involved in coal mining from its investments and limits investments to those that have more than 10% of their activities related to coal use.
Exclusion of issuers in violation of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises.	0%	Issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or at least two alleged violations) and the OECD Guidelines for Multinational Enterprises.
Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	Application of the exclusion policy

What were the top investments of this financial product?

The list includes the investments constituting the largest share of investments of the financial product as at: 31 December 2022

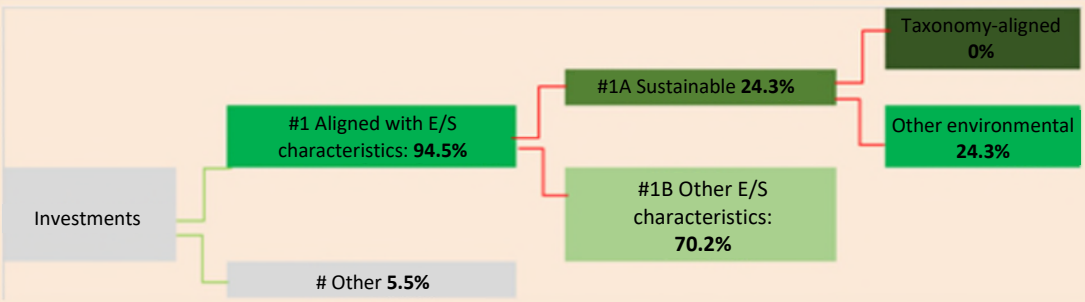
Largest investments	Sector	% Assets	Country
DBR 4 01/04/1937	Governance	2.10%	Germany
FRTR 0.5 05/25/25	Governance	2.08%	France
BTPS 1.25 12/01/26 10Y	Governance	2.04%	Italy
BTPS 6 05/01/1931	Governance	1.65%	Italy
SPGB 1.95 07/30/30	Governance	1.57%	Spain
BTPS 5 09/01/1940	Governance	1.35%	Italy
FRTR 2.75 10/25/27	Governance	1.34%	France
SPGB 1.95 04/30/26	Governance	1.29%	Spain
SPGB 4.7 07/30/41	Governance	1.29%	Spain
BTPS 3.45 03/01/48 31Y	Governance	1.12%	Italy
DBR 4.75 07/04/1940	Governance	1.04%	Germany
ISPIM 1 07/04/24 EMTN	Finance	1.02%	Italy
IBESM VI.875 PERP	Utilities	1.01%	Netherlands
EFSF 0 10/13/27	Governance	0.99%	Luxembourg
BTPS 2 02/01/2028	Governance	0.97%	Italy

What was the proportion of sustainability-related investments?

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.

Although the subfund does not have sustainable investments as an objective, it commits to a minimum proportion of 5% of its assets in sustainable investments. At 31/12/2022, the share of sustainable investments was 24.3%.



Category **#1 "Aligned with E/S characteristics"** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

Category **#2 "Other"** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Category **#1 "Aligned with E/S characteristics"** covers:
-subcategory **#1A "Sustainable"** covers sustainable investments with environmental or social objectives;

-subcategory #1B "Other E/S characteristics" covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Sector	% Assets
Governance	42.12%
Finance	24.97%
Utilities	7.01%
Industry	5.48%
Property	3.61%
Consumer staples	3.24%
Telecommunications services	3.21%
Health	2.77%
Energy	2.57%
Information technology	1.89%
Materials	1.71%
Consumer discretionary	1.33%
Other	0.09%
Total	100%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

The subfund does not commit to a minimum proportion of sustainable investments with an environmental objective aligned with the European Union's taxonomy. However, when assessing issuers, the subfund manager takes into consideration two environmental indicators and applies our coal phase-out policy as well as the sectoral exclusions set out in the label guidelines.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

Yes. ☐

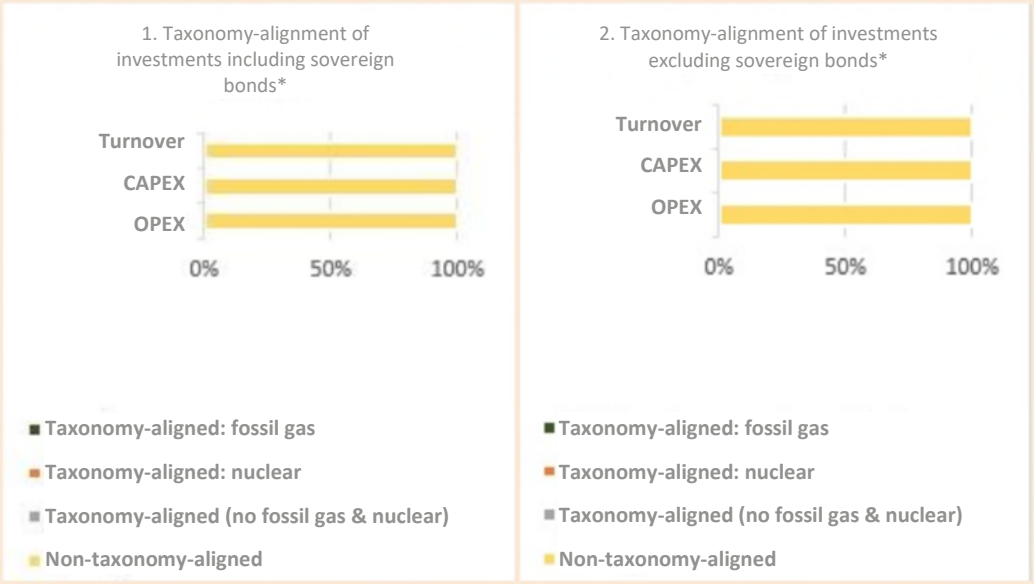
☐ In fossil gas ☐ In nuclear energy

No. ☒

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:
-**turnover** reflecting the share of revenue from green activities of investee companies;
-**capital expenditure** (CAPEX) showing the green investments made by investee companies, e.g. for a transition to a green economy;
-**operational expenditure** (OPEX) reflecting green operational activities of investee companies.

The two graphs below show, in green, the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.

The share of sustainable investments with an environmental objective aligned with the European Union's taxonomy is 0%.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What was the share of investments in transitional and enabling activities? transitoires et habilitantes ?

This does not apply to the mandate, as the share of sustainable investments with an EU Taxonomy-aligned environmental objective was 0% as at 31/12/2022.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Not applicable.

The symbol denotes sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective that were not aligned with the European Union's taxonomy was 24.31%.

What was the share of socially sustainable investments?

The subfund does not commit to having a minimum share of socially sustainable investments. However, when assessing issuers, the subfund manager does look at the social characteristics, respect for human rights and employee rights, management conduct, and corporate social responsibility of the companies.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The fund's "Other" category is composed of cash and UCITS units.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

During the year, we continuously relied on arbitrage within the fund to improve the overall ESG score. Issuers whose scores fell into the bottom quartile were systematically sold in favour of better-rated issuers, and the number of issuers in the 3rd quartile remained below 8%. Consideration of non-financial factors, such as the percentage of female executives or independent board members, were also added to the list of criteria taken into account to improve the S and G criteria.

How did this financial product perform compared to the reference benchmark?

The subfund is actively managed and does not track a benchmark. There is no benchmark representative of our management philosophy and therefore of our investment universe or an index designated to determine whether the subfund is aligned with the environmental or social characteristics it promotes. The information expected in this section is therefore not applicable to this product.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How does the reference benchmark differ from a broad market index?***

Not applicable.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

Not applicable.

- ***How did this financial product perform compared to the reference benchmark?***

Not applicable.

- ***How did this financial product perform compared with the broad market index?***

Not applicable.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

Subfund:

HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

Activity report

Management policy

Equity market allocation:

Markets remained very volatile over the period. The continued sharp increase in price indexes, mainly due to rising commodity prices and bottlenecks, forced central banks to react. The economic outlook also weakened as a result of the consequences of the war, the weakness of the Chinese economy, and weakened consumer confidence. However, the multiple shocks were relatively well absorbed by companies helped by generous governments and still substantial COVID savings, allowing an acceptable level of consumption to be maintained even as adjustments took place. Against this backdrop, we actively managed equity exposure with a rather defensive marking throughout the year.

As of 31 December 2022, the equity exposure of HRIF - SRI Moderate was close to 26.6% of assets compared with 30% for the investment universe.

Exposure on equity markets:

The equity segment consists mainly of bearer securities and UCITSs. This combination exposes the segment to various themes. In order to adjust the directional allocation, derivatives can be used.

Investments on equity markets

a) Portion in euro SRI bearer securities:

The management of this segment follows our best-in-class SRI selection process, which aims to prioritise stocks for their good ESG practices. Added to this is an active fundamental approach based on an examination of the profitability/valuation profile, which favours stocks with an attractive valuation and profitability likely to improve significantly.
Sector allocation contributed positively to the subfund's relative performance. Positive contributions came primarily from the overexposure to insurance, banking, and telecoms and underexposure to consumer durables, specialised distribution, property, and semiconductors. On the other hand, the subfund suffered from its overexposure to the business services sector as well as its underexposure to pharmaceuticals and food/beverages.
Our stock picking contributed negatively to the relative performance of the subfund, notably our choices in capital goods (Alstom, Saint Gobain, and especially absence from the defence segment), energy (underexposure to oil companies), consumer durables (Kering and Seb), basic goods (Akzo Nobel and DSM), transport (Deutsche Post), automotive (Michelin), and banking (KBC and Société Générale). Note the positive contributions from Carrefour in food distribution, KPN, and Orange in telecoms, CNHI in industry, Iberdrola in utilities, Publicis in media, Heineken in food/beverages, and Relx in business services.

As of 31 December 2022, we held approximately 27.8% bearer securities.

b) SRI investments outside the eurozone:

SRI investment outside the eurozone is based on a systematic approach with a desire to maximise the ESG score under the constraint of Tracking Error. In practice, the selected securities belong to the first quartile of each sector. Geographical deviations are very modest. We tended to increase this position over the full year.

The allocation uses the following subfund:

- International stocks (HRIF - SRI Global Equity)

As of 31 December 2022, we held approximately 5.2%.

c) Use of derivatives:

We use futures on the Euro Stoxx 50 index to adjust the equity exposure. We have a short position of approximately 6.4% as of 31 December 2022.

Fixed-income market allocation

The subfund began 2022 with a sensitivity to interest-rate risk below the benchmark. We maintained this caution with regard to the bond markets at the beginning of the year, as yields were still at extremely low levels (-0.17% at 31/12/2021 for a German 10-year bond) given the rise in prices and economic growth.
Central bankers also changed their tune with respect to this inflation. The transitory nature has been forgotten, and the central banks significantly tightened financing conditions (Fed, Bank of England, ECB). Against this backdrop, yields tightened sharply from -0.17% to 2.57% at 30 December 2022 for a 10-year German bond. We supported this increase in yields and gradually reduced the hedge against the risk of rising interest rates.
Over the period, our hedging of interest rate risk contributed very positively to the subfund's performance.

As of 31 December 2022, the bond allocation of the HRIF - SRI Moderate subfund was close to 65.4% compared with 70% for the investment universe.

Investments on bond markets

a) Investment in SRI government and corporate bonds:

Regarding peripheral government debt, we reduced our exposure to Italian debt slightly to return to a neutral to slightly underweight position, while we maintained a modest overweight position on Portugal's sovereign debt. Regarding credit, we approached the year with a strategic overexposure to credit, to the detriment of government yields in core countries, while actively managing this segment. We did not fundamentally change this positioning during the period, supported by corporate earnings above expectations on average and favourable outlooks from rating agencies for changes in ratings and default rates. In addition, technical factors, such as risk aversion, generated by an uncertain geopolitical environment and less visibility on central bank policies dependent on inflation data, also seemed likely to lead to excessive spreads.

On the management side, we participated selectively and occasionally in the primary market. The premiums offered relative to the secondary market were a little more attractive than in 2021, and these purchases were an opportunity to carry out some arbitrage transactions, particularly in line with changes in the E, S, and G ratings of issuers, but also to optimise the positioning on the credit curve. During the second half of the year, the market improvement was an opportunity to reduce the

positioning on subordinated insurance debt, helping to reduce the overall credit risk of the portfolio at the end of the year.

Investments on the money market:

We used the money market tactically in a particularly turbulent year for all assets. It provides effective protection against increased risk aversion.

The allocation uses the following fund:

- HSBC Monétaire Etat

As of 31 December 2022, we held approximately 1%.

Performance

At the close of the year, the subfund posted performance of -15.69% for the AC share and -15.18% for the RC share. The IC share is inactive.

Past performance is not an indicator of the future results of the SICAV subfund.

Incidents affecting the subfund during the fiscal year and forthcoming

➢ **10 February 2022**

Annual update of 2021 performance in each KIID.

➢ **06 May 2022**

Update of the prospectus with a warning regarding the ban on Russian or Belarusian nationals from subscribing for shares of the SICAV, which includes any natural person residing in Russia or Belarus or any legal person, entity, or body established in Russia or Belarus except for nationals of a Member State of the European Union (EU) and natural persons holding a temporary or permanent residence permit in a Member State of the European Union (EU).

On that occasion, the new address of CACEIS Bank and CACEIS FA was added to the prospectus, with effect from 1 June 2022.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

➢ **30 December 2022**

The prospectus was brought into line with the EU Sustainable Finance Regulation:

• Addition of an explanatory text on how the main adverse environmental, social, or governance impacts of the subfund's investments are taken into account.

• An appendix detailing how the promoted environmental and/or social characteristics are implemented has been included in the SICAV's prospectus.

• In furtherance of the incorporation in the prospectus of the European criteria for environmentally sustainable economic activities provided for in European Regulation 2020/852 of 18 June 2020 ("Taxonomy Regulation"), the explanatory text introduced on 1 January 2022 was supplemented by four other environmental objectives defined by the Taxonomy Regulation: the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

➢ **1 January 2023**

The subfund's KIIDs (Key Investor Information Documents) were replaced by the KIDs (Key Information Documents) pursuant to Regulation (EU) No 1286/2014 of 26 November 2014 ("PRIIPs Regulation").

Information on Environmental, Social, and Governance (ESG) criteria

In accordance with Article L.533-22-1 of the French Monetary and Financial Code, the policy on considering environmental, social, and governance quality (ESG) criteria in the investment strategy is available on the management company's website at www.assetmanagement.hsbc.fr.

Further information on the inclusion of ESG criteria in the investment policy over the fiscal year

Information on SRI criteria

The HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE subfund simultaneously addresses environmental, social, and governance criteria in its management.

The HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE subfund has adopted the AFG/FIR/Eurosif transparency code for SRI UCIs open to the public. This transparency code fully describes how environmental, social, and governance criteria are reflected in the investment policy of the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE subfund. This code is available on the management company's website at the following address:

www.assetmanagement.hsbc.fr/-/media/files/attachments/france/common/code-de-transparence-hsbc-rif.pdf

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

All information and historical data on the financial performance of the HSBC Asset Management range of SRI UCIs are available on the management company's information website:

www.assetmanagement.hsbc.fr/fr/retail-investors/fund-centre.

SRI philosophy

www.assetmanagement.hsbc.fr/fr/retail-**investor**/investment-expertise/sustainable-investments

The approach taken by HSBC Asset Management is to offer investors in SRI UCIs the prospect of performance in line with that of comparable conventional UCIs, while at the same time incorporating Environmental, Social/Societal, and Governance (ESG) factors, the pillars of Sustainable Development. **In our view, it is possible to reconcile our clients' individual interest of seeking performance with the collective interest of consideration of Sustainable Development issues.**

In practical terms, we believe that ESG factors can influence a company's business activity and a country's long-term policy and, as a result, the profitability of financial assets. We feel that the SRI UCI offering must be transparent and capable of reflecting our clients' expectations. Our objective is therefore to construct a disciplined, pragmatic offering for them, enhanced by our experience, gained over more than 16 years, and based on our management expertise. Complete financial data histories are available on request from the management company's head office:

HSBC Global Asset Management (France)
Cœur Défense – 110, esplanade du Général de Gaulle – La Défense 4 – 92400 Courbevoie
@: hsbc.client.services-am@hsbc.fr

Description of the main criteria for these environmental, social, and governance (ESG) objectives.

What ESG criteria are taken into account?
The portfolio's ESG analysis is made possible primarily through an analysis of ESG scores from MSCI, to which we apply an internal weighting for each E, S, and G pillar by sector.

Examples of ESG factors considered in investment decisions

Environmental

- **Carbon emissions**
- **Depletion of resources**
- **Water scarcity**
- **Waste/pollution management**
- **Deforestation**

Social

- **Employment standards and practices**
- **Supply chain integrity**
- **Health and safety**
- **Human capital management**

Governance

- **Structure of the board of directors**
- **Independence of the board of directors**
- **Risk management**
- **Audit and controls**

Source: HSBC Asset Management. For illustration purposes only.

Within each pillar, the MSCI research is based on a selection of more than 35 sub-criteria identified below. In bold are the sub-criteria common to the 30 HSBC sectors that map the specific characteristics of each industry.

- Environment pillar: 14 criteria including 3 criteria common to all sectors: Carbon emissions - Energy efficiency - Product carbon footprint - Climate change risks - Water stress - Biodiversity and land use - Origin of raw materials - Assessment of the environmental impact of financing - Toxic emissions and waste - Packaging material and waste - Electronic waste - Opportunities in clean technologies - Opportunities in green construction - Opportunities in renewable energy
- Social pillar: 15 criteria including 2 criteria common to all sectors: Development of human capital - Social dialogue - Health and safety - Compliance with employment standards in the supply chain - Contentious procurement - Product safety and Quality - Chemical safety - Security of financial products - Privacy and information security - Health insurance and Demographic risk - Responsible investment - Access to k communication - Access to financing - Access to medical services - Opportunities in nutrition and health
- Governance pillar: 5 criteria including 3 criteria common to all sectors: Corruption and instability - Ethics and fraud - Anti-competitive practices - Financial manipulation and misappropriation - Corporate governance

More specifically, in the sphere of Corporate Governance, the Governance pillar monitors opacity and lack of transparency in financial practices, directors' independence, the existence of key committees, directors' qualifications and experience, executive remuneration, the ownership structure and voting rights, the existence of anti-takeover measures, obstacles to voting, and shareholders' right to take collective action.

Issuer analysis and ESG assessment methodology (construction, rating scale, etc.)

Beyond internal research, we have chosen to rely on various and complementary external research and provide it to all our managers and analysts.

The objective is to hedge all securities that we manage through an ESG analysis.

- S&P Trucost: provides analyses and data on carbon, water, waste, and natural resources with tracking of more than 6,200 issuers;
- Carbon4 Finance: tracks 15,000 issuers worldwide; provides data to measure "greenhouse gas emissions saved" through a more in-depth analysis of the climate trajectory of companies;
- MSCI ESG Research: covers the MSCI ACWI (All Countries World Index) with around 9,100 companies;
- ISS Ethix: banned and controversial weapons - tracking of 6,000 issuers; lists of securities identified as being involved in anti-personnel mines and cluster munitions). These exclusion lists are the subject of a highly formal distribution and a pre-trade and post-trade check set up and overseen by the Risk and Compliance departments.
- ISS ESG (formerly Oekom): rating of the world's top 54 issuing countries and non-listed issuers;
- FTSE Green Revenues: FTSE Russell's green revenues methodology comprehensively evaluates all companies whose revenues are exposed to green activities defined by the Green Revenue Classification System (GRCS), which is a taxonomy used to define and measure the industrial transition to a green economy.

- RepRisks: tracks 40,700 companies and provides a dynamic ESG and reputational risk assessment based on nearly 80,000 public sources and stakeholders, in 20 languages, with more than 500,000 incidents analysed each day;
- Sustainalytics: 23,000 companies are monitored against the 10 principles of the Global Compact. The UN Global Compact compliance research framework is based on international conventions and treaties and underpins these principles, including international ESG standards, such as those of the OECD, the Guidelines for Multinational Enterprises, International Labour Organisation conventions, Universal Declarations of Human Rights, Equator Principles, and sector-specific initiatives such as the International Council on Mining and Metals

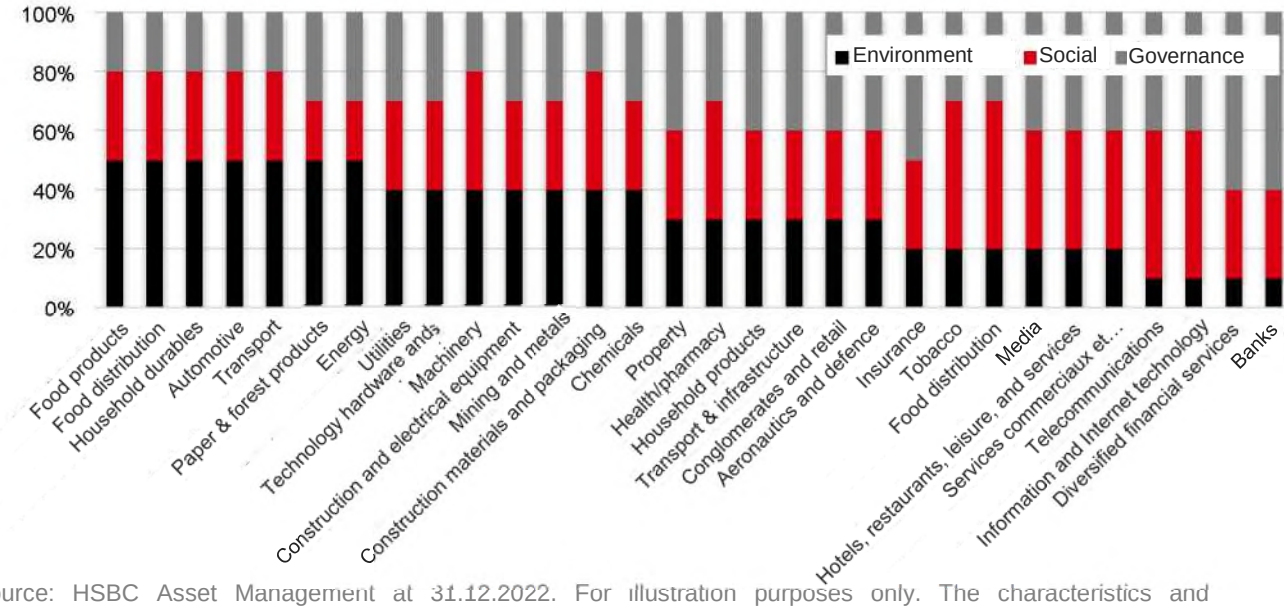
All types of investment thus incorporate the ESG aspect, which contributes to the overall analysis. ESG criteria are incorporated into the analysis and stock-picking processes in all the active management portfolios.

- Each security is linked to one of the 30 “house” sectors grouping consistent sets from the perspective of ESG issues and similarities presented by the economic models. Then, for each sector, we determined a weighting of the E, S, and G pillars reflecting the industrial reality of each sector. This approach is the result of extensive joint studies by the credit and equity analyst teams under the coordination of the Global Head of ESG Research.
- As shown in the diagram below, the contribution of E, S, and G pillars to the overall ESG score can vary significantly by sector. While the Environment is the most weighted parameter – the one with the greatest potential financial impact – in sectors such as Food and Automotive, it is clearly outweighed by Governance in the Banking sector.
- The companies are then classified as Low, Medium, and High Risk. Securities identified as High Risk undergo a thorough analysis. These are companies that have violated one or more of the ten principles of the United Nations Global Compact and/or are not aligned with the Financial Crime Compliance (FCC) standards or are ranked in the bottom 5 per cent of their benchmark universe according to our ESG analysis. This phase of heightened vigilance allows us to put financial attractiveness and ESG risks in perspective and to determine whether these securities have been properly valued. At the end of the analysis, if the company is qualified to remain in the portfolio, it is monitored, and a dialogue is initiated with the company’s management. This special monitoring ends once all the indicators lead to a “Low Risk” classification. In SRI funds, securities identified as “High Risk” are excluded from the investment universe

ESG rating: methodology

- The ESG ratings provided by MSCI are used to calculate ESG scores for each security/each issuer. Among the results of these ratings is the production of an SRI investment universe for each of the subfunds of the HSBC RIF SICAV.

- We then assign an E (Environment) rating, an S (Social) rating, and a G (Governance) rating and an overall ESG score of the portfolio. The rating scale ranges from 0 to 10, with 10 being the best score. Each of the E, S, and G pillars is assigned a specific weighting in each of the 30 business sectors using our internal rating process, and the overall rating is calculated on this basis.
- Weight of the E, S, and G pillars for each of the 30 sectors of the ESG segmentation.



Source: HSBC Asset Management at 31.12.2022. For illustration purposes only. The characteristics and measurements are provided for illustration purposes only and may be modified to take market changes into account.

- The portfolio's ESG score is the average of the ESG ratings weighted by the proportion of each security in the portfolio.
- Sovereign and supranational issues have only two equally weighted pillars: E and S. The S rating incorporates the issues covered in the G pillar.
- Securities classified as "High Risk" are subject to Enhanced Due Diligence (EDD) review and monitoring.

In SRI funds, securities identified as "High Risk" are excluded from the investment universe.

Step 1: ESG analysis and definition of the investment universe

◆ Investment universe

Name of the subfund	Benchmark	Initial investment universe
HSBC RIF – SRI MODERATE	This subfund does use a benchmark.	The initial investment universe consists of equities of developed countries as well as government and corporate bonds. The subfund is managed with a bias on eurozone securities.

Source: HSBC Asset Management at 31.12.2022. For illustration purposes only. The characteristics and measurements are provided for illustration purposes only and may be modified to take market changes into account.

These initial universes can be enriched by adding companies or stocks that are not part of the market indexes mentioned above. These additions are made at the discretion of the managers and analysts.

- Issuers in the investment universe are ranked relative to their peers in each of the 30 sectors (best-in-class approach) according to a proprietary methodology. The ESG scores come from MSCI ESG Research, to which we apply an internal weighting for each E, S, and G pillar representative of the specific characteristics of each sector.
- The weighting of the three ESG pillars is determined within each sector based on the experience that we have developed since June 2001. We have created 30 sectors corresponding to existing MSCI sectors and one of the following four levels: 10 sectors, 24 industry groups, 68 industries, and 154 sub-industries. These 30 sectors, which assign a specific weight to the E, S, and G pillars, allow every company in the universe to be given an overall ESG rating. The E, S, and G ratings supplied by MSCI ESG Research are factored in and weighted using the weight determined within each of the 30 sectors and, if applicable, are adjusted by the Equity/ESG and/or Credit/ESG analyst responsible for the sector.
- Information provided by Sustainalytics, ISS-Ethix, and Trucost and meetings with company management teams are also incorporated into this rating. These meetings allow analysts to substantiate their opinion on the analysed companies by discussing with them the ESG themes specific to them.
- **Government issues**
  Government issues are classified according to the ratings assigned by the Oekom rating agency. Country ratings result from the consideration of 100 criteria, 30 % of which are qualitative, divided into two pillars: Social including Governance (50%) and Environmental (50%). The rating of issuers is reviewed on an annual basis.
  The SRI investment universe is defined according to the ISS-Oekom ratings as follows:
  - For countries rated between A+ and B-: no limits.
  - For countries classified as C+, the weight of these States in the portfolio may not exceed the weight of these countries in the Bloomberg Barclays Euro Aggregate 500MM index.
  - For countries rated between C and D-: investments are not permitted because their social and environmental practices lag behind their peers.
- The SRI universe of subfunds includes companies in the top two quartiles in each sector as well as stocks selected from the third quartile for up to a maximum of 15% of net assets. For the bond allocation, securities in the bottom quartile are excluded. It is possible to invest up to 10% of net assets and eight issuers in the third quartile. There are no limits on securities in the top two quartiles.

- In addition, the subfund will:

  - Exclude issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or with at least two alleged violations) and the OECD Guidelines for Multinational Enterprises.

  - Exclude securities of companies involved in the production of controversial weapons or their components. Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons, and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties.

  - Exclude securities of companies in the Defence sector.

  - Exclude securities of companies engaged in thermal coal activities. With regard to electricity generation, companies deriving more than 10% of their turnover from electricity generated using thermal coal are partially excluded. Mining companies are completely excluded.

  - Exclude securities of companies involved in tobacco production.

  Across all the subfunds, our SRI selection methodology introduces selectivity leading to the exclusion of 25% of companies in the same sector.

Step 2: financial process

Steps in the financial process	
Tactical allocation between asset classes	The allocation of assets is a significant source of added value given that the performances of financial markets vary and depend on the economic cycle. For instance, economic slowdowns generally translate into negative equity market performance, and positive bond market performance. Tactical allocation thus becomes quite significant by aiming to optimize the overall exposure of the portfolio through joint management of multiple asset classes. From the strategic allocation, the manager exposes the subfund to the various asset classes in order to adapt our forecasts to our economic scenario.
Stock-picking, portfolio construction/optimisation	**Equity allocation in direct lines - Profitability/Valuation analysis** Picking stocks with the best profitability/valuation profile. The aim of our process of analysis is to understand and measure the company's structural profitability. The manager selects companies with stable or growing profitability at an attractive price. **Fixed-income allocation in direct lines - Active fundamental management**, which aims to identify and exploit market inefficiencies. Several sources of performance with little correlation between them can help in leveraging sources of performance. We select bond securities that reflect these strategic choices, according to their valuation and the liquidity of the market.
Risk monitoring	Risk monitoring is an integral part of our investment process. The main aim is to monitor and manage regulatory, internal, and subfund-specific risks. Risks are managed by experienced professionals, according to stringent control and due diligence procedures and using appropriate tools.

Source: HSBC Asset Management. For illustration purposes only. Overview of the general investment process, which may differ depending on the product or market conditions.

The minimum non-financial analysis rate of 90% is applied to the subfund's eligible assets.

Description of the incorporation of environmental, social, and governance criteria analysis results into the investment and disinvestment process. If applicable, description of how stocks not assessed on these criteria are taken into account.

As a reminder, there are two major consecutive, independent steps in our investment process for the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE subfund, as detailed in the paragraphs below.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

Based on the research results and the ESG analysis process, we define a universe of SRI stocks meeting the criteria specified for the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE subfund in accordance with the description of the ESG investment criteria and the ESG analysis process described above.

Taking this SRI universe as the starting point, the fund manager then picks stocks according to an active fundamental approach based on financial criteria. The fund manager can therefore only invest in stocks that meet the criteria that we described above.

Based on the ratings determined by our internal rating system, the SRI universe of the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE subfund is defined and updated monthly, no later than the 15th of each month, using the updates from the end of the previous month.

The portfolio of the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE subfund must be brought into line with changes in quartiles resulting from changes in ratings within two weeks after the new SRI universes are sent out and before the end of each calendar month at the latest. Exceptionally, however, this period may be extended by a further three months, at the fund manager's discretion, for companies in the bottom quartile.

Implementation of an issuer engagement policy

Our voting and engagement activities aim to protect and enhance the value of the assets entrusted to us by our clients. These activities allow us to better understand and assess ESG risks and opportunities at the level of each company, encourage responsible behaviour, and promote high standards of governance.

Engagement - **Our engagement policy is based on systematic ESG questioning** during meetings with companies and monitoring of the riskiest companies. We believe that consideration of ESG issues can have a long-term impact on the performance of companies. As part of our fiduciary responsibility, we are obliged to monitor the companies in which we are invested on behalf of our clients.
Our engagement objective is to allow companies to explain their ESG approach to us. The Managers and analysts initiate a shareholder dialogue for a constructive exchange with the management of the companies in which we invest on behalf of our clients. These discussions are a good way to explore in more detail and better understand the underlying ESG and climate risks and to encourage companies to incorporate ESG risks.

It also provides an opportunity to promote the improvement of corporate governance on the basis of our voting directives and to encourage them to establish and maintenance a high level of transparency.

Direct engagement. We regularly meet with company managers as part of the active management process. We ask issuers about the implementation of their business strategy, performance, financial and non-financial risks, capital allocation, and management of ESG issues. We also encourage companies in our portfolios to establish and maintain a high level of transparency, particularly with regard to their management of ESG risks and climate risk.

Exercising our voting rights

We vote in accordance with our voting policy, which is available on our website.

Presentation of voting policy

Our voting policy can be accessed on the HSBC Asset Management website

www.assetmanagement.hsbc.fr/-media/files/attachments/france/common/policy/politique-de-vote.pdf

HSBC Asset Management has set up a Corporate Governance Committee responsible for determining and monitoring the voting policy at general meetings. Fund managers and analysts make voting decisions based on the principles defined by this Committee. The Middle Office is responsible for implementation and for the operational process of exercising voting rights at general meetings.

Together with HSBC Asset Management (UK) Ltd, HSBC Asset Management uses the services of ISS, a world leader in supplying corporate governance services, particularly when it comes to managing voting rights.

HSBC Asset Management has defined guidelines or voting criteria that include the recommendations of the AFG, the OECD, AFEP/MEDEF, and the UK Corporate Governance Code.

Voting resolutions not covered by our guidelines shall be examined on a case-by-case basis.

HSBC Asset Management votes on all securities held in the portfolio, regardless of their level of ownership, on the basis of the overall voting policy, defined by the Asset Management business line. This applies to all markets throughout the world, with the exception of:

- markets that do not meet acceptable voting conditions,

- English, French, and Irish securities for which there are specific voting policies.

With regard to French securities, the HSBC Asset Management voting policy is applied to French shares held in UCIs managed in Paris.

With regard to English and Irish securities, voting rights are exercised based on the principles defined by the management structure in London, HSBC Asset Management (UK) Ltd.

Our voting policy describes a general framework that covers the main issues identified concerning the appointment and removal of companies' corporate bodies, remuneration of the board of directors

and executive officers (stock options, bonus shares, etc.), employee-only capital increases, respect for shareholders' rights (securities issuance and redemption programmes), approval of the accounts, appropriation of earnings, appointment of statutory auditors, regulated agreements, dividend distribution, decisions resulting in changes to the articles of association, shareholder resolutions, and consideration of E, S, and G issues by the company. Our voting policy also describes the procedures in place to prevent and manage conflicts of interest within the HSBC Group.

The Corporate Governance Committee meets at least once a year or when the situation calls for it to develop a plan. Its role is to validate and draw up the voting policy of the management company HSBC Asset Management for French securities. The members of this meeting review all regulatory issues or changes in market behaviour. The head of the Corporate Governance meeting is in charge of this regulatory watch.

The HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE subfund has chosen not to lend its securities and therefore exercises its voting rights in respect of all the shares it holds.

Evaluation of the implementation of the voting and engagement policy

We undertake a comprehensive evaluation. It can be accessed on the website mentioned above in the "Activity report on the exercise of voting rights":

www.assetmanagement.hsbc.fr/-/media/files/attachments/france/common/rapport-sur-lexercice.pdf

"SFDR" Annex to Regulation (EU) 2019/2088 and its implementing technical standards

The subfund promotes environmental or social characteristics within under Article 8 of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR").

Information on environmental or social characteristics is available in the SFDR appendix of the annual report.

Additional information relating to Shareholder Rights Directive II (SRD2)

Contribution to medium- and long-term performance

The deployed management strategy is active and disciplined. As a Multi-Asset manager, we focus on allocation decisions based on the HSBC Group's expertise for decisions in selecting securities. Decisions concerning shares in particular will attach importance to the financial criteria of valuation and profitability but also to non-financial criteria (environmental, social, and governance).

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

For allocation decisions, we assess investment opportunities within and between asset classes according to a multi-factor approach. In particular, the criteria of valuation, carry, and price dynamics are taken into account and evaluated in the light of the economic environment. Other criteria may also be incorporated on specific asset classes. The various sources of performance thus detected are combined to obtain a well-balanced distribution of active risk in the portfolio. These elements are likely to achieve the long-term objectives of outperforming the subfund's benchmark.

- Main significant risks

  The subfund incurs primary and secondary risks, which are listed in the subfund's prospectus.

- Turnover rate

  Portfolio turnover rate: 15.14%

  The SEC method is used to calculate the turnover rate: Annual TO = Min (Purchase of securities; Sale of securities) / Average AUM

- Management of conflicts of interest

  During the past fiscal year, there were no conflicts of interest related to engagement activities.

  During this period, the management company decided to use a voting advisor, Institutional Shareholder Services (ISS), for engagement activities.

- Securities lending

  The management company did not engage in securities lending during the past fiscal year.

- Information about investment decisions

  Investment decisions are based on fundamental analysis of the companies included in the investment universe. Markets are not always efficient and do not always reflect the intrinsic value of companies.
  In this context, investment decisions are based on long-term fundamental analysis, thus enabling us to take advantage of these opportunities arising from the excessive volatility of financial markets.
  The management processes are based on exploiting the data from the fundamental analysis conducted by our independent research teams, whether in the short, medium, or long term.
  Furthermore, regardless of the asset class, the consideration of Environmental, Social, and Governance risks and opportunities (E.S.G. integration) is an integral part of the security selection process of the manager of the subfunds concerned with the objective of long-term outperformance.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

Information relating to efficient portfolio management techniques and derivatives used by the subfund of the SICAV, pursuant to AMF position No. 2013-06

Efficient portfolio management techniques

As of the close of the fiscal year, the subfund of the SICAV did not use efficient portfolio management techniques.

Derivatives

As of the close of the fiscal year, the subfund of the SICAV did not use derivatives.

Aggregate exposure

The commitment method is used to calculate the aggregate exposure on financial futures.

Main movements in the portfolio during the period

Securities	Movements ("Accounting currency")	
	Acquisitions	Disposals
HSBC MONETAIRE ETAT Z	10,444,422.12	10,654,953.27
HSBC RESPONSIBLE INVESTMENT FUNDS SRI GLOBAL EQUIT	1,734,060.84	335,353.56
KBC GROUPE 2.875% 29-06-25	397,624.33	396,713.97
SIEMENS AG-REG		788,040.34
ARVAL SERVICE LEASE 0.0% 01-10-25	296,625.00	442,375.00
ENEL SPA	388,549.33	325,762.19
VONOVIA SE	37,264.46	673,110.47
NETHERLANDS GOVERNMENT 0.25% 15-07-29	700,258.62	
INTE 1.125% 04-03-22		700,000.00
BPCE 2.75% 30-11-27 EMTN		700,000.00

Transparency of securities financing transactions and the reuse of financial instruments - SFTR - in the accounting currency of the UCI (EUR)

The UCI did not carry out any transactions covered by the SFTR during the fiscal year.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

Annual Financial Statements

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

Balance Sheet – Assets

Balance Sheet – Assets as at 30/12/2022
Portfolio: 249028 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

	30 December 2022	31 December 2021
NET FIXED ASSETS		
DEPOSITS		
FINANCIAL INSTRUMENTS	**84,839,001.83**	**84,792,894.68**
Equities and equivalent securities	**23,633,083.36**	**25,754,996.96**
Traded on a regulated or equivalent market	23,633,083.36	25,754,996.96
Not traded on a regulated or equivalent market		
Bonds and equivalent securities	**55,683,271.09**	**54,291,958.63**
Traded on a regulated or equivalent market	55,683,271.09	54,291,958.63
Not traded on a regulated or equivalent market		
Debt instruments		
Traded on a regulated or equivalent market		
Negotiable debt instruments		
Other debt instruments		
Not traded on a regulated or equivalent market		
Undertakings for collective investment	**5,315,474.88**	**4,717,239.09**
UCITS and AIF for retail investors and equivalents in other countries	5,315,474.88	4,717,239.09
Other funds for retail investors and equivalents in other EU Member States		
Professional general investment funds and equivalents in other EU member states and listed securitisation funds		
Other professional investment funds and equivalent in other EU Member States and non-listed securitisation funds		
Other non-European vehicles		
Repos and reverse repos		
Receivables under repurchase agreements		
Receivables representing lent securities		
Borrowed securities		
Securities delivered under repurchase agreements		
Other temporary transactions		
Financial futures	**207,172.50**	**28,700.00**
Transactions on a regulated or equivalent market	207,172.50	28,700.00
Other transactions		
Other financial instruments		
RECEIVABLES	**411,925.20**	**140,203.40**
Forward foreign currency transactions		
Other	411,925.20	140,203.40
FINANCIAL ACCOUNTS	**334,032.77**	**415,256.40**
Cash and cash equivalents	334,032.77	415,256.40
TOTAL ASSETS	**85,584,959.80**	**85,348,354.48**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

Balance Sheet – Liabilities & Equity

Balance Sheet – Liabilities & Equity as at 30/12/2022
Portfolio: 249028 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

	30 December 2022	31 December 2021
EQUITY		
Capital	85,584,049.83	83,733,503.98
Prior net gains and losses not distributed (a)		
Retained earnings (a)		
Net gains and losses for the period (a,b)	-1,370,086.39	630,648.22
Result for the fiscal year (a, b)	958,175.67	885,321.05
TOTAL EQUITY *	**85,172,139.11**	**85,249,473.25**
** Amount representing net assets*		
FINANCIAL INSTRUMENTS	**207,172.50**	**28,700.00**
Disposals of financial instruments		
Repos and reverse repos		
Payables under repurchase agreements		
Payables representing borrowed securities		
Other temporary transactions		
Financial futures	207,172.50	28,700.00
Transactions on a regulated or equivalent market	207,172.50	28,700.00
Other transactions		
PAYABLES	**73,326.64**	**70,181.23**
Forward foreign currency transactions		
Other	73,326.64	70,181.23
FINANCIAL ACCOUNTS	**132,321.55**	
Current bank facilities	132,321.55	
Loans		
TOTAL LIABILITIES	**85,584,959.80**	**85,348,354.48**

(a) Including accruals
(b) Minus interim payments for the fiscal year

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

Off-balance sheet commitments

Off-balance-sheet commitments as at 30/12/2022
Portfolio: 249028 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

	30 December 2022	31 December 2021
HEDGING TRANSACTIONS		
Commitments on regulated or equivalent markets		
Futures contracts		
EURO STOXX 50 0323	5,412,550.00	
Commitments on over-the-counter markets		
Other commitments		
OTHER TRANSACTIONS		
Commitments on regulated or equivalent markets		
Futures contracts		
EURO STOXX 50 0322		1,757,875.00
Commitments on over-the-counter markets		
Other commitments		

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

Income Statement

Income Statement as at 30/12/2022
Portfolio: 249028 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

	30 December 2022	31 December 2021
Income from financial transactions		
Income from deposits and financial accounts	381.09	
Income from equities and equivalent securities	773,623.96	540,713.58
Income from bonds and equivalent securities	729,736.97	692,639.18
Income from debt instruments		
Income from repos and reverse repos		
Income from financial futures		
Other financial income		
TOTAL (1)	**1,503,742.02**	**1,233,352.76**
Expenses on financial transactions		
Expenses from repos and reverse repos		
Expenses from financial futures		
Expenses from financial debts	4,954.64	4,778.31
Other financial expenses		
TOTAL (2)	**4,954.64**	**4,778.31**
RESULT FROM FINANCIAL TRANSACTIONS (1 - 2)	**1,498,787.38**	**1,228,574.45**
Other income (3)		
Management fees and amortisation allowance (4)	554,259.45	444,814.16
NET INCOME FOR THE PERIOD (L. 214-17-1) (1 - 2 + 3 - 4)	**944,527.93**	**783,760.29**
Accrued income for the fiscal year (5)	13,647.74	101,560.76
Interim dividends paid during the fiscal year (6)		
RESULT (1 - 2 + 3 - 4 + 5 - 6)	**958,175.67**	**885,321.05**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

Notes

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

1. Accounting policies

The annual financial statements are presented in the form prescribed by ANC regulation 2014-01, as amended.

General accounting principles are applied:
- true and fair view, comparability, going concern;
- accuracy, reliability;
- prudence;
- consistency of accounting methods from one period to the next.

The interest cash basis is used to recognise revenue from fixed-income securities.

Securities bought and sold are recognised excluding costs.
The euro is the reference currency for the portfolio's accounting.
The duration of the reporting period is 12 months.

Asset valuation rules

The asset valuation rules applied by the accounting manager are outlined below according to the instruments held by the subfund:

The subfund has adopted the euro as the reference currency.

The prices used for the valuation of securities traded on the stock exchange are the closing prices.

The prices applied for the valuation of bonds are an average contributor. The UCIs are valued at the last known price.

Negotiable debt securities with a residual life of more than three months are valued at the market rate, with the exception of variable-rate or adjustable-rate negotiable debt securities not presenting any particular market sensitivity.

A simplified method known as "linearisation" is applied for negotiable debt instruments whose residual lifespan is less than three months with no particular sensitivity to the market on the basis of the crystallised three-month rate.

Repos are valued at the contract price.

Futures, options, or exchange transactions made on OTC markets, authorised by applicable UCI regulations, are measured at their market value or at an estimated value according to methods chosen by the management company.

Interest rate and/or currency swaps are valued at their market value based on the price calculated by discounting future cash flows (principal and interest), at the market interest and/or exchange rates.

European and foreign futures are valued on the basis of the clearing prices.

Interest-rate and foreign currency swaps are valued under market conditions.

The valuation of interest-rate swaps against share performance is carried out:
- under market conditions for the fixed income branch

- according to the underlying security rate for the equity branch.

The valuation of Credit Default Swaps (CDS) stems from a model used by the spreads market.

Off-balance-sheet commitments in the European and foreign futures markets are calculated as follows:

- FUTURES
(Qty x Nominal x Daily rate x Contract currency)

- OPTIONS
(Qty x delta) x (Nominal of the underlying instrument x Daily rate of the underlying instrument x Contract currency).

For swaps, the off-balance-sheet commitment corresponds to the nominal value of the contract plus or minus the interest differential and the unrealised capital gain or loss on the closing date.

Transaction fees are recognised in specific accounts of each subfund and are not added to the price.

Financial instruments whose prices were not determined on the day of valuation or whose prices have been adjusted are valued at their probable trading price under the responsibility of the Management Company. These valuations and proof therein are provided to the Statutory Auditor in connection with its audits.

Valuation of financial guarantees

Collateral is marked to market on a daily basis.
Haircuts can be applied to collateral received in the form of securities according to the level of risk.

Margin calls occur daily unless otherwise indicated in the master agreement covering these transactions on in case of agreement between the Management Company and the counterparty on the application of a trigger threshold.

Management fees

Management fees and running costs cover all costs relating to the UCI: financial, administrative and accounting management, custodianship, distribution, audit fees, etc.
These fees are charged to the income statement of the UCI.
Management fees do not include transaction fees. For more information on the costs actually billed to the UCI, please see the prospectus.

They are recognised on a pro rata basis each time the net asset value is calculated.

The aggregate of these fees complies with the maximum fee rate as a percentage of the net assets given in the prospectus or the rules of the fund:

FR0013443157 - HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE RC share: Maximum fee rate of 0.50% including tax.
FR0013443132 - HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE AC share: Maximum fee rate of 1% including tax.

Administrative charges outside the Management Company are a maximum of 0.20% including taxes for all the units.

The maximum indirect charges (commissions and management fees) are not significant.

Swing pricing

The management company has implemented a swing pricing mechanism to adjust the net asset value of each of the subfunds once a trigger threshold is reached in order to protect the interests of the unitholders present in each of the subfunds.

Under this mechanism, investors bear the portfolio adjustment costs — including transaction fees, bid/offer spreads and taxes or fees applicable to the UCI — relating to investments or disinvestments when there are significant numbers of subscriptions and redemptions.

When the net balance of investor subscription and redemption orders exceeds a predefined threshold, called the “trigger threshold”, the NAV is adjusted.
The NAV is adjusted up or down if the balance of subscriptions/redemptions is respectively positive or negative, so as to take into account the readjustment costs attributable to the net subscription and/or redemption orders.

The trigger threshold is expressed as a percentage of the subfund’s net assets.
The parameters for the trigger threshold and the NAV adjustment factor are determined by the management company and periodically reviewed.

The adjusted (“swung”) NAV is the subfund’s only NAV and is therefore the only NAV published and communicated to unitholders.

By applying swing pricing with a trigger threshold, it is possible that the UCI’s volatility will not come from only the volatility of the financial instruments in the portfolio.

In accordance with the regulatory provisions, the management company does not communicate the trigger thresholds and ensures that internal communication channels are restricted so as to safeguard the confidential nature of the information.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

Appropriation of distributable amounts

Definition of distributable amounts

Distributable amounts consist of the following:

Result:

Net income for the fiscal year is equal to the amount of interest, arrears, premiums and bonuses, dividends, directors' fees, and any other income relating to the securities comprising the portfolio, plus the income from any amounts temporarily available, less management fees and borrowing costs.
Retained earnings are added to net income, and the balance of accrued income is added or subtracted as appropriate.

Capital gains and losses:

Capital gains realised, net of costs, minus realised losses, net of costs, recognised during the fiscal year, plus net gains of the same type recognised in previous fiscal years that were not distributed or accumulated, plus or minus the balance of accrued gains.

Appropriation of distributable amounts:

Share(s)	*Appropriation of net income*	*Appropriation of realised net capital gains or losses*
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE AC share	Accumulation	Accumulation
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE RC share	Accumulation	Accumulation

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

2. Change in Net Assets

Change in net assets as at 30/12/2022
Portfolio: 249028 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

	30 December 2022	31 December 2021
BEGINNING NET ASSETS	**85,249,473.25**	**60,834,239.56**
Subscriptions (including subscription fees paid into the UCI)	19,628,384.09	22,357,990.12
Redemptions (after deducting redemption fees paid into the UCI)	-5,146,690.50	-1,109,918.26
Capital gains realised on deposits and financial instruments	1,028,189.11	1,145,927.17
Capital losses realised on deposits and financial instruments	-2,173,065.25	-470,704.05
Capital gains realised on financial futures	282,305.00	10,300.00
Capital losses realised on financial futures	-531,530.00	-163,110.00
Transaction fees	-21,011.40	-18,135.39
Foreign exchange gains/losses	-29,435.36	27,250.19
Changes in the valuation differential of deposits and financial instruments	-14,294,880.26	1,880,573.62
Valuation differential period N	*-10,590,523.24*	*3,704,357.02*
Valuation differential period N-1	*-3,704,357.02*	*-1,823,783.40*
Changes in the valuation differential of financial futures	235,872.50	-28,700.00
Valuation differential period N	*207,172.50*	*-28,700.00*
Valuation differential period N-1	*28,700.00*	
Prior-year distribution on net gains and losses		
Prior-year distribution on earnings		
Net income for the period before accruals	944,527.93	783,760.29
Current-year interim distribution(s) on net gains and losses		
Current-year interim distribution(s) on earnings		
Other items		
ENDING NET ASSETS	**85,172,139.11**	**85,249,473.25**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

3. Additional information

3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC NATURE

	Amount	%
ASSETS		
BONDS AND EQUIVALENT SECURITIES		
Fixed-rate bonds traded on a regulated or equivalent market	55,683,271.09	65.38
TOTAL BONDS AND EQUIVALENT SECURITIES	**55,683,271.09**	**65.38**
DEBT INSTRUMENTS		
TOTAL DEBT INSTRUMENTS		
LIABILITIES & EQUITY		
DISPOSALS OF FINANCIAL INSTRUMENTS		
TOTAL DISPOSALS OF FINANCIAL INSTRUMENTS		
OFF-BALANCE SHEET COMMITMENTS		
HEDGING TRANSACTIONS		
Equities	5,412,550.00	6.35
TOTAL HEDGING TRANSACTIONS	**5,412,550.00**	**6.35**
OTHER TRANSACTIONS		
TOTAL OTHER TRANSACTIONS		

3.2. BREAKDOWN OF ASSETS, LIABILITIES, AND OFF-BALANCE-SHEET ITEMS BY RATE TYPE

	Fixed rate	%	Variable rate	%	Adjustable rate	%	Other	%
ASSETS								
Deposits								
Bonds and equivalent securities	55,683,271.09	65.38						
Debt instruments								
Repos and reverse repos								
Financial accounts							334,032.77	0.39
LIABILITIES & EQUITY								
Repos and reverse repos								
Financial accounts							132,321.55	0.16
OFF-BALANCE SHEET COMMITMENTS								
Hedging transactions								
Other transactions								

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

3.3. BREAKDOWN OF ASSETS, LIABILITIES, AND OFF-BALANCE SHEET COMMITMENTS BY RESIDUAL MATURITY(*)

	< 3 months	%	]3 months - 1 year]	%	]1 - 3 years]	%	]3 - 5 years]	%	> 5 years	%
ASSETS										
Deposits										
Bonds and equivalent securities			492,611.79	0.58	12,022,086.91	14.12	14,508,911.13	17.03	28,659,661.26	33.65
Debt instruments										
Repos and reverse repos										
Financial accounts	334,032.77	0.39								
LIABILITIES & EQUITY										
Repos and reverse repos										
Financial accounts	132,321.55	0.16								
OFF-BALANCE SHEET COMMITMENTS										
Hedging transactions										
Other transactions										

(*) Forward-rate positions are presented according to the maturity of the underlying assets.

3.4. BREAKDOWN OF ASSETS, LIABILITIES, AND OFF-BALANCE SHEET COMMITMENTS BY LISTING CURRENCY OR VALUATION CURRENCY (EXCLUDING EURO)

	Currency 1 USD:		Currency 2		Currency 3		Currency N OTHER(S)	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Deposits								
Equities and equivalent securities								
Bonds and equivalent securities								
Debt instruments								
UCI								
Repos and reverse repos								
Receivables								
Financial accounts	16,945.92	0.02						
LIABILITIES & EQUITY								
Disposals of financial instruments								
Repos and reverse repos								
Payables								
Financial accounts								
OFF-BALANCE SHEET COMMITMENTS								
Hedging transactions								
Other transactions								

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Debit/credit type	30 December 2022
RECEIVABLES		
	Cash security deposits	411,550.20
	Coupons and dividends in cash	375.00
TOTAL RECEIVABLES		**411,925.20**
PAYABLES		
	Fixed management fees	73,326.64
TOTAL PAYABLES		**73,326.64**
TOTAL PAYABLES AND RECEIVABLES		**338,598.56**

3.6. EQUITY

3.6.1. Number of securities issued or redeemed

	Shares	Amount
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE AC share		
Shares subscribed during the period	134,413.397	13,718,301.40
Shares redeemed during the period	-21,840.489	-2,116,098.61
Net balance of subscriptions/redemptions	112,572.908	11,602,202.79
Number of shares outstanding at year-end	234,310.925	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE RC share		
Shares subscribed during the period	5,941.671	5,910,082.69
Shares redeemed during the period	-3,125.705	-3,030,591.89
Net balance of subscriptions/redemptions	2,815.966	2,879,490.80
Number of shares outstanding at year-end	68,295.995	

3.6.2. Subscription and/or redemption fees

	Amount
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE AC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

	Amount
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE RC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	

3.7. MANAGEMENT FEES

	30 December 2022
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE AC share	
Guarantee commissions	
Fixed management fees	221,348.52
Percentage of fixed management fees	1.07
Retrocession of management fees	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE RC share	
Guarantee commissions	
Fixed management fees	332,910.93
Percentage of fixed management fees	0.50
Retrocession of management fees	

3.8. COMMITMENTS RECEIVED AND GIVEN

3.8.1. Guarantees received by the UCI:

None.

3.8.2. Other commitments received and/or given:

None.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

3.9. OTHER INFORMATION

3.9.1. Present value of borrowed financial instruments

	30 December 2022
Securities under a repurchase agreement	
Borrowed securities	

3.9.2. Present value of financial instruments constituting security deposits

	30 December 2022
Financial instruments given as collateral and maintained in their original line item	
Financial instruments received as collateral and not recorded on the balance sheet	

3.9.3. Financial instruments held, issued, and/or managed by the Group

	ISIN code	Name	30 December 2022
Equities			
Bonds			
Negotiable debt instruments			
UCI			5,315,474.88
	FR0013217973	HSBC MONETAIRE ETAT Z	866,287.53
	FR0013076007	HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY	4,449,187.35
Financial futures			
Total group securities			**5,315,474.88**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

3.10. APPROPRIATION OF DISTRIBUTABLE AMOUNTS

Appropriation of the share of distributable amounts relating to earnings

	30 December 2022	31 December 2021
Amounts remaining to be appropriated		
Retained earnings		
Result	958,175.67	885,321.05
Total	**958,175.67**	**885,321.05**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE AC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	144,518.59	74,146.54
Total	**144,518.59**	**74,146.54**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE RC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	813,657.08	811,174.51
Total	**813,657.08**	**811,174.51**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

Appropriation of the share of distributable amounts relating to net gains and losses

	30 December 2022	31 December 2021
Amounts remaining to be appropriated		
Past net gains and losses not distributed		
Net gains and losses for the period	-1,370,086.39	630,648.22
Interim payments on net gains and losses for the period		
Total	**-1,370,086.39**	**630,648.22**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE AC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	-345,216.14	98,135.99
Total	**-345,216.14**	**98,135.99**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE RC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	-1,024,870.25	532,512.23
Total	**-1,024,870.25**	**532,512.23**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

3.11. RESULTS AND OTHER CHARACTERISTIC FEATURES OF THE ENTITY DURING THE LAST FIVE FISCAL YEARS

	31 December 2019	31 December 2020	31 December 2021	30 December 2022
Total net assets in EUR	**40,292,690.91**	**60,834,239.56**	**85,249,473.25**	**85,172,139.11**
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE AC (EUR) share				
Net assets	286,135.11	2,359,021.21	13,216,460.27	21,447,621.81
Number of securities	2,861.515	22,632.279	121,738.017	234,310.925
Net asset value per unit	99.99	104.23	108.56	91.53
Accumulation per unit on net gains/losses	0.08	1.06	0.80	-1.47
Accumulation per unit on the result	0.06	0.74	0.60	0.61
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE RC (EUR) share				
Net assets	40,006,555.80	58,475,218.35	72,033,012.98	63,724,517.30
Number of securities	39,958.000	55,697.427	65,480.029	68,295.995
Net asset value per unit	1,001.21	1,049.87	1,100.07	933.06
Accumulation per unit on net gains/losses	0.89	10.65	8.13	-15.00
Accumulation per unit on the result	1.97	13.16	12.38	11.91

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
Equities and equivalent securities				
Equities and equivalent securities traded on a regulated or equivalent market				
GERMANY				
ALLIANZ SE-REG	in EUR	2,153	432,537.70	0.51
BMW BAYERISCHE MOTOREN WERKE	in EUR	7,177	598,418.26	0.70
DEUTSCHE POST AG NAMEN	in EUR	15,370	540,716.60	0.63
FRESENIUS	in EUR	15,035	394,668.75	0.46
MERCK KGA	in EUR	3,043	550,478.70	0.65
MUENCHENER RUECKVERSICHERUNG AG	in EUR	2,879	875,216.00	1.03
SAP SE	in EUR	9,244	891,029.16	1.05
TOTAL GERMANY			**4,283,065.17**	**5.03**
AUSTRIA				
BAWAG GROUP AG	in EUR	6,629	330,124.20	0.38
OMV AG	in EUR	10,743	516,738.30	0.61
TOTAL AUSTRIA			**846,862.50**	**0.99**
BELGIUM				
KBC GROUPE	in EUR	6,013	361,261.04	0.43
TOTAL BELGIUM			**361,261.04**	**0.43**
SPAIN				
BANCO DE BILBAO VIZCAYA S.A.	in EUR	102,435	577,118.79	0.68
GRIFOLS SA SHARES A	in EUR	10,864	117,005.28	0.14
IBERDROLA SA	in EUR	92,558	1,011,658.94	1.19
INDITEX	in EUR	14,843	368,848.55	0.43
TOTAL SPAIN			**2,074,631.56**	**2.44**
FINLAND				
ELISA COMMUNICATION OXJ - A	in EUR	6,483	320,649.18	0.38
METSO OUTOTEC OYJ	in EUR	42,610	409,567.32	0.48
NESTE OYJ	in EUR	12,398	533,361.96	0.62
TOTAL FINLAND			**1,263,578.46**	**1.48**
France				
ALSTOM	in EUR	11,511	262,681.02	0.31
AXA SA	in EUR	25,329	659,947.10	0.78
CARREFOUR	in EUR	31,103	486,450.92	0.57
KERING	in EUR	1,645	782,197.50	0.92
MICHELIN (CGDE)	in EUR	21,062	547,296.07	0.65
ORANGE	in EUR	45,582	423,046.54	0.49
PERNOD RICARD	in EUR	2,085	383,118.75	0.45
PLASTIC OMNIUM	in EUR	12,002	162,987.16	0.19
PUBLICIS GROUPE SA	in EUR	7,655	454,860.10	0.53
REXEL	in EUR	11,611	214,106.84	0.25
SAINT-GOBAIN	in EUR	11,904	543,417.60	0.64

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
SCHNEIDER ELECTRIC SA	in EUR	6,487	847,980.64	1.00
SEB SA	in EUR	3,915	306,348.75	0.36
SOCIETE GENERALE SA	in EUR	21,264	499,278.72	0.58
SR TELEPERFORMANCE	in EUR	1,625	361,887.50	0.43
TOTALENERGIES SE	in EUR	6,508	381,694.20	0.45
VIVENDI	in EUR	37,660	335,701.24	0.39
TOTAL FRANCE			**7,653,000.65**	**8.99**
IRELAND				
CRH PLC	in EUR	16,273	602,263.73	0.71
TOTAL IRELAND			**602,263.73**	**0.71**
ITALY				
ENEL SPA	in EUR	73,352	368,960.56	0.43
TOTAL ITALY			**368,960.56**	**0.43**
NETHERLANDS				
AKZO NOBEL	in EUR	4,265	266,818.40	0.31
ASML HOLDING NV	in EUR	893	449,893.40	0.53
ASR NEDERLAND NV	in EUR	6,926	307,168.10	0.36
CNH INDUSTRIAL NV	in EUR	34,058	509,677.97	0.60
HEINEKEN	in EUR	6,645	583,962.60	0.68
ING GROEP NV	in EUR	59,958	682,801.70	0.80
KONINKLIJKE AHOLD NV	in EUR	19,181	514,818.04	0.60
KONINKLIJKE DSM	in EUR	4,288	490,118.40	0.58
KONINKLIJKE KPN NV	in EUR	210,150	607,333.50	0.71
SIGNIFY NV	in EUR	9,882	310,097.16	0.37
TOTAL NETHERLANDS			**4,722,689.27**	**5.54**
PORTUGAL				
ELEC DE PORTUGAL	in EUR	61,470	286,204.32	0.34
TOTAL PORTUGAL			**286,204.32**	**0.34**
UNITED KINGDOM				
RELX PLC	in EUR	22,914	592,097.76	0.69
TOTAL UNITED KINGDOM			**592,097.76**	**0.69**
SWITZERLAND				
STMICROELECTRONICS NV	in EUR	17,532	578,468.34	0.67
TOTAL SWITZERLAND			**578,468.34**	**0.67**
TOTAL Equities and equivalent securities traded on a regulated or equivalent market			**23,633,083.36**	**27.74**
TOTAL Equities and equivalent securities			**23,633,083.36**	**27.74**
Bonds and equivalent securities				
Bonds and equivalent securities traded on a regulated or equivalent market				
GERMANY				
ADIDAS AG 0.0% 05-10-28	in EUR	200,000	166,925.00	0.20
GERMANY 2.5% 04/07/2044	in EUR	421,000	420,888.12	0.49

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
GERMANY 4.75% 07/40	in EUR	410,000	538,508.38	0.63
ALLIANZ SE 3.375% PERP	in EUR	200,000	195,161.77	0.23
ENBW ENERGIE BADENWUERTTEMB 1.125% 05-11-79	in EUR	400,000	371,165.40	0.44
EON SE 0.0% 28-08-24 EMTN	in EUR	450,000	427,929.75	0.51
EVONIK INDUSTRIES 0.625% 18-09-25	in EUR	300,000	277,412.16	0.32
EVONIK INDUSTRIES 2.25% 25-09-27	in EUR	100,000	93,783.44	0.11
FREGR 2 7/8 02/15/29	in EUR	300,000	273,264.90	0.32
FRESENIUS MEDICAL CARE AG 1.0% 29-05-26	in EUR	450,000	407,043.00	0.47
GERMANY 4% 04-01-37	in EUR	526,000	630,211.34	0.74
KFW 0.0% 15-12-27 EMTN	in EUR	300,000	258,315.00	0.30
KFW 0.01% 05-05-27 EMTN	in EUR	158,000	138,739.26	0.16
LEGGR 0 7/8 11/28/27	in EUR	300,000	248,721.90	0.30
MERCK KGAA 1.625% 09-09-80	in EUR	200,000	179,035.88	0.21
VONOVIA SE 5.0% 23-11-30 EMTN	in EUR	100,000	98,549.64	0.12
TOTAL GERMANY			**4,725,654.94**	**5.55**
AUSTRALIA				
SYDNEY AIRPORT 2.75% 23/04/2024	in EUR	150,000	150,462.35	0.18
TOTAL AUSTRALIA			**150,462.35**	**0.18**
AUSTRIA				
AUST GOVE BON 2.4% 23-05-34	in EUR	105,000	98,987.12	0.12
AUSTRIA GOVERNMENT BONDT 1.2% 20-10-25	in EUR	605,000	582,415.81	0.68
ERSTE GR BK 0.25% 26-06-24	in EUR	200,000	191,483.64	0.23
ERSTE GR BK 0.625% 17-04-26	in EUR	200,000	183,843.84	0.22
ERSTE GR BK 1.0% 10-06-30 EMTN	in EUR	300,000	266,263.87	0.31
OMV AG 2.875% PERP	in EUR	100,000	98,300.09	0.11
OMVAV 0 3/4 06/16/30	in EUR	500,000	408,327.57	0.48
VERBUND AG 0.9% 01-04-41	in EUR	200,000	126,287.03	0.15
TOTAL AUSTRIA			**1,955,908.97**	**2.30**
BELGIUM				
BELGIUM 1.0% 22-06-31	in EUR	510,000	434,605.41	0.52
BELGIUM GOVERNMENT BOND 0.65% 22-06-71	in EUR	200,000	85,826.52	0.10
BGB 2.6 06/22/24	in EUR	368,000	372,151.19	0.44
COMMUNAUTE EUROPEAN BRU 0.0% 04-10-30	in EUR	300,000	236,940.00	0.27
COMMUNAUTE EUROPEAN BRU 0.3% 04-11-50	in EUR	44,000	20,723.04	0.03
EUROPEAN UNION 0.0% 02-06-28	in EUR	370,000	314,242.85	0.36
EUROPEAN UNION 0.0% 04-07-31	in EUR	105,000	80,815.35	0.09
EUROPEAN UNION 0.0% 22-04-31	in EUR	400,000	310,158.00	0.37
KBC GROUPE 0.5% 03-12-29 EMTN	in EUR	100,000	90,261.47	0.11
KBC GROUPE 0.625% 07-12-31	in EUR	300,000	248,219.20	0.29
KBC GROUPE 1.5% 29-03-26 EMTN	in EUR	500,000	476,500.92	0.56
KBC GROUPE 4.375% 23-11-27	in EUR	200,000	201,475.88	0.23
KBC GROUPE SA 1.625% 18-09-29	in EUR	400,000	373,951.48	0.44

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
TOTAL BELGIUM			**3,245,871.31**	**3.81**
CANADA				
DAIMLER CANADA FINANCE 3.0% 23-02-27	in EUR	209,000	204,996.58	0.24
PROVINCE DE L'ONTARIO 1.875% 21/05/2024	in EUR	250,000	248,043.99	0.29
PROVINCE DE L'ONTARIO 0.01% 25-11-30	in EUR	600,000	459,312.41	0.54
TORONTODOMINION BANK THE 0.375% 25-04-24	in EUR	400,000	385,975.73	0.45
TORONTO DOMINION BANK THE 3.25% 27-04-26	in EUR	400,000	399,451.92	0.47
TOTAL CANADA			**1,697,780.63**	**1.99**
DENMARK				
CARLB 0 3/8 06/30/27	in EUR	500,000	432,975.62	0.51
ORSTED 2.25% 14-06-28 EMTN	in EUR	633,000	594,997.02	0.70
TOTAL DENMARK			**1,027,972.64**	**1.21**
SPAIN				
BANKINTER 0.875% 08-07-26 EMTN	in EUR	500,000	445,020.55	0.52
BBVA 3.375% 20-09-27 EMTN	in EUR	200,000	195,998.78	0.23
CAIXABANK 1.125% 17-05-24 EMTN	in EUR	500,000	487,894.93	0.57
SPAIN 1.95% 30-07-30	in EUR	900,000	823,164.90	0.97
SPAIN 4.70% 30/07/41	in EUR	416,000	469,803.96	0.55
SPAIN 5.75%01-32	in EUR	210,000	253,680.60	0.29
IBERDROLA FINANZAS SAU 1.0% 07-03-25	in EUR	400,000	383,927.59	0.45
SPAI GOVE BON 1.95% 30-04-26	in EUR	1,045,000	1,023,597.68	1.21
SPAI GOVE BON 2.9% 31-10-46	in EUR	300,000	257,269.48	0.30
SPGB 2 3/4 10/31/24	in EUR	826,000	827,087.77	0.97
TOTAL SPAIN			**5,167,446.24**	**6.06**
UNITED STATES				
AMT 0 1/2 01/15/28	in EUR	300,000	247,615.68	0.29
BAXTER INTL 0.4% 15-05-24	in EUR	200,000	192,358.68	0.22
BOOKING 4.5% 15-11-31	in EUR	167,000	169,632.94	0.20
EQUINIX 0.25% 15-03-27	in EUR	300,000	259,891.11	0.31
IBRD 0 1/2 04/16/30	in EUR	258,000	214,939.55	0.25
INTL BK FOR RECONS DEVELOP 0.1% 17-09-35	in EUR	200,000	134,763.18	0.16
MICROSOFT CORP 3.125% 061228	in EUR	200,000	205,529.45	0.24
NATL GRID NORTH AMERICA 1.054% 20-01-31	in EUR	400,000	313,313.64	0.37
TMO 1.45 03/16/27	in EUR	300,000	279,230.92	0.33
TOTAL UNITED STATES			**2,017,275.15**	**2.37**
FINLAND				
NORDEA BKP 0.5% 19-03-31 EMTN	in EUR	400,000	312,329.04	0.37
UPM KYMMENE OY 0.5% 22-03-31	in EUR	500,000	380,288.25	0.45
TOTAL FINLAND			**692,617.29**	**0.82**
France				
A 3.941% PERP EMTN	in EUR	150,000	147,850.42	0.18
AGENCE FRANCAISE DE DEVELOPPEMEN 0.5% 31-10-25	in EUR	400,000	371,348.68	0.43

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
AGENCE FRANCAISE DE DEVELOPPEMEN 1.375% 05-07-32	in EUR	100,000	83,702.12	0.10
AIR LIQ FIN 0.375% 20-09-33	in EUR	200,000	143,354.75	0.17
ALSTOM 0.0% 11-01-29	in EUR	500,000	392,355.00	0.46
ATOS SE 1.75% 07-05-25	in EUR	200,000	167,157.96	0.20
AXA 1.875% 10-07-42 EMTN	in EUR	264,000	199,052.33	0.24
AXA BANK EUROPE 0.625% 16-02-28	in EUR	500,000	438,833.29	0.52
AXA HOME LOAN SFH 0.01% 16-10-29	in EUR	300,000	240,034.99	0.28
AXA HOME LOAN SFH 0.05% 05-07-27	in EUR	300,000	259,183.29	0.30
BFCM BANQUE FEDERATIVE CREDIT MUTUEL 1.0% 23-05-25	in EUR	300,000	284,105.82	0.33
BFCM BANQUE FEDERATIVE CREDIT MUTUEL 2.625% 06-11-29	in EUR	300,000	271,266.37	0.32
BN 2.25% 11-01-27 EMTN	in EUR	400,000	383,684.74	0.45
BQ POSTALE 1.375% 24-04-29	in EUR	100,000	85,220.85	0.10
CA 1.875% 22-04-27	in EUR	400,000	374,998.27	0.44
CARREFOUR 4.125% 12-10-28 EMTN	in EUR	100,000	100,924.51	0.12
COMPAGNIE DE SAINT GOBAIN 1.375% 14-06-27	in EUR	400,000	365,890.90	0.43
DANONE 1.0% PERP	in EUR	300,000	252,509.45	0.30
E.ETAT 4,75%04 OAT	in EUR	305,000	359,193.82	0.42
EDENRED 1.375% 10-03-25	in EUR	600,000	577,568.22	0.68
FRANCE 0.5% 25-05-25	in EUR	763,000	724,891.81	0.85
FRANCE GOVERNMANT BOND OAT 0.5% 25-05-40	in EUR	500,000	315,337.40	0.37
FRANCE GOVERNMENT BOND OAT 0.75% 25-05-52	in EUR	510,000	271,117.12	0.32
FRANCE GOVERNMANT BOND OAT 4.0% 25-10-38	in EUR	205,000	222,706.10	0.26
FRANCE GOVERNMENT BOND OAT 5.75% 25-10-32	in EUR	298,000	367,482.39	0.43
FRAN GOVE BON 1.25% 25-05-36	in EUR	750,000	588,665.24	0.69
GECINA 0.875% 25-01-33 EMTN	in EUR	200,000	147,181.52	0.17
KLEPIERRE 0.625% 01-07-30 EMTN	in EUR	300,000	219,931.48	0.25
LEGRAND 0.625% 24-06-28	in EUR	300,000	254,494.44	0.30
ITALY 2.75% 25/10/2027	in EUR	1,363,000	1,366,242.54	1.61
ORANGE 1.0% 12-09-25 EMTN	in EUR	200,000	188,099.18	0.22
ORANGE 1.75% PERP EMTN	in EUR	400,000	328,744.25	0.39
PERNOD RICARD 0.125% 04-10-29	in EUR	300,000	238,227.49	0.28
PERNOD RICARD 3.75% 02-11-32	in EUR	100,000	99,590.99	0.12
SCHNEIDER ELECTRIC SE 1.5% 15-01-28	in EUR	300,000	278,297.05	0.32
SCHNEIDER ELECTRIC SE 3.5% 09-11-32	in EUR	100,000	98,936.90	0.12
SG 0.625% 02-12-27	in EUR	400,000	343,737.18	0.40
SOCIETE DES AUTOROUTES PARIS RHIN RHONE 0.125% 18-01-29	in EUR	200,000	163,453.73	0.19
TOTALENERGIES SE 1.75% PERP	in EUR	150,000	143,948.55	0.17
UNIBAIL RODAMCO SE 2.125% PERP	in EUR	100,000	86,229.03	0.10
UNIBAIL-RODAMCO-WESTFLD	in EUR	100,000	75,025.51	0.09
WENDEL 1.375% 26-04-26	in EUR	300,000	276,500.45	0.32
TOTAL FRANCE			**12,297,076.13**	**14.44**

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
IRELAND				
AIB GROUP 0.5% 17-11-27 EMTN	in EUR	400,000	338,589.53	0.40
ATLAS COPCO FINANCE DAC 0.75% 08-02-32	in EUR	156,000	120,687.10	0.14
IRELAND GOVERNMENT BOND 0.2% 18-10-30	in EUR	105,000	85,144.70	0.10
IRELAND GOVERNMENT BOND 1.3% 15-05-33	in EUR	105,000	88,964.26	0.10
JOHNSON NTROLS INTL PLC TY 0.375% 15-09-27	in EUR	150,000	128,169.02	0.15
VODAFONE INTL FINANCING DAC 3.75% 02-12-34	in EUR	187,000	176,781.88	0.21
TOTAL IRELAND			**938,336.49**	**1.10**
ITALY				
ASS GENERALI 2.429% 14-07-31	in EUR	200,000	166,132.56	0.19
ENEL 3.375% 24-11-81	in EUR	200,000	181,930.73	0.22
INTE 0.75% 04-12-24 EMTN	in EUR	500,000	474,638.22	0.56
INTE 0.75% 16-03-28 EMTN	in EUR	606,000	507,331.41	0.60
INTE 1.0% 04-07-24 EMTN	in EUR	300,000	289,810.11	0.34
ITAL BUON POL 0.65% 15-10-23	in EUR	500,000	492,611.79	0.58
ITALY 1.5% 01-06-25	in EUR	971,000	929,436.24	1.09
ITALY 3.50% 01/03/2030	in EUR	582,000	563,148.41	0.66
ITALY 5%09-010940	in EUR	566,000	586,193.22	0.69
ITALY BUONI POLIENNALI DEL TESORO 0.5% 01-02-26	in EUR	1,400,000	1,274,834.37	1.49
ITALY BUONI POLIENNALI DEL TESORO 0.95% 15-09-27	in EUR	600,000	528,088.04	0.62
ITALY BUONI POLIENNALI DEL TESORO 3.1% 01-03-40	in EUR	350,000	282,838.07	0.33
ITALY BUONI POLIENNALI DEL TESORO 3.45% 01-03-48	in EUR	200,000	164,420.54	0.19
ITALY BUONI POLIENNALI DEL TESORO 6.0% 01-05-31	in EUR	421,000	473,602.68	0.56
TOTAL ITALY			**6,915,016.39**	**8.12**
LUXEMBOURG				
BANQ EURO DIN 1.0% 14-04-32	in EUR	400,000	334,275.15	0.39
BANQUE EUROPEAN DINVESTISSEMENT 1.125% 13-04-33	in EUR	105,000	86,909.84	0.10
DH EUROPE FINANCE II SARL 0.75% 18-09-31	in EUR	500,000	390,389.32	0.46
EFSF 1.2 02/17/45	in EUR	283,000	198,412.27	0.23
EUROPEAN FINL STABILITY FACIL 0.0% 13-10-27	in EUR	600,000	519,648.00	0.61
EUROPEAN INVESTMENT BANK 2.75% 15/09/2025	in EUR	210,000	210,462.56	0.24
JOHN DEERE BANK 2.5% 14-09-26	in EUR	153,000	148,576.42	0.18
LUXEMBOURG GOVERNMENT BOND 0.0% 28-04-30	in EUR	105,000	84,408.98	0.10
PROLOGIS INTL FUND II 0.75% 23-03-33	in EUR	353,000	237,267.79	0.28
TOTAL LUXEMBOURG			**2,210,350.33**	**2.59**
NORWAY				
DNB BANK A 0.25% 09-04-24	in EUR	150,000	144,553.87	0.17
DNB BANK A 1.625% 31-05-26	in EUR	300,000	287,082.29	0.34
DNB BOLIGKREDITT 0.625% 19-06-25	in EUR	150,000	141,033.81	0.17
EQUINOR A 0.75% 22-05-26 EMTN	in EUR	300,000	276,440.65	0.32
SPAREBANK 1 BOLIGKREDITT 0.05% 03-11-28	in EUR	300,000	247,705.07	0.29
STATKRAFT AS 2.875% 13-09-29	in EUR	100,000	96,514.19	0.11
TELENOR AS 1.125% 31-05-29	in EUR	150,000	128,596.25	0.15
TOTAL NORWAY			**1,321,926.13**	**1.55**

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
NETHERLANDS				
AKZO NOBEL NV 1.5% 28-03-28	in EUR	100,000	90,227.29	0.11
ALLIANDER 2.625% 09-09-27 EMTN	in EUR	107,000	103,721.78	0.12
ALLIANZ FIN II 0.5% 14-01-31	in EUR	300,000	238,582.29	0.28
ASML HOLDING NV 2.25% 17-05-32	in EUR	143,000	131,228.20	0.16
BMW FIN 0.0% 11-01-26 EMTN	in EUR	134,000	121,656.59	0.14
BMW FIN 0.5% 22-02-25 EMTN	in EUR	286,000	271,012.19	0.32
BRENNTAG FINANCE BV 0.5% 06-10-29	in EUR	200,000	151,538.84	0.18
BV FOR ZURICH INSURANCE 2.75% 19-02-49	in EUR	200,000	177,432.78	0.21
COMPASS GROUP FINANCE NV 1.5% 05-09-28	in EUR	150,000	135,323.48	0.16
ENBW INTL FINANCE 0.25% 19-10-30	in EUR	192,000	142,982.51	0.17
ENEL FINANCE INTL NV 0.375% 28-05-29	in EUR	167,000	132,836.86	0.16
ENEL FINANCE INTL NV 0.5% 17-06-30	in EUR	601,000	460,714.42	0.54
ENEL FINANCE INTL NV 0.875% 17-01-31	in EUR	200,000	155,354.88	0.18
IBERDROLA INTERNATIONAL BV 1.875% PERP	in EUR	200,000	201,385.92	0.24
IBERDROLA INTL BV 1.45% PERP	in EUR	100,000	86,423.51	0.10
ING BANK NV 0.125% 08-12-31	in EUR	300,000	227,716.21	0.27
ING GROEP NV 0.875% 09-06-32	in EUR	100,000	84,773.13	0.10
ING GROEP NV 4.875% 14-11-27	in EUR	300,000	307,082.42	0.36
KPN 0.875% 14-12-32 EMTN	in EUR	100,000	72,867.45	0.09
NETHERLANDS GOVERNMENT 0.25% 15-07-29	in EUR	700,000	596,752.16	0.70
NETHERLANDS 5.50%98-28	in EUR	316,000	373,281.88	0.44
RELX FINANCE BV 1.0% 22-03-24	in EUR	100,000	97,767.30	0.11
SIEMENS FINANCIERINGSMAATNV 1.0% 25-02-30	in EUR	200,000	171,738.59	0.20
SIEMENS FINANCIERINGSMAATNV 1.25% 28-02-31	in EUR	100,000	85,186.72	0.10
SIEMENS FINANCIERINGSMAATNV 2.5% 08-09-27	in EUR	400,000	387,299.48	0.45
SWIS REIN CO VIA 2.6% PERP	in EUR	150,000	140,664.43	0.16
TENNET HOLDING BV 0.75% 26-06-25	in EUR	300,000	283,085.90	0.33
TENNET HOLDING BV 1.5% 03-06-39	in EUR	100,000	71,126.45	0.08
TENNET HOLDING BV 4.25% 28-04-32	in EUR	152,000	155,964.37	0.18
THERMO FISHER SCIENTIFIC FINANCE I BV 0.8% 18-10-30	in EUR	178,000	144,205.40	0.17
TOYOTA MOTOR FINANCE NETHERLANDS BV 0.0% 27-10-25	in EUR	400,000	363,880.00	0.43
VONOVIA FINANCE BV 1.25% 06-12-24	in EUR	400,000	379,809.56	0.45
WOLTERS KLUWER NV 3.0% 23-09-26	in EUR	100,000	98,582.36	0.11
TOTAL NETHERLANDS			**6,642,205.35**	**7.80**
PORTUGAL				
PGB 2 7/8 10/15/25	in EUR	210,000	211,285.49	0.24
PORTUGAL OBRIGACOES DO TESOURO OT 0.9% 12-10-35	in EUR	250,000	180,155.39	0.21
PORTUGAL OBRIGACOES DO TESOURO OT 2.25% 18-04-34	in EUR	311,000	276,845.17	0.33
TOTAL PORTUGAL			**668,286.05**	**0.78**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
UNITED KINGDOM				
BRITISH TEL 0.5% 12-09-25 EMTN	in EUR	400,000	366,683.18	0.43
DIAGEO FINANCE 0.5% 19-06-24	in EUR	150,000	144,737.60	0.17
DIAGEO FINANCE 1.0% 22-04-25	in EUR	300,000	286,796.61	0.34
MOTABILITY OPERATIONS GROUP 0.375% 03-01-26	in EUR	100,000	90,875.00	0.11
NATWEST GROUP 4.067% 06-09-28	in EUR	235,000	231,839.14	0.27
NATWEST MKTS 0.125% 18-06-26	in EUR	480,000	418,515.12	0.49
NGG FINANCE 1.625% 05-12-79	in EUR	100,000	93,433.11	0.11
TESCO CORPORATE TREASURY SERVICES 0.375% 27-07-29	in EUR	120,000	92,938.66	0.11
TESCO CORPORATE TREASURY SERVICES 0.875% 29-05-26	in EUR	500,000	454,775.00	0.53
WESTERN POWER DISTRIBUTION EAST MID 3.53% 20-09-28	in EUR	100,000	98,382.98	0.12
TOTAL UNITED KINGDOM			**2,278,976.40**	**2.68**
SWEDEN				
SCA HYGIENE AB 1.125% 27-03-24	in EUR	400,000	392,538.71	0.46
SVENSKA HANDELSBANKEN AB 0.05% 06-09-28	in EUR	300,000	243,917.40	0.29
TELE2 AB 1.125% 15-05-24 EMTN	in EUR	200,000	194,240.30	0.23
TELIA COMPANY AB 1.375% 11-05-81	in EUR	200,000	179,632.62	0.21
VOLVO TREASURY AB 2.625% 20-02-26	in EUR	416,000	405,151.29	0.47
TOTAL SWEDEN			**1,415,480.32**	**1.66**
SWITZERLAND				
GIVAUDAN AG 2.0% 17-09-30	in EUR	100,000	89,340.78	0.10
UBS GROUP AG 0.875% 03-11-31	in EUR	300,000	225,287.20	0.27
TOTAL SWITZERLAND			**314,627.98**	**0.37**
TOTAL Bonds and equivalent securities traded on a regulated or equivalent market			**55,683,271.09**	**65.38**
TOTAL Bonds and equivalent securities			**55,683,271.09**	**65.38**
Undertakings for collective investment				
UCITS and AIF for retail investors and equivalents in other countries				
France				
HSBC MONETAIRE ETAT Z	in EUR	892.843	866,287.53	1.02
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY	in EUR	2,419.312	4,449,187.35	5.23
TOTAL FRANCE			**5,315,474.88**	**6.25**
TOTAL UCITS and AIF for retail investors and equivalents in other countries			**5,315,474.88**	**6.25**
TOTAL Undertakings for collective investment			**5,315,474.88**	**6.25**
Financial futures				
Futures, forwards, and swaps				
Futures, forwards, and swaps on regulated or equivalent markets				
EURO STOXX 50 0323	in EUR	-143	207,172.50	0.24
TOTAL Futures, forwards, and swaps on regulated or equivalent markets			**207,172.50**	**0.24**
TOTAL Futures, forwards, and swaps			**207,172.50**	**0.24**
TOTAL Financial futures			**207,172.50**	**0.24**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
Margin call				
CACEIS MARGIN CALL	in EUR	-207,172.5	-207,172.50	-0.24
TOTAL Margin call			**-207,172.50**	**-0.24**
Receivables			**411,925.20**	**0.48**
Payables			**-73,326.64**	**-0.09**
Financial accounts			**201,711.22**	**0.24**
Net assets			**85,172,139.11**	**100.00**

HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE AC share	**in EUR**	**234,310.925**	**91.53**	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE RC share	**in EUR**	**68,295.995**	**933.06**	

Product name:	**HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE**
Legal entity identifier:	**969500Q7HGCE44XGR189**
Reporting Date	**31 December 2022**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally **sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective are not necessarily aligned with the taxonomy.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

●● ☐ **Yes** ●○ ☒ **No**

☐ It made **sustainable investments with an environmental objective:** _%

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made sustainable investments with a social objective: _%

☒ **It promoted Environmental/Social (E/S) characteristics**, and while it did not have as its objective a sustainable investment, it had a proportion of 31.48% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The subfund promotes E, S, and G characteristics by investing in international equity and fixed-income markets with a euro bias by selecting securities issued by companies or countries in a universe of issues that meet Environmental, Social, and Governance (ESG) criteria. The subfund invests, at the manager's discretion, either in securities of companies or countries or in UCIs managed by the HSBC Group.
For public or private listed corporate issues: the manager uses a best-in-class approach to select within each sector the companies that have the best ESG practices compared with their peers within each sector of the economy.
For each ESG pillar, several criteria are used, including CO2 emissions for the E pillar, the management of staff for the S pillar, and level of independence of directors for the G pillar.

For government issues (bonds): euro-denominated issuing countries are ranked according to their overall “ESG” rating, which is based 50% on the Environmental pillar (E) and 50% on the Social/Governance pillar (S/G). The Social and Governance pillar includes the analysis of the political and governance system, human rights and fundamental freedoms, and social conditions. The Environmental pillar includes the analysis of natural resources, climate change and energy, production, and sustainable consumption.
The manager uses an ESG Selection approach to select the countries with a minimum ESG rating according to the non-financial rating agency ISS-Oekom from among euro-denominated issuing countries.

In addition, the subfund will:
- Exclude issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or at least two alleged violations) and the OECD Guidelines for Multinational Enterprises.
- Exclude securities of companies involved in the production of controversial weapons or their components. Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons, and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties.
- Exclude securities of companies in the Defence sector.
- Exclude securities of companies engaged in thermal coal activities.
Companies with more than 10% revenue generated from coal-fired power generation are partially excluded. Mining companies are completely excluded.
- Exclude securities of companies involved in tobacco production.
- Carefully consider environmental issues through voting and engagement activities.
The subfund is actively managed and does not track a benchmark. There is no benchmark representative of our management philosophy and therefore of our investment universe or an index designated to determine whether the subfund is aligned with the environmental or social characteristics it promotes.

Alignment with the environmental and social characteristics was 95.82% as at 31 December 2022

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

The subfund promotes all the pillars (E, S, and G). Therefore, the primary sustainability indicator used to measure the portfolio's ESG performance is the ESG rating.

	ESG rating source*	ESG	E	G	S	Coverage rate
Fund	HSBC	6.53	7.03	6.45	6.51	93.26%
Benchmark	HSBC	6.22	5.9	6.48	6.51	98.04%

* HSBC Proprietary ESG rating (look-through)

The fund's management strategy is to select companies with the highest ESG ratings within each economic sector. Companies with the lowest scores (25% lowest) are systematically excluded from the selection.
The SICAV takes into account all the E, S, and G pillars to obtain an overall ESG score that is higher than that of its reference benchmark. It will also exclude issuers in the bottom quartile of ESG scores and limit the number of issuers in the 3rd quartile. Other exclusions are also applied, such as issuers with an excessive percentage of carbon emissions, controversial weapons, or the tobacco sector. At the end of 2022, the top issuers in terms of ESG score were Sydney Airport, Transurban, and Orsted.

The subfund also takes the following principal adverse impacts into consideration: · Corporate greenhouse gas intensity, · Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises: Exclusion · Exposure to controversial weapons. Exclusion · In addition, the subfund will not invest in shares of companies or other securities equivalent to shares of comp352anies exposed to certain activities ("excluded activities"). The excluded activities are set out below among the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product.

Scores	Carbon intensity (Scope 1+2)*	Coverage rate
Benchmark	138.49	93.88
Fund	105.13	90.31

* Expressed in tonnes of CO2/$M of revenue, taking scope 1 & 2 emissions into account.

The fund's management policy takes into account the adverse impact of greenhouse gas emissions in its selection of securities. In addition, the fund excludes companies involved in coal mining from its investments and limits investments to those that have more than 10% of their activities related to coal use. Carbon intensity is not one of the basic constraints of the SICAV. However, the manager will not be able to invest in emitters for which the percentage of CO2 will be greater than 10% of turnover. The evolution of carbon intensity over time will also be taken into account by the manager, who will strive to favour companies making the greatest efforts in terms of decarbonisation.

The international Greenhouse Gas (GHG) Protocol was created in 1998 to help companies conduct their carbon or greenhouse gas assessments by identifying the main direct and indirect emission items in order to better target reduction strategies. The GHG Protocol serves to quantify all the impacts generated by the production and consumption of products and services by companies. It is divided into three CO2 emissions scopes:
• Scope 1 includes direct emissions resulting from combustion of fossil fuels, such as gas, oil, and coal.
• Scope 2 relates to indirect emissions from the consumption of electricity, heat, or steam necessary to manufacture the product. A company's scope 2 will include emissions associated with the production of energy it uses: electricity, steam, heat, cold, and compressed air. These indirect emissions therefore depend greatly on the primary energy source (oil, gas, coal, biomass, wind, solar, etc.) used to produce them.

• Scope 3 corresponds to other indirect emissions. Scope 3 carbon emissions are not yet included in the calculation of carbon intensities because this scope of emissions is difficult to understand and is not yet sufficiently taken into account in the carbon assessment of companies.

…and compared to previous periods?

Not applicable

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The subfund's sustainable investments are aligned with its environmental characteristics. The identification and ESG analysis of companies are performed as part of the investment decision-making process to reduce sustainability risks and increase returns.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or sustainable investment objective?

The principle of "do no significant harm" to environmental or social objectives applies only to the underlying sustainable investments of the subfund. This principle is incorporated into the investment decision-making process, which includes consideration of principal adverse impacts.

How were the indicators for adverse impacts on sustainability factors taken into account?

HSBC Asset Management's "do no significant harm" (DNSH) assessment of issuers as part of its sustainable investment process includes consideration of principal adverse impacts (PAI). All the PAIs included in table 1 of Annex 1 of Commission Delegated Regulation (EU) 2022/1288 were thus examined and integrated into the investment process according to an approach that combines exclusions (sectoral, the most severe ESG controversies, norms-based exclusions, etc.) with voting and shareholder engagement activities to instil and maintain a positive change dynamic within companies. As such, the subfund's eligible universe during the past financial year excluded issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or with at least two alleged violations) and the OECD Guidelines for Multinational Enterprises,- shares of companies involved in the production of controversial weapons or their components. Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons, and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties. The examination of the other PAIs was conducted with proxies. For example, to address all PAIs related to greenhouse gas emissions, we have used our coal policy as an exclusion filter. Companies with more than 10% revenue generated from coal-fired power generation are partially excluded. Mining companies are completely excluded. Furthermore, the 'do no significant harm' (DNSH) test of issuers described above was supplemented by the application of an exclusion policy (with a 0% threshold for tobacco) and the exclusion of issuers for which the level of controversy provided by Sustainalytics was very severe (equal to 5). In our view, the setting of exclusion thresholds for each PAI is not always relevant and could compromise the fact that many sectors and companies are in a transition strategy. Lastly, the subfund takes into consideration the principal adverse impacts in its engagement approach, which incorporates several levers for action including 1) direct dialogue with companies about their consideration of environmental and social issues to ensure that they are able to face the future and maintain long-term financial viability and 2) a gradual escalation procedure with companies when the ESG risks or controversies to which they are exposed are not managed.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Yes, sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Pre-trade and post-trade monitoring ensures that issuers in violation of one or more of the Ten Principles of the United Nations Global Compact (or with at least two alleged violations) and the OECD Guidelines for Multinational Enterprises are systematically excluded.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.
The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.
Any other sustainable investments must also do no significant harm to any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

The methodology for addressing the principal adverse impacts selected by the subfund combines exclusions with voting and shareholder engagement activities to instil and maintain a positive change dynamic within companies. The manner in which each PAI is considered is explained in the table below.

	Impact 31 December 2022	Comment
Greenhouse gas intensity of investee companies	109.92	The fund's management policy takes into account the adverse impact of greenhouse gas emissions in its selection of securities. In addition, the fund excludes companies involved in coal mining from its investments and limits investments to those that have more than 10% of their activities related to coal use. Carbon intensity is not one of the basic constraints of the SICAV. However, the manager will not be able to invest in emitters for which the percentage of CO2 will be greater than 10% of turnover. The evolution of carbon intensity over time will also be taken into account by the manager, who will strive to favour companies making the greatest efforts in terms of decarbonisation.
Exclusion of issuers in violation of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises.	0%	Issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or at least two alleged violations) and the OECD Guidelines for Multinational Enterprises.
Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	Application of the exclusion policy

What were the top investments of this financial product?

The list includes the investments constituting the largest share of investments of the financial product as at: 31 December 2022

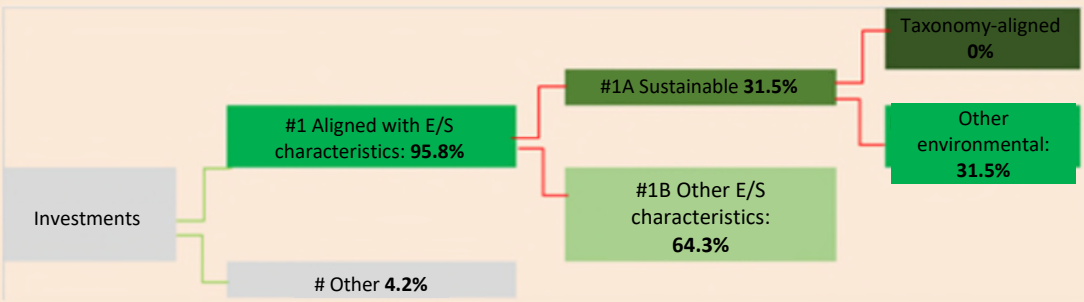
Largest investments	Sector	% Assets	Country
FRTR 2.75 10/25/27	Governance	1.60%	France
BTPS 0.5 02/01/2026	Governance	1.50%	Italy
SPGB 1.95 04/30/26	Governance	1.20%	Spain
IBERDROLA SA	Utilities	1.19%	Spain
BTPS 1.5 06/01/25 10Y	Governance	1.09%	Italy
SAPSE	Information technology	1.05%	Germany
MUENCHENER RUECKVER AG-REG	Finance	1.03%	Germany
SCHNEIDER ELECTRIC SE	Industry	1.00%	France
SPGB 2.75 10/31/24	Governance	0.97%	Spain
SPGB 1.95 07/30/30	Governance	0.97%	Spain
KERING	Consumer discretionary	0.92%	France
FRTR 0.5 05/25/25	Governance	0.85%	France
ING GROEP NV	Finance	0.80%	Netherlands
AXA SA	Finance	0.77%	France
DBR 4 01/04/37	Governance	0.74%	Germany

What was the proportion of sustainability-related investments?

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.

Although the subfund does not have sustainable investments as an objective, it commits to a minimum proportion of 10% of its assets in sustainable investments. At 31/12/2022, the share of sustainable investments was 31.5%.



#1 "Aligned with E/S characteristics" includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 "Other" includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Category **#1 "Aligned with E/S characteristics"** covers:
-subcategory **#1A "Sustainable"** covers sustainable investments with environmental or social objectives;

-subcategory #1B "Other E/S characteristics" covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Sector	% Assets
Governance	26.75%
Finance	22.87%
Industry	10.1%
Utilities	6.46%
Consumer staples	6.09%
Consumer discretionary	4.99%
Telecommunications services	4.69%
Information technology	4.51%
Health	4.08%
Materials	3.15%
Energy	2.96%
Property	2.54%
Other	0.8%
Total	100%

To what minimum extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The subfund does not commit to a minimum proportion of sustainable investments with an environmental objective aligned with the European Union's taxonomy. However, when assessing issuers, the subfund manager takes into consideration two environmental indicators and applies our coal phase-out policy as well as the sectoral exclusions set out in the label guidelines.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

Yes. ☐

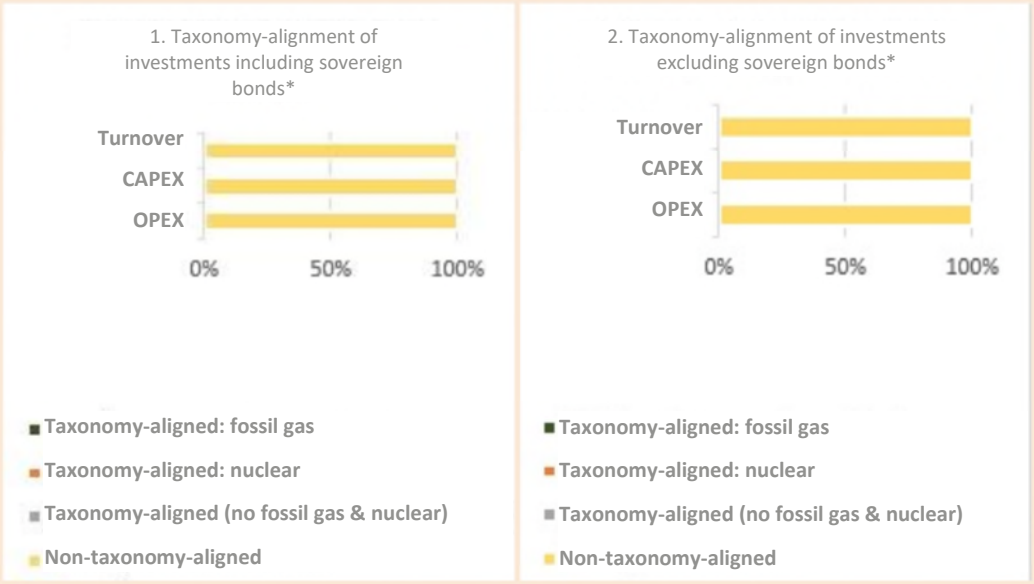
☐ In fossil gas ☐ In nuclear energy

No. ☒

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:
-**turnover** reflecting the share of revenue from green activities of investee companies; -**capital expenditure** (CAPEX) showing the green investments made by investee companies, e.g. for a transition to a green economy;
-**operational expenditure** (OPEX) reflecting green operational activities of investee companies.

The two graphs below show, in green, the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.

The share of sustainable investments with an environmental objective aligned with the European Union's taxonomy is 0%.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What was the share of investments made in transitional and enabling activities?

This does not apply to the mandate, as the share of sustainable investments with an EU Taxonomy-aligned environmental objective was 0% as at 31/12/2022.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Not applicable.

The symbol denotes sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective that were not aligned with the European Union's taxonomy was 31.48%.

What was the share of socially sustainable investments?

The subfund does not commit to having a minimum share of socially sustainable investments. However, when assessing issuers, the subfund manager does look at the social characteristics, respect for human rights and employee rights, management conduct, and corporate social responsibility of the companies.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The fund's "Other" category is composed of cash and UCITS units.

What actions were taken to meet the environmental and/or social characteristics during the reference period?

The fund promotes ESG characteristics by investing primarily in companies chosen for their good environmental, social, and governance practices according to a best-in-class approach and their financial qualities. This approach consists of selecting the top companies within each sector according to ESG criteria. During 2022, we constantly adjusted the portfolio to meet our commitments. Issuers whose scores fell into the bottom quartile were systematically sold in favour of better-rated issuers, and the number of issuers in the 3rd quartile remained below 15%. Consideration of non-financial factors, such as the percentage of female executives or independent board members, were also added to the list of criteria taken into account to improve the S and G criteria.

How did this financial product perform compared to the reference benchmark?

The subfund is actively managed and does not track a benchmark. There is no benchmark representative of our management philosophy and therefore of our investment universe or an index designated to determine whether the subfund is aligned with the environmental or social characteristics it promotes. The information expected in this section is therefore not applicable to this product.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How does the reference benchmark differ from a broad market index?

Not applicable.

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?

Not applicable.

How did this financial product perform compared to the reference benchmark?

Not applicable.

How did this financial product perform compared with the broad market index?

Not applicable.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

Subfund:

HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

Activity report

Management policy

Equity market allocation:

Markets remained very volatile over the period. The continued sharp increase in price indexes, mainly due to rising commodity prices and bottlenecks, forced central banks to react. The economic outlook also weakened as a result of the consequences of the war, the weakness of the Chinese economy, and weakened consumer confidence. However, the multiple shocks were relatively well absorbed by companies helped by generous governments and still substantial COVID savings, allowing an acceptable level of consumption to be maintained even as adjustments took place. Against this backdrop, we actively managed equity exposure with a rather defensive marking throughout the year.

As of 31 December 2022, the equity exposure of HRIF - SRI Balanced was close to 46.7% of assets compared with 50% for the investment universe.

Exposure on equity markets:

The equity segment consists mainly of bearer securities and UCITSs. This combination exposes the segment to various themes. In order to adjust the directional allocation, derivatives can be used.

Investments on equity markets

a) Portion in euro SRI bearer securities:

The management of this segment follows our best-in-class SRI selection process, which aims to prioritise stocks for their good ESG practices. Added to this is an active fundamental approach based on an examination of the profitability/valuation profile, which favours stocks with an attractive valuation and profitability likely to improve significantly.

Sector allocation contributed positively to the subfund's relative performance. Positive contributions came primarily from the overexposure to insurance, banking, and telecoms and underexposure to consumer durables, specialised distribution, property, and semiconductors. On the other hand, the subfund suffered from its overexposure to the business services sector as well as its underexposure to pharmaceuticals and food/beverages.

Our stock picking contributed negatively to the relative performance of the subfund, notably our choices in capital goods (Alstom, Saint Gobain, and especially absence from the defence segment), energy (underexposure to oil companies), consumer durables (Kering and Seb), basic goods (Akzo Nobel and DSM), transport (Deutsche Post), automotive (Michelin), and banking (KBC and Société Générale). Note the positive contributions from Carrefour in food distribution, KPN, and Orange in telecoms, CNHI in industry, Iberdrola in utilities, Publicis in media, Heineken in food/beverages, and Relx in business services.

As of 31 December 2022, we held approximately 43.3% bearer securities.

b) SRI investments outside the eurozone:

SRI investment outside the eurozone is based on a systematic approach with a desire to maximise the ESG score under the constraint of Tracking Error. In practice, the selected securities belong to the first quartile of each sector. Geographical deviations are very modest. We tended to increase this position over the full year.

The allocation uses the following subfund:

- International stocks (HRIF – SRI Global Equity)

As of 31 December 2022, we held approximately 8.9%.

c) Use of derivatives:

We use futures on the Euro Stoxx 50 index to adjust the equity exposure. We had a short position of around -5.4% at 31 December 2022

Fixed-income market allocation

The subfund began 2022 with a sensitivity to interest-rate risk below the benchmark. We maintained this caution with regard to the bond markets at the beginning of the year, as yields were still at extremely low levels (-0.17% at 31/12/2021 for a German 10-year bond) given the rise in prices and economic growth.
Central bankers also changed their tune with respect to this inflation. The transitory nature has been forgotten, and the central banks significantly tightened financing conditions (Fed, Bank of England, ECB). Against this backdrop, yields tightened sharply from -0.17% to 2.57% at 30 December 2022 for a 10-year German bond. We supported this increase in yields and gradually reduced the hedge against the risk of rising interest rates.
Over the period, our hedging of interest rate risk contributed very positively to the subfund's performance.

As of 31 December 2022, the bond allocation of the HRIF - SRI Balanced subfund was close to 46.5% compared with 50% for the investment universe.

Investments on bond markets

b) Investment in SRI government and corporate bonds:

Regarding peripheral government debt, we reduced our exposure to Italian debt slightly to return to a neutral to slightly underweight position, while we maintained a modest overweight position on Portugal's sovereign debt. Regarding credit, we approached the year with a strategic overexposure to credit, to the detriment of government yields in core countries, while actively managing this segment. We did not fundamentally change this positioning during the period, supported by corporate earnings above expectations on average and favourable outlooks from rating agencies for changes in ratings and default rates. In addition, technical factors, such as risk aversion, generated by an uncertain geopolitical environment and less visibility on central bank policies dependent on inflation data, also seemed likely to lead to excessive spreads.

On the management side, we participated selectively and occasionally in the primary market. The premiums offered relative to the secondary market were a little more attractive than in 2021, and these purchases were an opportunity to carry out some arbitrage transactions, particularly in line with changes in the E, S, and G ratings of issuers, but also to optimise the positioning on the credit curve. During the second half of the year, the market improvement was an opportunity to reduce the

positioning on subordinated insurance debt, helping to reduce the overall credit risk of the portfolio at the end of the year.

Investments on the money market:

We used the money market tactically in a particularly turbulent year for all assets. It provides effective protection against increased risk aversion.

The allocation uses the following fund:

- HSBC Monétaire Etat

As of 31 December 2022, we held approximately 0.5%.

Performance

At the close of the year, the subfund posted performance of -15.05% for the AC share and -14.54% for the IC share.

For the sake of comparison, the performance of the subfund's benchmark was -14.70%.

Past performance is not an indicator of the future results of the SICAV subfund.

Incidents affecting the subfund during the fiscal year and forthcoming

➢ **10 February 2022**

Annual update of 2021 performance in each KIID.

➢ **06 May 2022**

Update of the prospectus with a warning regarding the ban on Russian or Belarusian nationals from subscribing for shares of the SICAV, which includes any natural person residing in Russia or Belarus or any legal person, entity, or body established in Russia or Belarus except for nationals of a Member State of the European Union (EU) and natural persons holding a temporary or permanent residence permit in a Member State of the European Union (EU).

On that occasion, the new address of CACEIS Bank and CACEIS FA was added to the prospectus, with effect from 1 June 2022.

➢ **30 September 2022**

The level of the risk scale (SRRI), indicated in the KIIDs, was updated from 4 to 5.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

➢ **30 December 2022**

The prospectus was brought into line with the EU Sustainable Finance Regulation:

• Addition of an explanatory text on how the main adverse environmental, social, or governance impacts of the subfund's investments are taken into account.

• An appendix detailing how the promoted environmental and/or social characteristics are implemented has been included in the SICAV's prospectus.

• In furtherance of the incorporation in the prospectus of the European criteria for environmentally sustainable economic activities provided for in European Regulation 2020/852 of 18 June 2020 ("Taxonomy Regulation"), the explanatory text introduced on 1 January 2022 was supplemented by four other environmental objectives defined by the Taxonomy Regulation: the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

➢ **1 January 2023**

The subfund's KIIDs (Key Investor Information Documents) were replaced by the KIDs (Key Information Documents) pursuant to Regulation (EU) No 1286/2014 of 26 November 2014 ("PRIIPs Regulation").

Information on Environmental, Social, and Governance (ESG) criteria

In accordance with Article L.533-22-1 of the French Monetary and Financial Code, the policy on considering environmental, social, and governance quality (ESG) criteria in the investment strategy is available on the management company's website at www.assetmanagement.hsbc.fr.

Further information on the inclusion of ESG criteria in the investment policy over the fiscal year.

Information on SRI criteria

The HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED subfund simultaneously addresses environmental, social, and governance criteria in its management.

The HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED subfund has adopted the AFG/FIR/Eurosif transparency code for SRI UCIs open to the public. This transparency code fully describes how environmental, social, and governance criteria are reflected in the investment policy of the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED subfund. This code is available on the management company's website at the following address:

www.assetmanagement.hsbc.fr/-/media/files/attachments/france/common/code-de-transparence-hsbc-rif.pdf

All information and historical data on the financial performance of the HSBC Asset Management range of SRI UCIs are available on the management company's information website:

www.assetmanagement.hsbc.fr/fr/retail-investors/fund-centre.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

SRI philosophy

www.assetmanagement.hsbc.fr/fr/retail-**investor**/investment-expertise/sustainable-investments

The approach taken by HSBC Asset Management is to offer investors in SRI UCIs the prospect of performance in line with that of comparable conventional UCIs, while at the same time incorporating Environmental, Social/Societal, and Governance (ESG) factors, the pillars of Sustainable Development. **In our view, it is possible to reconcile our clients' individual interest of seeking performance with the collective interest of consideration of Sustainable Development issues.**

In practical terms, we believe that ESG factors can influence a company's business activity and a country's long-term policy and, as a result, the profitability of financial assets. We feel that the SRI UCI offering must be transparent and capable of reflecting our clients' expectations. Our objective is therefore to construct a disciplined, pragmatic offering for them, enhanced by our experience, gained over more than 16 years, and based on our management expertise. Complete financial data histories are available on request from the management company's head office:

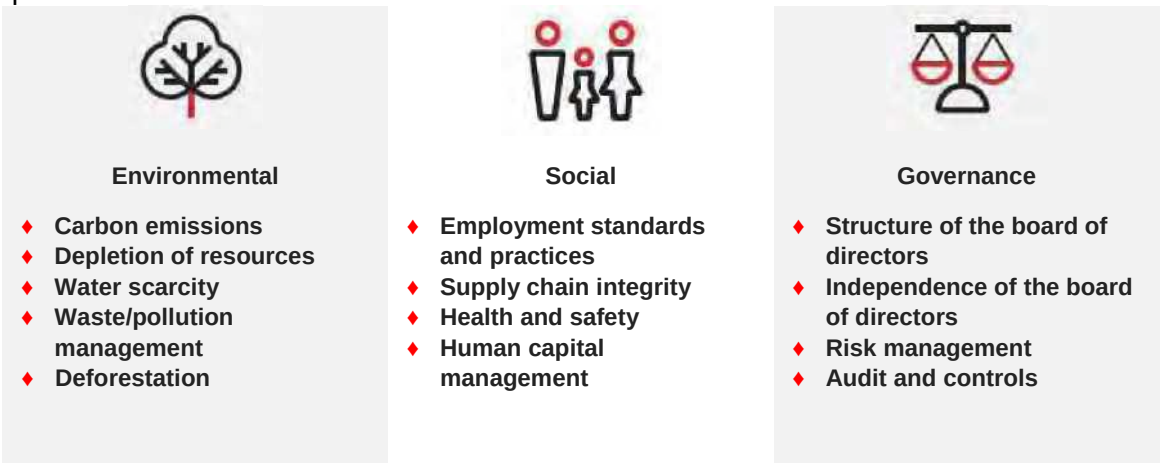
HSBC Global Asset Management (France)
Cœur Défense – 110, esplanade du Général de Gaulle – La Défense 4 – 92400 Courbevoie
@: hsbc.client.services-am@hsbc.fr

Description of the main criteria for these environmental, social, and governance (ESG) objectives.

What ESG criteria are taken into account?
The portfolio's ESG analysis is made possible primarily through an analysis of ESG scores from MSCI, to which we apply an internal weighting for each E, S, and G pillar by sector.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

Examples of ESG factors considered in investment decisions



Source: HSBC Asset Management. For illustration purposes only.

Within each pillar, the MSCI research is based on a selection of more than 35 sub-criteria identified below. In bold are the sub-criteria common to the 30 HSBC sectors that map the specific characteristics of each industry.

- Environment pillar: 14 criteria including 3 criteria common to all sectors: Carbon emissions - Energy efficiency - Product carbon footprint - Climate change risks - Water stress - Biodiversity and land use - Origin of raw materials - Assessment of the environmental impact of financing - Toxic emissions and waste - Packaging material and waste - Electronic waste - Opportunities in clean technologies - Opportunities in green construction - Opportunities in renewable energy
- Social pillar: 15 criteria including 2 criteria common to all sectors: Development of human capital - Social dialogue - Health and safety - Compliance with employment standards in the supply chain - Contentious procurement - Product safety and Quality - Chemical safety - Security of financial products - Privacy and information security - Health insurance and Demographic risk - Responsible investment - Access to k communication - Access to financing - Access to medical services - Opportunities in nutrition and health
- Governance pillar: 5 criteria including 3 criteria common to all sectors: Corruption and instability - Ethics and fraud - Anti-competitive practices - Financial manipulation and misappropriation - Corporate governance

More specifically, in the sphere of Corporate Governance, the Governance pillar monitors opacity and lack of transparency in financial practices, directors' independence, the existence of key committees, directors' qualifications and experience, executive remuneration, the ownership structure and voting rights, the existence of anti-takeover measures, obstacles to voting, and shareholders' right to take collective action.

Issuer analysis and ESG assessment methodology (construction, rating scale, etc.)

Beyond internal research, we have chosen to rely on various and complementary external research and provide it to all our managers and analysts.

The objective is to hedge all securities that we manage through an ESG analysis:

- S&P Trucost: provides analyses and data on carbon, water, waste, and natural resources with tracking of more than 6,200 issuers;

- Carbon4 Finance: tracks 15,000 issuers worldwide; provides data to measure “greenhouse gas emissions saved” through a more in-depth analysis of the climate trajectory of companies;
- MSCI ESG Research: covers the MSCI ACWI (All Countries World Index) with around 9,100 companies;
- ISS Ethix: banned and controversial weapons - tracking of 6,000 issuers; lists of securities identified as being involved in anti-personnel mines and cluster munitions). These exclusion lists are the subject of a highly formal distribution and a pre-trade and post-trade check set up and overseen by the Risk and Compliance departments.
- ISS ESG (formerly Oekom): rating of the world’s top 54 issuing countries and non-listed issuers;
- FTSE Green Revenues: FTSE Russell’s green revenues methodology comprehensively evaluates all companies whose revenues are exposed to green activities defined by the Green Revenue Classification System (GRCS), which is a taxonomy used to define and measure the industrial transition to a green economy.
- RepRisks: tracks 40,700 companies and provides a dynamic ESG and reputational risk assessment based on nearly 80,000 public sources and stakeholders, in 20 languages, with more than 500,000 incidents analysed each day;
- Sustainalytics: 23,000 companies are monitored against the 10 principles of the Global Compact. The UN Global Compact compliance research framework is based on international conventions and treaties and underpins these principles, including international ESG standards, such as those of the OECD, the Guidelines for Multinational Enterprises, International Labour Organisation conventions, Universal Declarations of Human Rights, Equator Principles, and sector-specific initiatives such as the International Council on Mining and Metals

All types of investment thus incorporate the ESG aspect, which contributes to the overall analysis. ESG criteria are incorporated into the analysis and stock-picking processes in all the active management portfolios.

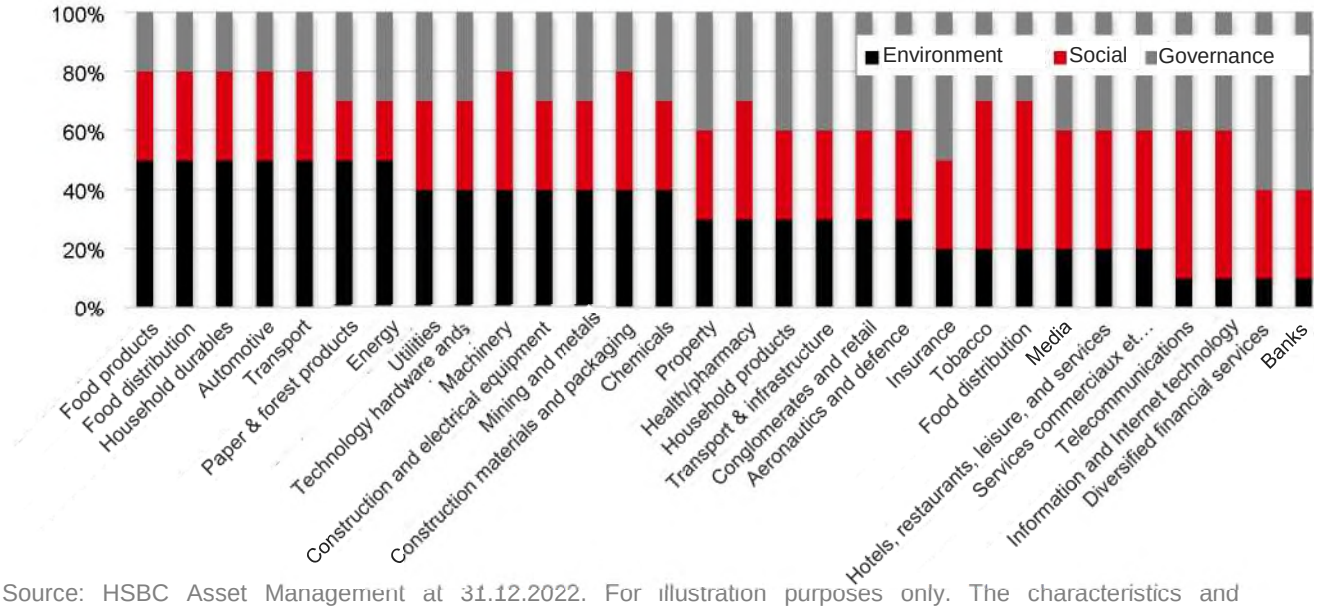
- Each security is linked to one of the 30 “house” sectors grouping consistent sets from the perspective of ESG issues and similarities presented by the economic models. Then, for each sector, we determined a weighting of the E, S, and G pillars reflecting the industrial reality of each sector. This approach is the result of extensive joint studies by the credit and equity analyst teams under the coordination of the Global Head of ESG Research.
- As shown in the diagram below, the contribution of E, S, and G pillars to the overall ESG score can vary significantly by sector. While the Environment is the most weighted parameter – the one with the greatest potential financial impact – in sectors such as Food and Automotive, it is clearly outweighed by Governance in the Banking sector.
- The companies are then classified as Low, Medium, and High Risk. Securities identified as High Risk undergo a thorough analysis. These are companies that have violated one or more of the ten principles of the United Nations Global Compact and/or are not aligned with the Financial Crime Compliance (FCC) standards or are ranked in the bottom 5 per cent of their benchmark universe according to our ESG analysis. This phase of heightened vigilance allows us to put financial attractiveness and ESG risks in perspective and to determine whether these securities have been properly valued. At the end of the analysis, if the company is qualified to remain in the portfolio, it is monitored, and a dialogue is initiated with the company’s management. This special monitoring ends once all the indicators lead to a “Low Risk” classification. In SRI funds, securities identified as “High Risk” are excluded from the investment universe

ESG rating: methodology

- The ESG ratings provided by MSCI are used to calculate ESG scores for each security/each issuer. Among the results of these ratings is the production of an SRI investment universe for each of the subfunds of the HSBC RIF SICAV.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

- We then assign an E (Environment) rating, an S (Social) rating, and a G (Governance) rating and an overall ESG score of the portfolio. The rating scale ranges from 0 to 10, with 10 being the best score. Each of the E, S, and G pillars is assigned a specific weighting in each of the 30 business sectors using our internal rating process, and the overall rating is calculated on this basis.
- Weight of the E, S, and G pillars for each of the 30 sectors of the ESG segmentation.



Source: HSBC Asset Management at 31.12.2022. For illustration purposes only. The characteristics and measurements are provided for illustration purposes only and may be modified to take market changes into account.

- The portfolio's ESG score is the average of the ESG ratings weighted by the proportion of each security in the portfolio.
- Sovereign and supranational issues have only two equally weighted pillars: E and S. The S rating incorporates the issues covered in the G pillar.
- Securities classified as "High Risk" are subject to Enhanced Due Diligence (EDD) review and monitoring.

In SRI funds, securities identified as "High Risk" are excluded from the investment universe.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

Step 1: ESG analysis and definition of the investment universe

- Investment universe

Name of the subfund	Benchmark	Initial investment universe
HSBC RIF – SRI BALANCED	This subfund does use a benchmark.	The initial investment universe consists of equities of developed countries as well as government and corporate bonds. The subfund is managed with a bias on eurozone securities.

Source: HSBC Asset Management at 31/12/2022. For illustration purposes only. The characteristics and measurements are provided for illustration purposes only and may be modified to take market changes into account.

These initial universes can be enriched by adding companies or stocks that are not part of the market indexes mentioned above. These additions are made at the discretion of the managers and analysts.

- Issuers in the investment universe are ranked relative to their peers in each of the 30 sectors (best-in-class approach) according to a proprietary methodology. The ESG scores come from MSCI ESG Research, to which we apply an internal weighting for each E, S, and G pillar representative of the specific characteristics of each sector.
- The weighting of the three ESG pillars is determined within each sector based on the experience that we have developed since June 2001. We have created 30 sectors corresponding to existing MSCI sectors and one of the following four levels: 10 sectors, 24 industry groups, 68 industries, and 154 sub-industries. These 30 sectors, which assign a specific weight to the E, S, and G pillars, allow every company in the universe to be given an overall ESG rating. The E, S, and G ratings supplied by MSCI ESG Research are factored in and weighted using the weight determined within each of the 30 sectors and, if applicable, are adjusted by the Equity/ESG and/or Credit/ESG analyst responsible for the sector.
- Information provided by Sustainalytics, ISS-Ethix, and Trucost and meetings with company management teams are also incorporated into this rating. These meetings allow analysts to substantiate their opinion on the analysed companies by discussing with them the ESG themes specific to them.
- **Government issues**
  Government issues are classified according to the ratings assigned by the ISS-Oekom rating agency. Country ratings result from the consideration of 100 criteria, 30 % of which are qualitative, divided into two pillars: Social including Governance (50%) and Environmental (50%). The rating of issuers is reviewed on an annual basis.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

The SRI investment universe is defined according to the ISS-Oekom ratings as follows:

- For countries rated between A+ and B-: no limits.
- For countries classified as C+, the weight of these States in the portfolio may not exceed the weight of these countries in the Bloomberg Barclays Euro Aggregate 500MM index.
- For countries rated between C and D-: investments are not permitted because their social and environmental practices lag behind their peers.

◆ The SRI universe of the subfunds includes companies in the top two quartiles in each sector as well as stocks selected from the third quartile for up to a maximum of 15% of net assets. For the bond allocation, securities in the bottom quartile are excluded. It is possible to invest up to 10% of net assets and eight issuers in the third quartile. There are no limits on securities in the top two quartiles.

◆ In addition, the subfund will:

- Exclude issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or with at least two alleged violations) and the OECD Guidelines for Multinational Enterprises.

- Exclude securities of companies involved in the production of controversial weapons or their components. Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons, and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties.

- Exclude securities of companies in the Defence sector.

- Exclude securities of companies engaged in thermal coal activities. With regard to electricity generation, companies deriving more than 10% of their turnover from electricity generated using thermal coal are partially excluded. Mining companies are completely excluded.

- Exclude securities of companies involved in tobacco production.

Across all the subfunds, our SRI selection methodology introduces selectivity leading to the exclusion of 25% of companies in the same sector.

Step 2: financial process

Steps in the financial process	
Tactical allocation between asset classes	The allocation of assets is a significant source of added value given that the performances of financial markets vary and depend on the economic cycle. For instance, economic slowdowns generally translate into negative equity market performance, and positive bond market performance. Tactical allocation thus becomes quite significant by aiming to optimize the overall exposure of the portfolio through joint management of multiple asset classes. From the strategic allocation, the manager exposes the subfund to the various asset classes in order to adapt our forecasts to our economic scenario.
Stock-picking, portfolio construction/optimisation	**Equity allocation in direct lines - Profitability/Valuation analysis** Picking stocks with the best profitability/valuation profile. The aim of our process of analysis is to understand and measure the company's structural profitability. The manager selects companies with stable or growing profitability at an attractive price. **Fixed-income allocation in direct lines - Active fundamental management**, which aims to identify and exploit market inefficiencies. Several sources of performance with little correlation between them can help in leveraging sources of performance. We select bond securities that reflect these strategic choices, according to their valuation and the liquidity of the market.
Risk monitoring	Risk monitoring is an integral part of our investment process. The main aim is to monitor and manage regulatory, internal, and subfund-specific risks. Risks are managed by experienced professionals, according to stringent control and due diligence procedures and using appropriate tools.

Source: HSBC Asset Management. For illustration purposes only. Overview of the general investment process, which may differ depending on the product or market conditions.

The minimum non-financial analysis rate of 90% is applied to the subfund's eligible assets.

Description of the incorporation of environmental, social, and governance criteria analysis results into the investment and disinvestment process. If applicable, description of how stocks not assessed on these criteria are taken into account.

As a reminder, there are two major consecutive, independent steps in our investment process for the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED subfund, as detailed in the paragraphs below.

Based on the research results and the ESG analysis process, we define a universe of SRI stocks meeting the criteria specified for the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED subfund in accordance with the description of the ESG investment criteria and the ESG analysis process described above.

Taking this SRI universe as the starting point, the fund manager then picks stocks according to an active fundamental approach based on financial criteria. The fund manager can therefore only invest in stocks that meet the criteria that we described above.

Based on the ratings determined by our internal rating system, the SRI universe of the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED subfund is defined and updated monthly, no later than the 15th of each month, using the updates from the end of the previous month.

The portfolio of the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED subfund must be brought into line with changes in quartiles resulting from changes in ratings within two weeks after the new SRI universes are sent out and before the end of each calendar month at the latest. Exceptionally, however, this period may be extended by a further three months, at the fund manager's discretion, for companies in the bottom quartile.

Implementation of an issuer engagement policy

Our voting and engagement activities aim to protect and enhance the value of the assets entrusted to us by our clients. These activities allow us to better understand and assess ESG risks and opportunities at the level of each company, encourage responsible behaviour, and promote high standards of governance.

Engagement - **Our engagement policy is based on systematic ESG questioning** during meetings with companies and monitoring of the riskiest companies. We believe that consideration of ESG issues can have a long-term impact on the performance of companies. As part of our fiduciary responsibility, we are obliged to monitor the companies in which we are invested on behalf of our clients.
Our engagement objective is to allow companies to explain their ESG approach to us. The Managers and analysts initiate a shareholder dialogue for a constructive exchange with the management of the companies in which we invest on behalf of our clients. These discussions are a good way to explore in more detail and better understand the underlying ESG and climate risks and to encourage companies to incorporate ESG risks. It also provides an opportunity to promote the improvement of corporate governance on the basis of our voting directives and to encourage them to establish and maintenance a high level of transparency.

Direct engagement. We regularly meet with company managers as part of the active management process. We ask issuers about the implementation of their business strategy, performance, financial and non-financial risks, capital allocation, and management of ESG issues. We also encourage companies in our portfolios to establish and maintain a high level of transparency, particularly with regard to their management of ESG risks and climate risk.

Exercising our voting rights

We vote in accordance with our voting policy, which is available on our website.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

Presentation of voting policy

Our voting policy can be accessed on the HSBC Asset Management website:

www.assetmanagement.hsbc.fr/-/media/files/attachments/france/common/policy/politique-de-vote.pdf

HSBC Asset Management has set up a Corporate Governance Committee responsible for determining and monitoring the voting policy at general meetings. Fund managers and analysts make voting decisions based on the principles defined by this Committee. The Middle Office is responsible for implementation and for the operational process of exercising voting rights at general meetings.

Together with HSBC Asset Management (UK) Ltd, HSBC Asset Management uses the services of ISS, a world leader in supplying corporate governance services, particularly when it comes to managing voting rights.

HSBC Asset Management has defined guidelines or voting criteria that include the recommendations of the AFG, the OECD, AFEP/MEDEF, and the UK Corporate Governance Code.

Voting resolutions not covered by our guidelines shall be examined on a case-by-case basis.

HSBC Asset Management votes on all securities held in the portfolio, regardless of their level of ownership, on the basis of the overall voting policy, defined by the Asset Management business line. This applies to all markets throughout the world, with the exception of:

- markets that do not meet acceptable voting conditions,

- English, French, and Irish securities for which there are specific voting policies.

With regard to French securities, the HSBC Asset Management voting policy is applied to French shares held in UCIs managed in Paris.

With regard to English and Irish securities, voting rights are exercised based on the principles defined by the management structure in London, HSBC Asset Management (UK) Ltd.

Our voting policy describes a general framework that covers the main issues identified concerning the appointment and removal of companies' corporate bodies, remuneration of the board of directors and executive officers (stock options, bonus shares, etc.), employee-only capital increases, respect for shareholders' rights (securities issuance and redemption programmes), approval of the accounts, appropriation of earnings, appointment of statutory auditors, regulated agreements, dividend distribution, decisions resulting in changes to the articles of association, shareholder resolutions, and consideration of E, S, and G issues by the company. Our voting policy also describes the procedures in place to prevent and manage conflicts of interest within the HSBC Group.

The Corporate Governance Committee meets at least once a year or when the situation calls for it to develop a plan. Its role is to validate and draw up the voting policy of the management company HSBC Asset Management for French securities. The members of this meeting review all regulatory issues or changes in market behaviour. The head of the Corporate Governance meeting is in charge of this regulatory watch.

The HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED subfund has chosen not to lend its securities and therefore exercises its voting rights in respect of all the shares it holds.

Evaluation of the implementation of the voting and engagement policy

We undertake a comprehensive evaluation. It can be accessed on the website mentioned above in a file entitled “Activity reports on the exercise of voting rights”:

www.assetmanagement.hsbc.fr/-/media/files/attachments/france/common/rapport-sur-lexercice.pdf

“SFDR” Annex to Regulation (EU) 2019/2088 and its implementing technical standards

The subfund promotes environmental or social characteristics within under Article 8 of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (“SFDR”).

Information on environmental or social characteristics is available in the SFDR appendix of the annual report.

Additional information relating to Shareholder Rights Directive II (SRD2)

Contribution to medium- and long-term performance

The deployed management strategy is active and disciplined. As a Multi-Asset manager, we focus on allocation decisions based on the HSBC Group’s expertise for decisions in selecting securities. Decisions concerning shares in particular will attach importance to the financial criteria of valuation and profitability but also to non-financial criteria (environmental, social, and governance).
For allocation decisions, we assess investment opportunities within and between asset classes according to a multi-factor approach. In particular, the criteria of valuation, carry, and price dynamics are taken into account and evaluated in the light of the economic environment. Other criteria may also be incorporated on specific asset classes. The various sources of performance thus detected are combined to obtain a well-balanced distribution of active risk in the portfolio. These elements are likely to achieve the long-term objectives of outperforming the subfund’s benchmark.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

- Main significant risks

  The subfund incurs primary and secondary risks, which are listed in the subfund's prospectus.

- Turnover rate

  Portfolio turnover rate: 19.67%

  The SEC method is used to calculate the turnover rate: Annual TO = Min (Purchase of securities; Sale of securities) / Average AUM

- Management of conflicts of interest

  During the past fiscal year, there were no conflicts of interest related to engagement activities.

  During this period, the management company decided to use a voting advisor, Institutional Shareholder Services (ISS), for engagement activities.

- Securities lending

  The management company did not engage in securities lending during the past fiscal year.

- Information about investment decisions

  Investment decisions are based on fundamental analysis of the companies included in the investment universe. Markets are not always efficient and do not always reflect the intrinsic value of companies.
  In this context, investment decisions are based on long-term fundamental analysis, thus enabling us to take advantage of these opportunities arising from the excessive volatility of financial markets.
  The management processes are based on exploiting the data from the fundamental analysis conducted by our independent research teams, whether in the short, medium, or long term.
  Furthermore, regardless of the asset class, the consideration of Environmental, Social, and Governance risks and opportunities (E.S.G. integration) is an integral part of the security selection process of the manager of the subfunds concerned with the objective of long-term outperformance.

Information relating to efficient portfolio management techniques and derivatives used by the subfund of the SICAV, pursuant to AMF position No. 2013-06

Efficient portfolio management techniques

As of the close of the fiscal year, the subfund of the SICAV did not use efficient portfolio management techniques.

Derivatives

As of the close of the fiscal year, the subfund of the SICAV did not use derivatives.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

Aggregate exposure

The commitment method is used to calculate the aggregate exposure on financial futures.

Main movements in the portfolio during the period

Securities	Movements ("Accounting currency")	
	Acquisitions	Disposals
HSBC MONETAIRE ETAT Z	5,835,682.91	6,944,447.18
HSBC RESPONSIBLE INVESTMENT FUNDS SRI GLOBAL EQUIT	1,003,903.43	133,130.67
FRANCE 0.5% 25-05-25	207,544.70	678,382.02
BGB 2.6 06/22/24	213,130.05	428,214.38
SPGB 2 3/4 10/31/24	195,056.83	415,358.30
SIEMENS AG-REG		593,476.67
GERMANY 2.5% 04/07/2044	313,047.93	247,813.23
SPAIN 4.70% 30/07/41	556,651.37	
VONOVIA SE	23,525.54	503,997.81
FRANCE GOVERNMENT BOND OAT 0.75% 25-05-52	494,346.99	

Transparency of securities financing transactions and the reuse of financial instruments – SFTR – in the accounting currency of the UCI (EUR)

The UCI did not carry out any transactions covered by the SFTR during the fiscal year.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

Annual Financial Statements

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

Balance Sheet – Assets

Balance Sheet – Assets as at 30/12/2022
Portfolio: 249029 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

	30 December 2022	31 December 2021
NET FIXED ASSETS		
DEPOSITS		
FINANCIAL INSTRUMENTS	**37,287,499.74**	**41,358,442.65**
Equities and equivalent securities	**16,246,776.56**	**19,408,920.79**
Traded on a regulated or equivalent market	16,246,776.56	19,408,920.79
Not traded on a regulated or equivalent market		
Bonds and equivalent securities	**17,437,482.43**	**17,712,596.62**
Traded on a regulated or equivalent market	17,437,482.43	17,712,596.62
Not traded on a regulated or equivalent market		
Debt instruments		
Traded on a regulated or equivalent market		
Negotiable debt instruments		
Other debt instruments		
Not traded on a regulated or equivalent market		
Undertakings for collective investment	**3,526,455.75**	**4,225,725.24**
UCITS and AIF for retail investors and equivalents in other countries	3,526,455.75	4,225,725.24
Other funds for retail investors and equivalents in other EU Member States		
Professional general investment funds and equivalents in other EU member states and listed securitisation funds		
Other professional investment funds and equivalent in other EU Member States and non-listed securitisation funds		
Other non-European vehicles		
Repos and reverse repos		
Receivables under repurchase agreements		
Receivables representing lent securities		
Borrowed securities		
Securities delivered under repurchase agreements		
Other temporary transactions		
Financial futures	**76,785.00**	**11,200.00**
Transactions on a regulated or equivalent market	76,785.00	11,200.00
Other transactions		
Other financial instruments		
RECEIVABLES	**152,523.90**	**46,355.80**
Forward foreign currency transactions		
Other	152,523.90	46,355.80
FINANCIAL ACCOUNTS	**231,565.95**	**115,674.37**
Cash and cash equivalents	231,565.95	115,674.37
TOTAL ASSETS	**37,671,589.59**	**41,520,472.82**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

Balance Sheet – Liabilities & Equity

Balance Sheet – Liabilities & Equity as at 30/12/2022
Portfolio: 249029 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

	30 December 2022	31 December 2021
EQUITY		
Capital	37,919,457.04	40,514,218.42
Prior net gains and losses not distributed (a)		
Retained earnings (a)		
Net gains and losses for the period (a,b)	-654,153.53	705,338.73
Result for the fiscal year (a, b)	267,254.24	221,063.77
TOTAL EQUITY *	**37,532,557.75**	**41,440,620.92**
** Amount representing net assets*		
FINANCIAL INSTRUMENTS	**76,785.00**	**11,200.00**
Disposals of financial instruments		
Repos and reverse repos		
Payables under repurchase agreements		
Payables representing borrowed securities		
Other temporary transactions		
Financial futures	76,785.00	11,200.00
Transactions on a regulated or equivalent market	76,785.00	11,200.00
Other transactions		
PAYABLES	**62,246.84**	**68,651.90**
Forward foreign currency transactions		
Other	62,246.84	68,651.90
FINANCIAL ACCOUNTS		
Current bank facilities		
Loans		
TOTAL LIABILITIES	**37,671,589.59**	**41,520,472.82**

(a) Including accruals
(b) Minus interim payments for the fiscal year

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

Off-balance sheet commitments

Off-balance-sheet commitments as at 30/12/2022
Portfolio: 249029 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

	30 December 2022	31 December 2021
HEDGING TRANSACTIONS		
Commitments on regulated or equivalent markets		
Futures contracts		
EURO STOXX 50 0323	2,006,050.00	
Commitments on over-the-counter markets		
Other commitments		
OTHER TRANSACTIONS		
Commitments on regulated or equivalent markets		
Futures contracts		
EURO STOXX 50 0322		686,000.00
Commitments on over-the-counter markets		
Other commitments		

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

Income Statement

Income Statement as at 30/12/2022
Portfolio: 249029 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

	30 December 2022	31 December 2021
Income from financial transactions		
Income from deposits and financial accounts	321.42	
Income from equities and equivalent securities	532,419.88	419,490.23
Income from bonds and equivalent securities	286,973.84	273,968.04
Income from debt instruments		
Income from repos and reverse repos		
Income from financial futures		
Other financial income		
TOTAL (1)	**819,715.14**	**693,458.27**
Expenses on financial transactions		
Expenses from repos and reverse repos		
Expenses from financial futures		
Expenses from financial debts	1,871.47	2,606.63
Other financial expenses		
TOTAL (2)	**1,871.47**	**2,606.63**
RESULT FROM FINANCIAL TRANSACTIONS (1 - 2)	**817,843.67**	**690,851.64**
Other income (3)		
Management fees and amortisation allowance (4)	534,803.27	503,935.75
NET INCOME FOR THE PERIOD (L. 214-17-1) (1 - 2 + 3 - 4)	**283,040.40**	**186,915.89**
Accrued income for the fiscal year (5)	-15,786.16	34,147.88
Interim dividends paid during the fiscal year (6)		
RESULT (1 - 2 + 3 - 4 + 5 - 6)	**267,254.24**	**221,063.77**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

Notes

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

1. Accounting policies

The annual financial statements are presented in the form prescribed by ANC regulation 2014-01, as amended.

General accounting principles are applied:
- true and fair view, comparability, going concern;
- accuracy, reliability;
- prudence;
- consistency of accounting methods from one period to the next.

The interest cash basis is used to recognise revenue from fixed-income securities.

Securities bought and sold are recognised excluding costs.
The euro is the reference currency for the portfolio's accounting.
The duration of the reporting period is 12 months.

Asset valuation rules

The asset valuation rules applied by the accounting manager are outlined below according to the instruments held by the subfund:

The subfund has adopted the euro as the reference currency.

The prices used for the valuation of securities traded on the stock exchange are the closing prices.

The prices applied for the valuation of bonds are an average contributor. The UCIs are valued at the last known price.

Negotiable debt securities with a residual life of more than three months are valued at the market rate, with the exception of variable-rate or adjustable-rate negotiable debt securities not presenting any particular market sensitivity.

A simplified method known as "linearisation" is applied for negotiable debt instruments whose residual lifespan is less than three months with no particular sensitivity to the market on the basis of the crystallised three-month rate.

Repos are valued at the contract price.

Futures, options, or exchange transactions made on OTC markets, authorised by applicable UCI regulations, are measured at their market value or at an estimated value according to methods chosen by the management company.

Interest rate and/or currency swaps are valued at their market value based on the price calculated by discounting future cash flows (principal and interest), at the market interest and/or exchange rates.

European and foreign futures are valued on the basis of the clearing prices.

Interest-rate and foreign currency swaps are valued under market conditions.

The valuation of interest-rate swaps against share performance is carried out:
- under market conditions for the fixed income branch

- according to the underlying security rate for the equity branch.

The valuation of Credit Default Swaps (CDS) stems from a model used by the spreads market.

Off-balance-sheet commitments in the European and foreign futures markets are calculated as follows:

- FUTURES
(Qty x Nominal x Daily rate x Contract currency)

- OPTIONS
(Qty x delta) x (Nominal of the underlying instrument x Daily rate of the underlying instrument x Contract currency).

For swaps, the off-balance-sheet commitment corresponds to the nominal value of the contract plus or minus the interest differential and the unrealised capital gain or loss on the closing date.

Transaction fees are recognised in specific accounts of each subfund and are not added to the price.

Financial instruments whose prices were not determined on the day of valuation or whose prices have been adjusted are valued at their probable trading price under the responsibility of the Management Company. These valuations and proof therein are provided to the Statutory Auditor in connection with its audits.

Valuation of financial guarantees

Collateral is marked to market on a daily basis.
Haircuts can be applied to collateral received in the form of securities according to the level of risk.

Margin calls occur daily unless otherwise indicated in the master agreement covering these transactions on in case of agreement between the Management Company and the counterparty on the application of a trigger threshold.

Management fees

Management fees and running costs cover all costs relating to the UCI: financial, administrative and accounting management, custodianship, distribution, audit fees, etc.
These fees are charged to the income statement of the UCI.
Management fees do not include transaction fees. For more information on the costs actually billed to the UCI, please see the prospectus.

They are recognised on a pro rata basis each time the net asset value is calculated.

The aggregate of these fees complies with the maximum fee rate as a percentage of the net assets given in the prospectus or the rules of the fund:

FR0013443199 - HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED IC share: Maximum fee rate of 0.60% including tax.
FR0013443181 - HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED AC share: Maximum fee rate of 1.20% including tax.

External management fees are a maximum of 0.20% including taxes for all units.
The rate of indirect fees is a maximum of 0.30% including taxes of the daily net assets for all units.

Swing pricing

The management company has implemented a swing pricing mechanism to adjust the net asset value of each of the subfunds once a trigger threshold is reached in order to protect the interests of the unitholders present in each of the subfunds.

Under this mechanism, investors bear the portfolio adjustment costs — including transaction fees, bid/offer spreads and taxes or fees applicable to the UCI — relating to investments or disinvestments when there are significant numbers of subscriptions and redemptions.

When the net balance of investor subscription and redemption orders exceeds a predefined threshold, called the “trigger threshold”, the NAV is adjusted.

The NAV is adjusted up or down if the balance of subscriptions/redemptions is respectively positive or negative, so as to take into account the readjustment costs attributable to the net subscription and/or redemption orders.

The trigger threshold is expressed as a percentage of the subfund’s net assets.
The parameters for the trigger threshold and the NAV adjustment factor are determined by the management company and periodically reviewed.

The adjusted (“swung”) NAV is the subfund’s only NAV and is therefore the only NAV published and communicated to unitholders.

By applying swing pricing with a trigger threshold, it is possible that the UCI’s volatility will not come from only the volatility of the financial instruments in the portfolio.

In accordance with the regulatory provisions, the management company does not communicate the trigger thresholds and ensures that internal communication channels are restricted so as to safeguard the confidential nature of the information.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

Appropriation of distributable amounts

Definition of distributable amounts

Distributable amounts consist of the following:

Result:

Net income for the fiscal year is equal to the amount of interest, arrears, premiums and bonuses, dividends, directors' fees, and any other income relating to the securities comprising the portfolio, plus the income from any amounts temporarily available, less management fees and borrowing costs.
Retained earnings are added to net income, and the balance of accrued income is added or subtracted as appropriate.

Capital gains and losses:

Capital gains realised, net of costs, minus realised losses, net of costs, recognised during the fiscal year, plus net gains of the same type recognised in previous fiscal years that were not distributed or accumulated, plus or minus the balance of accrued gains.

Appropriation of distributable amounts:

Share(s)	*Appropriation of net income*	*Appropriation of realised net capital gains or losses*
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED AC share	Accumulation	Accumulation
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED IC share	Accumulation	Accumulation

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

2. Change in Net Assets

Change in net assets as at 30/12/2022
Portfolio: 249029 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

	30 December 2022	31 December 2021
BEGINNING NET ASSETS	**41,440,620.92**	**30,878,193.33**
Subscriptions (including subscription fees paid into the UCI)	7,967,249.41	10,756,811.34
Redemptions (after deducting redemption fees paid into the UCI)	-5,168,160.91	-3,086,492.74
Capital gains realised on deposits and financial instruments	718,000.14	1,050,860.71
Capital losses realised on deposits and financial instruments	-1,325,383.94	-360,228.28
Capital gains realised on financial futures	49,120.00	10,577.50
Capital losses realised on financial futures	-117,255.00	-85,297.50
Transaction fees	-9,810.89	-11,488.43
Foreign exchange gains/losses	-18,875.09	19,352.81
Changes in the valuation differential of deposits and financial instruments	-6,373,972.29	2,087,716.29
Valuation differential period N	*-2,859,560.36*	*3,514,411.93*
Valuation differential period N-1	*-3,514,411.93*	*-1,426,695.64*
Changes in the valuation differential of financial futures	87,985.00	-6,300.00
Valuation differential period N	*76,785.00*	*-11,200.00*
Valuation differential period N-1	*11,200.00*	*4,900.00*
Prior-year distribution on net gains and losses		
Prior-year distribution on earnings		
Net income for the period before accruals	283,040.40	186,915.89
Current-year interim distribution(s) on net gains and losses		
Current-year interim distribution(s) on earnings		
Other items		
ENDING NET ASSETS	**37,532,557.75**	**41,440,620.92**

3. Additional information

3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC NATURE

	Amount	%
ASSETS		
BONDS AND EQUIVALENT SECURITIES		
Fixed-rate bonds traded on a regulated or equivalent market	17,437,482.43	46.46
TOTAL BONDS AND EQUIVALENT SECURITIES	**17,437,482.43**	**46.46**
DEBT INSTRUMENTS		
TOTAL DEBT INSTRUMENTS		
LIABILITIES & EQUITY		
DISPOSALS OF FINANCIAL INSTRUMENTS		
TOTAL DISPOSALS OF FINANCIAL INSTRUMENTS		
OFF-BALANCE SHEET COMMITMENTS		
HEDGING TRANSACTIONS		
Equities	2,006,050.00	5.34
TOTAL HEDGING TRANSACTIONS	**2,006,050.00**	**5.34**
OTHER TRANSACTIONS		
TOTAL OTHER TRANSACTIONS		

3.2. BREAKDOWN OF ASSETS, LIABILITIES, AND OFF-BALANCE-SHEET ITEMS BY RATE TYPE

	Fixed rate	%	Variable rate	%	Adjustable rate	%	Other	%
ASSETS								
Deposits								
Bonds and equivalent securities	17,437,482.43	46.46						
Debt instruments								
Repos and reverse repos								
Financial accounts							231,565.95	0.62
LIABILITIES & EQUITY								
Repos and reverse repos								
Financial accounts								
OFF-BALANCE SHEET COMMITMENTS								
Hedging transactions								
Other transactions								

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

3.3. BREAKDOWN OF ASSETS, LIABILITIES, AND OFF-BALANCE SHEET COMMITMENTS BY RESIDUAL MATURITY(*)

	< 3 months	%	]3 months - 1 year]	%	]1 - 3 years]	%	]3 - 5 years]	%	> 5 years	%
ASSETS										
Deposits										
Bonds and equivalent securities			296,875.40	0.79	4,601,027.46	12.26	3,187,264.61	8.49	9,352,314.96	24.92
Debt instruments										
Repos and reverse repos										
Financial accounts	231,565.95	0.62								
LIABILITIES & EQUITY										
Repos and reverse repos										
Financial accounts										
OFF-BALANCE SHEET COMMITMENTS										
Hedging transactions										
Other transactions										

(*) Forward-rate positions are presented according to the maturity of the underlying assets.

3.4. BREAKDOWN OF ASSETS, LIABILITIES, AND OFF-BALANCE SHEET COMMITMENTS BY LISTING CURRENCY OR VALUATION CURRENCY (EXCLUDING EURO)

	Currency 1 USD:		Currency 2		Currency 3		Currency N OTHER(S)	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Deposits								
Equities and equivalent securities								
Bonds and equivalent securities								
Debt instruments								
UCI								
Repos and reverse repos								
Receivables								
Financial accounts	10,413.81	0.03						
LIABILITIES & EQUITY								
Disposals of financial instruments								
Repos and reverse repos								
Payables								
Financial accounts								
OFF-BALANCE SHEET COMMITMENTS								
Hedging transactions								
Other transactions								

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Debit/credit type	30 December 2022
RECEIVABLES		
	Cash security deposits	152,523.90
TOTAL RECEIVABLES		**152,523.90**
PAYABLES		
	Fixed management fees	62,246.84
TOTAL PAYABLES		**62,246.84**
TOTAL PAYABLES AND RECEIVABLES		**90,277.06**

3.6. EQUITY

3.6.1. Number of securities issued or redeemed

	Shares	Amount
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED AC share		
Shares subscribed during the period	74,303.789	7,967,249.41
Shares redeemed during the period	-50,514.060	-5,168,160.91
Net balance of subscriptions/redemptions	23,789.729	2,799,088.50
Number of shares outstanding at year-end	383,229.223	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED IC share		
Shares subscribed during the period		
Shares redeemed during the period		
Net balance of subscriptions/redemptions		
Number of shares outstanding at year-end	0.500	

3.6.2. Subscription and/or redemption fees

	Amount
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED AC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	

	Amount
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED IC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	

3.7. MANAGEMENT FEES

	30 December 2022
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED AC share	
Guarantee commissions	
Fixed management fees	534,764.62
Percentage of fixed management fees	1.34
Retrocession of management fees	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED IC share	
Guarantee commissions	
Fixed management fees	38.65
Percentage of fixed management fees	0.74
Retrocession of management fees	

3.8. COMMITMENTS RECEIVED AND GIVEN

3.8.1. Guarantees received by the UCI:

None.

3.8.2. Other commitments received and/or given:

None.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

3.9. OTHER INFORMATION

3.9.1. Present value of borrowed financial instruments

	30 December 2022
Securities under a repurchase agreement	
Borrowed securities	

3.9.2. Present value of financial instruments constituting security deposits

	30 December 2022
Financial instruments given as collateral and maintained in their original line item	
Financial instruments received as collateral and not recorded on the balance sheet	

3.9.3. Financial instruments held, issued, and/or managed by the Group

	ISIN code	Name	30 December 2022
Equities			
Bonds			
Negotiable debt instruments			
UCI			3,526,455.75
	FR0013217973	HSBC MONETAIRE ETAT Z	201,666.06
	FR0013076007	HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY	3,324,789.69
Financial futures			
Total group securities			**3,526,455.75**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

3.10. APPROPRIATION OF DISTRIBUTABLE AMOUNTS

Appropriation of the share of distributable amounts relating to earnings

	30 December 2022	31 December 2021
Amounts remaining to be appropriated		
Retained earnings		
Result	267,254.24	221,063.77
Total	**267,254.24**	**221,063.77**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED AC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	267,187.88	220,997.20
Total	**267,187.88**	**220,997.20**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED IC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	66.36	66.57
Total	**66.36**	**66.57**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

Appropriation of the share of distributable amounts relating to net gains and losses

	30 December 2022	31 December 2021
Amounts remaining to be appropriated		
Past net gains and losses not distributed		
Net gains and losses for the period	-654,153.53	705,338.73
Interim payments on net gains and losses for the period		
Total	**-654,153.53**	**705,338.73**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED AC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	-654,066.64	705,239.61
Total	**-654,066.64**	**705,239.61**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED IC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	-86.89	99.12
Total	**-86.89**	**99.12**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

3.11. RESULTS AND OTHER CHARACTERISTIC FEATURES OF THE ENTITY DURING THE LAST FIVE FISCAL YEARS

	31 December 2019	31 December 2020	31 December 2021	30 December 2022
Total net assets in EUR	**29,477,651.38**	**30,878,193.33**	**41,440,620.92**	**37,532,557.75**
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED AC (EUR) share				
Net assets	29,472,573.94	30,872,856.83	41,434,777.09	37,527,563.88
Number of securities	290,664.830	291,446.294	359,439.494	383,229.223
Net asset value per unit	101.39	105.92	115.27	97.92
Accumulation per unit on net gains/losses	-0.03	-0.06	1.96	-1.70
Accumulation per unit on the result	-0.01	0.51	0.61	0.69
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED IC (EUR) share				
Net assets	5,077.44	5,336.50	5,843.83	4,993.87
Number of securities	0.500	0.500	0.500	0.500
Net asset value per unit	10,154.88	10,673.00	11,687.66	9,987.74
Accumulation per unit on net gains/losses	-3.80	-5.98	198.24	-173.78
Accumulation per unit on the result	1,268.54	111.68	133.14	132.72

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
Equities and equivalent securities				
Equities and equivalent securities traded on a regulated or equivalent market				
GERMANY				
ALLIANZ SE-REG	in EUR	1,480	297,332.00	0.79
BMW BAYERISCHE MOTOREN WERKE	in EUR	4,925	410,646.50	1.09
DEUTSCHE POST AG NAMEN	in EUR	10,565	371,676.70	0.99
FRESENIUS	in EUR	10,321	270,926.25	0.72
MERCK KGA	in EUR	2,091	378,261.90	1.01
MUENCHENER RUECKVERSICHERUNG AG	in EUR	1,979	601,616.00	1.61
SAP SE	in EUR	6,354	612,462.06	1.63
TOTAL GERMANY			**2,942,921.41**	**7.84**
AUSTRIA				
BAWAG GROUP AG	in EUR	4,557	226,938.60	0.60
OMV AG	in EUR	7,384	355,170.40	0.95
TOTAL AUSTRIA			**582,109.00**	**1.55**
BELGIUM				
KBC GROUPE	in EUR	4,133	248,310.64	0.66
TOTAL BELGIUM			**248,310.64**	**0.66**
SPAIN				
BANCO DE BILBAO VIZCAYA S.A.	in EUR	70,195	395,478.63	1.05
GRIFOLS SA SHARES A	in EUR	7,467	80,419.59	0.22
IBERDROLA SA	in EUR	63,641	695,596.13	1.86
INDITEX	in EUR	10,202	253,519.70	0.67
TOTAL SPAIN			**1,425,014.05**	**3.80**
FINLAND				
ELISA COMMUNICATION OXJ - A	in EUR	4,456	220,393.76	0.59
METSO OUTOTEC OYJ	in EUR	29,288	281,516.26	0.75
NESTE OYJ	in EUR	8,522	366,616.44	0.98
TOTAL FINLAND			**868,526.46**	**2.32**
France				
ALSTOM	in EUR	7,912	180,551.84	0.48
AXA SA	in EUR	17,413	453,695.72	1.21
CARREFOUR	in EUR	21,381	334,398.84	0.89
KERING	in EUR	1,132	538,266.00	1.44
MICHELIN (CGDE)	in EUR	14,453	375,561.21	1.00
ORANGE	in EUR	31,399	291,414.12	0.77
PERNOD RICARD	in EUR	1,433	263,313.75	0.70
PLASTIC OMNIUM	in EUR	8,249	112,021.42	0.30
PUBLICIS GROUPE SA	in EUR	5,262	312,668.04	0.83
REXEL	in EUR	7,997	147,464.68	0.39
SAINT-GOBAIN	in EUR	8,168	372,869.20	0.99

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
SCHNEIDER ELECTRIC SA	in EUR	4,469	584,187.68	1.56
SEB SA	in EUR	2,691	210,570.75	0.56
SOCIETE GENERALE SA	in EUR	14,618	343,230.64	0.91
SR TELEPERFORMANCE	in EUR	1,117	248,755.90	0.67
TOTALENERGIES SE	in EUR	4,474	262,400.10	0.70
VIVENDI	in EUR	25,889	230,774.55	0.62
TOTAL FRANCE			**5,262,144.44**	**14.02**
IRELAND				
CRH PLC	in EUR	11,185	413,956.85	1.10
TOTAL IRELAND			**413,956.85**	**1.10**
ITALY				
ENEL SPA	in EUR	50,427	253,647.81	0.67
TOTAL ITALY			**253,647.81**	**0.67**
NETHERLANDS				
AKZO NOBEL	in EUR	2,931	183,363.36	0.49
ASML HOLDING NV	in EUR	614	309,333.20	0.83
ASR NEDERLAND NV	in EUR	4,761	211,150.35	0.56
CNH INDUSTRIAL NV	in EUR	23,467	351,183.66	0.93
HEINEKEN	in EUR	4,568	401,435.84	1.07
ING GROEP NV	in EUR	41,214	469,345.03	1.25
KONINKLIJKE AHOLD NV	in EUR	13,186	353,912.24	0.94
KONINKLIJKE DSM	in EUR	2,949	337,070.70	0.90
KONINKLIJKE KPN NV	in EUR	144,762	418,362.18	1.11
SIGNIFY NV	in EUR	6,781	212,787.78	0.57
TOTAL NETHERLANDS			**3,247,944.34**	**8.65**
PORTUGAL				
ELEC DE PORTUGAL	in EUR	42,258	196,753.25	0.53
TOTAL PORTUGAL			**196,753.25**	**0.53**
UNITED KINGDOM				
RELX PLC	in EUR	15,784	407,858.56	1.09
TOTAL UNITED KINGDOM			**407,858.56**	**1.09**
SWITZERLAND				
STMICROELECTRONICS NV	in EUR	12,050	397,589.75	1.06
TOTAL SWITZERLAND			**397,589.75**	**1.06**
TOTAL Equities and equivalent securities traded on a regulated or equivalent market			**16,246,776.56**	**43.29**
TOTAL Equities and equivalent securities			**16,246,776.56**	**43.29**
Bonds and equivalent securities				
Bonds and equivalent securities traded on a regulated or equivalent market				
GERMANY				
GERMANY 2.5% 04/07/2044	in EUR	390,000	389,896.36	1.04
ALLIANZ SE 3.375% PERP	in EUR	200,000	195,161.77	0.52

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
CMZB FRANCFORT 3.0% 14-09-27	in EUR	300,000	281,769.99	0.75
COVESTRO AG 1.375% 12-06-30	in EUR	200,000	161,137.52	0.43
EON SE 0.0% 28-08-24 EMTN	in EUR	300,000	285,286.50	0.76
FREGR 2 7/8 02/15/29	in EUR	140,000	127,523.62	0.33
FRESENIUS MEDICAL CARE AG 1.0% 29-05-26	in EUR	240,000	217,089.60	0.58
TOTAL GERMANY			**1,657,865.36**	**4.41**
AUSTRIA				
AUST GOVE BON 2.4% 23-05-34	in EUR	140,000	131,982.83	0.35
ERSTE GR BK 0.25% 26-06-24	in EUR	300,000	287,225.47	0.77
TOTAL AUSTRIA			**419,208.30**	**1.12**
BELGIUM				
BELGIUM 1.0% 22-06-31	in EUR	440,000	374,953.68	1.00
BELGIUM GOVERNMENT BOND 1.7% 22-06-50	in EUR	200,000	140,648.44	0.37
EUROPEAN UNION 0.0% 02-06-28	in EUR	308,000	261,585.94	0.70
KBC GROUPE 0.625% 10-04-25	in EUR	200,000	189,127.81	0.51
TOTAL BELGIUM			**966,315.87**	**2.58**
CANADA				
PROVINCE DE L ONTARIO 0.01% 25-11-30	in EUR	200,000	153,104.14	0.41
TORONTODOMINION BANK THE 0.375% 25-04-24	in EUR	140,000	135,091.50	0.36
TOTAL CANADA			**288,195.64**	**0.77**
DENMARK				
ORSTED 2.25% 14-06-28 EMTN	in EUR	233,000	219,011.54	0.59
TOTAL DENMARK			**219,011.54**	**0.59**
SPAIN				
BANKINTER 0.875% 08-07-26 EMTN	in EUR	200,000	178,008.22	0.48
CAIXABANK 1.125% 17-05-24 EMTN	in EUR	200,000	195,157.97	0.52
SPAIN 1.6% 30-04-25	in EUR	280,000	274,908.55	0.73
SPAIN 1.95% 30-07-30	in EUR	360,000	329,265.96	0.88
SPAIN 4.70% 30/07/41	in EUR	600,000	677,601.86	1.80
IBERDROLA FINANZAS SAU 1.0% 07-03-25	in EUR	200,000	191,963.79	0.51
SPAI GOVE BON 1.95% 30-04-26	in EUR	290,000	284,060.60	0.75
TOTAL SPAIN			**2,130,966.95**	**5.67**
UNITED STATES				
BAXTER INTL 0.4% 15-05-24	in EUR	220,000	211,594.55	0.56
MICROSOFT CORP 3.125% 061228	in EUR	140,000	143,870.62	0.39
TMO 1.45 03/16/27	in EUR	220,000	204,769.34	0.55
TOTAL UNITED STATES			**560,234.51**	**1.50**
FINLAND				
UPM KYMMENE OY 0.5% 22-03-31	in EUR	500,000	380,288.25	1.01
TOTAL FINLAND			**380,288.25**	**1.01**
France				
A 3.941% PERP EMTN	in EUR	240,000	236,560.67	0.63

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
AGENCE FRANCAISE DE DEVELOPPEMEN 0.5% 31-10-25	in EUR	300,000	278,511.51	0.75
AXA 1.375% 07-10-41 EMTN	in EUR	400,000	296,920.03	0.79
AXA HOME LOAN SFH 0.05% 05-07-27	in EUR	100,000	86,394.43	0.23
BN 2.25% 11-01-27 EMTN	in EUR	220,000	211,026.61	0.56
BQ POSTALE 1.375% 24-04-29	in EUR	200,000	170,441.70	0.45
EDENRED 1.375% 10-03-25	in EUR	200,000	192,522.74	0.52
FRANCE GOVERNMANT BOND OAT 0.5% 25-05-40	in EUR	700,000	441,472.36	1.17
FRANCE GOVERNMENT BOND OAT 0.75% 25-05-52	in EUR	600,000	318,961.32	0.84
FRANCE GOVERNMENT BOND OAT 5.75% 25-10-32	in EUR	500,000	616,581.20	1.64
ORANGE 1.0% 12-09-25 EMTN	in EUR	400,000	376,198.36	1.00
SCHNEIDER ELECTRIC SE 1.5% 15-01-28	in EUR	200,000	185,531.37	0.50
TOTALENERGIES SE 1.75% PERP	in EUR	290,000	278,300.53	0.75
TOTAL FRANCE			**3,689,422.83**	**9.83**
IRELAND				
IRELAND GOVERNMENT BOND 1.3% 15-05-33	in EUR	140,000	118,619.01	0.31
TOTAL IRELAND			**118,619.01**	**0.31**
ITALY				
INTE 0.75% 16-03-28 EMTN	in EUR	300,000	251,154.16	0.67
INTE 1.0% 04-07-24 EMTN	in EUR	600,000	579,620.22	1.54
ITALY 1.5% 01-06-25	in EUR	500,000	478,597.45	1.28
ITALY 3.50% 01/03/2030	in EUR	300,000	290,282.69	0.77
ITALY 5%09-010940	in EUR	140,000	144,994.79	0.39
ITALY BUONI POLIENNALI DEL TESORO 0.5% 01-02-26	in EUR	500,000	455,297.99	1.21
ITALY BUONI POLIENNALI DEL TESORO 0.95% 15-09-27	in EUR	250,000	220,036.69	0.58
ITALY BUONI POLIENNALI DEL TESORO 3.1% 01-03-40	in EUR	150,000	121,216.32	0.33
ITALY BUONI POLIENNALI DEL TESORO 6.0% 01-05-31	in EUR	290,000	326,234.63	0.87
TOTAL ITALY			**2,867,434.94**	**7.64**
LUXEMBOURG				
BANQ EURO DIN 1.0% 14-04-32	in EUR	220,000	183,851.33	0.50
EFSF 1.2 02/17/45	in EUR	140,000	98,154.48	0.26
EUROPEAN FINL STABILITY FACIL 0.0% 13-10-27	in EUR	400,000	346,432.00	0.92
TOTAL LUXEMBOURG			**628,437.81**	**1.68**
NORWAY				
DNB BANK A 0.375% 18-01-28	in EUR	150,000	131,046.13	0.35
EQUINOR A 0.75% 22-05-26 EMTN	in EUR	140,000	129,005.64	0.34
TELENOR ASA 2.625% 12/24	in EUR	140,000	137,599.52	0.37
TOTAL NORWAY			**397,651.29**	**1.06**
NETHERLANDS				
BMW FIN 0.5% 22-02-25 EMTN	in EUR	238,000	225,527.63	0.60
ENEL FINANCE INTL NV 0.375% 28-05-29	in EUR	222,000	176,585.52	0.47
ENEL FINANCE INTL NV 0.875% 17-01-31	in EUR	100,000	77,677.44	0.21
ING GROEP NV 0.875% 09-06-32	in EUR	200,000	169,546.26	0.45

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
ING GROEP NV 4.875% 14-11-27	in EUR	200,000	204,721.62	0.54
LINDE FINANCE BV 0.25% 19-05-27	in EUR	200,000	177,012.70	0.48
NETHERLANDS GOVERNMENT 0.25% 15-07-29	in EUR	300,000	255,750.92	0.68
SIEMENS FINANCIERINGSMAATNV 1.0% 25-02-30	in EUR	200,000	171,738.59	0.46
VONOVIA FINANCE BV 1.25% 06-12-24	in EUR	300,000	284,857.17	0.76
TOTAL NETHERLANDS			**1,743,417.85**	**4.65**
PORTUGAL				
PORTUGAL OBRIGACOES DO TESOURO OT 2.25% 18-04-34	in EUR	220,000	195,839.03	0.52
TOTAL PORTUGAL			**195,839.03**	**0.52**
UNITED KINGDOM				
DIAGEO FINANCE 1.0% 22-04-25	in EUR	290,000	277,236.72	0.74
NGG FINANCE 1.625% 05-12-79	in EUR	140,000	130,806.35	0.35
TESCO CORPORATE TREASURY SERVICES 1.375% 24-10-23	in EUR	300,000	296,875.40	0.79
VODA 2.2% 25-08-26 EMTN	in EUR	200,000	191,639.18	0.51
WESTERN POWER DISTRIBUTION EAST MID 3.53% 20-09-28	in EUR	100,000	98,382.98	0.26
TOTAL UNITED KINGDOM			**994,940.63**	**2.65**
SWEDEN				
TELIA COMPANY AB 1.375% 11-05-81	in EUR	200,000	179,632.62	0.47
TOTAL SWEDEN			**179,632.62**	**0.47**
TOTAL Bonds and equivalent securities traded on a regulated or equivalent market			**17,437,482.43**	**46.46**
TOTAL Bonds and equivalent securities			**17,437,482.43**	**46.46**
Undertakings for collective investment				
UCITS and AIF for retail investors and equivalents in other countries				
France				
HSBC MONETAIRE ETAT Z	in EUR	207.848	201,666.06	0.54
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY	in EUR	1,807.904	3,324,789.69	8.85
TOTAL FRANCE			**3,526,455.75**	**9.39**
TOTAL UCITS and AIF for retail investors and equivalents in other countries			**3,526,455.75**	**9.39**
TOTAL Undertakings for collective investment			**3,526,455.75**	**9.39**
Financial futures				
Futures, forwards, and swaps				
Futures, forwards, and swaps on regulated or equivalent markets				
EURO STOXX 50 0323	in EUR	-53	76,785.00	0.21
TOTAL Futures, forwards, and swaps on regulated or equivalent markets			**76,785.00**	**0.21**
TOTAL Futures, forwards, and swaps			**76,785.00**	**0.21**
TOTAL Financial futures			**76,785.00**	**0.21**
Margin call				
CACEIS MARGIN CALL	in EUR	-76,785	-76,785.00	-0.21
TOTAL Margin call			**-76,785.00**	**-0.21**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
Receivables			152,523.90	0.41
Payables			-62,246.84	-0.17
Financial accounts			231,565.95	0.62
Net assets			37,532,557.75	100.00

HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED AC share	in EUR	383,229.223	97.92	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED IC share	in EUR	0.500	9,987.74	

Product name:	**HSBC RESPONSIBLE INVESTMENT FUNDS - SRI BALANCED**
Legal entity identifier:	**969500HU1926N1M5G696**
Reporting Date	**31 December 2022**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally **sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective are not necessarily aligned with the taxonomy.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

●● ☐ **Yes** ●○ ☒ **No**

☐ It made **sustainable investments with an environmental objective: __%**

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made sustainable investments with a social objective:__%

☒ It promoted **Environmental/Social (E/S) characteristics**, and while it did not have as its objective a sustainable investment, it had a proportion of 39.51% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ with a social objective

☐ It promoted E/S characteristics **but did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The subfund promotes E, S, and G characteristics by investing in international equity and fixed-income markets with a euro bias by selecting securities issued by companies or countries in a universe of issues that meet Environmental, Social, and Governance (ESG) criteria. The subfund invests, at the manager's discretion, either in securities of companies or countries or in UCIs managed by the HSBC Group.
For public or private listed corporate issues: the manager uses a best-in-class approach to select within each sector the companies that have the best ESG practices compared with their peers within each sector of the economy.
For each ESG pillar, several criteria are used, including CO2 emissions for the E pillar, the management of staff for the S pillar, and level of independence of directors for the G pillar.

For government issues (bonds): euro-denominated issuing countries are ranked according to their overall “ESG” rating, which is based 50% on the Environmental pillar (E) and 50% on the Social/Governance pillar (S/G). The Social and Governance pillar includes the analysis of the political and governance system, human rights and fundamental freedoms, and social conditions. The Environmental pillar includes the analysis of natural resources, climate change and energy, production, and sustainable consumption.
The manager uses an ESG Selection approach to select the countries with a minimum ESG rating according to the non-financial rating agency ISS-Oekom from among euro-denominated issuing countries.

In addition, the subfund will:
- Exclude issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or at least two alleged violations) and the OECD Guidelines for Multinational Enterprises.
- Exclude securities of companies involved in the production of controversial weapons or their components. Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons, and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties.
- Exclude securities of companies in the Defence sector.
- Exclude securities of companies engaged in thermal coal activities. Companies with more than 10% revenue generated from coal-fired power generation are partially excluded. Mining companies are completely excluded.
- Exclude securities of companies involved in tobacco production.
- Carefully consider environmental issues through voting and engagement activities.
The subfund is actively managed and does not track a benchmark. There is no benchmark representative of our management philosophy and therefore of our investment universe or an index designated to determine whether the subfund is aligned with the environmental or social characteristics it promotes.

Alignment with the environmental and social characteristics was 96.91% as at 31 December 2022

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

The subfund promotes all the pillars (E, S, and G). Therefore, the primary sustainability indicator used to measure the portfolio's ESG performance is the ESG rating.

	ESG rating source*	ESG	E	G	S	Coverage rate
Fund	HSBC	6.52	7.16	6.35	6.5	89.82%
Benchmark	HSBC	6.17	6.23	6.32	6.25	98.57%

* HSBC Proprietary ESG rating (look-through)

The fund's management strategy is to select companies with the highest ESG ratings within each economic sector. Companies with the lowest scores (25% lowest) are systematically excluded from the selection.
The SICAV takes into account all the E, S, and G pillars to obtain an overall ESG score that is higher than that of its reference benchmark. It will also exclude issuers in the bottom quartile of ESG scores and limit the number of issuers in the 3rd quartile. Other exclusions are also applied, such as issuers with an excessive percentage of carbon emissions, controversial weapons, or the tobacco sector. At the end of 2022, the top issuers in terms of ESG score were Sydney Airport, Transurban, and Orsted.

The subfund also takes the following principal adverse impacts into consideration: · Corporate greenhouse gas intensity, · Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises: Exclusion · Exposure to controversial weapons. Exclusion · In addition, the subfund will not invest in shares of companies or other securities equivalent to shares of companies exposed to certain activities ("excluded activities"). The excluded activities are set out below among the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product.

Scores	Carbon intensity (Scope 1+2)*	Coverage rate
Benchmark	140.83	95.52
Fund	11.84	88.21

* Expressed in tonnes of CO2/$M of revenue, taking scope 1 & 2 emissions into account.

The fund's management policy takes into account the adverse impact of greenhouse gas emissions in its selection of securities. In addition, the fund excludes companies involved in coal mining from its investments and limits investments to those that have more than 10% of their activities related to coal use. Carbon intensity is not one of the basic constraints of the SICAV. However, the manager will not be able to invest in emitters for which the percentage of CO2 will be greater than 10% of turnover. The evolution of carbon intensity over time will also be taken into account by the manager, who will strive to favour companies making the greatest efforts in terms of decarbonisation.

The international Greenhouse Gas (GHG) Protocol was created in 1998 to help companies conduct their carbon or greenhouse gas assessments by identifying the main direct and indirect emission items in order to better target reduction strategies. The GHG Protocol serves to quantify all the impacts generated by the production and consumption of products and services by companies. It is divided into three CO2 emissions scopes:
• Scope 1 includes direct emissions resulting from combustion of fossil fuels, such as gas, oil, and coal.
• Scope 2 relates to indirect emissions from the consumption of electricity, heat, or steam necessary to manufacture the product. A company's scope 2 will include emissions associated with the production of energy it uses: electricity, steam, heat, cold, and compressed air. These indirect emissions therefore depend greatly on the primary energy source (oil, gas, coal, biomass, wind, solar, etc.) used to produce them.

• Scope 3 corresponds to other indirect emissions. Scope 3 carbon emissions are not yet included in the calculation of carbon intensities because this scope of emissions is difficult to understand and is not yet sufficiently taken into account in the carbon assessment of companies.

…and compared to previous periods?

Not applicable

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The subfund's sustainable investments are aligned with its environmental characteristics. The identification and ESG analysis of companies are performed as part of the investment decision-making process to reduce sustainability risks and increase returns.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or sustainable investment objective?

The principle of "do no significant harm" to environmental or social objectives applies only to the underlying sustainable investments of the subfund. This principle is incorporated into the investment decision-making process, which includes consideration of principal adverse impacts.

How were the indicators for adverse impacts on sustainability factors taken into account?

HSBC Asset Management's "do no significant harm" (DNSH) assessment of issuers as part of its sustainable investment process includes consideration of principal adverse impacts (PAI). All the PAIs included in table 1 of Annex 1 of Commission Delegated Regulation (EU) 2022/1288 were thus examined and integrated into the investment process according to an approach that combines exclusions (sectoral, the most severe ESG controversies, norms-based exclusions, etc.) with voting and shareholder engagement activities to instil and maintain a positive change dynamic within companies. As such, the subfund's eligible universe during the past financial year excluded issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or with at least two alleged violations) and the OECD Guidelines for Multinational Enterprises,- shares of companies involved in the production of controversial weapons or their components. Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons, and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties. The examination of the other PAIs was conducted with proxies. For example, to address all PAIs related to greenhouse gas emissions, we have used our coal policy as an exclusion filter. Companies with more than 10% revenue generated from coal-fired power generation are partially excluded. Mining companies are completely excluded. Furthermore, the 'do no significant harm' (DNSH) test of issuers described above was supplemented by the application of an exclusion policy (with a 0% threshold for tobacco) and the exclusion of issuers for which the level of controversy provided by Sustainalytics was very severe (equal to 5). In our view, the setting of exclusion thresholds for each PAI is not always relevant and could compromise the fact that many sectors and companies are in a transition strategy. Lastly, the subfund takes into consideration the principal adverse impacts in its engagement approach, which incorporates several levers for action including 1) direct dialogue with companies about their consideration of environmental and social issues to ensure that they are able to face the future and maintain long-term financial viability and 2) a gradual escalation procedure with companies when the ESG risks or controversies to which they are exposed are not managed.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Yes, sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Pre-trade and post-trade monitoring ensures that issuers in violation of one or more of the Ten Principles of the United Nations Global Compact (or with at least two alleged violations) and the OECD Guidelines for Multinational Enterprises are systematically excluded.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.
The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.
Any other sustainable investments must also do no significant harm to any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

The methodology for addressing the principal adverse impacts selected by the subfund combines exclusions with voting and shareholder engagement activities to instil and maintain a positive change dynamic within companies. The manner in which each PAI is considered is explained in the table below.

	Impact 31 December 2022	Comment
Greenhouse gas intensity of investee companies	116.02	The fund's management policy takes into account the adverse impact of greenhouse gas emissions in its selection of securities. In addition, the fund excludes companies involved in coal mining from its investments and limits investments to those that have more than 10% of their activities related to coal use. Carbon intensity is not one of the basic constraints of the SICAV. However, the manager will not be able to invest in emitters for which the percentage of CO2 will be greater than 10% of turnover. The evolution of carbon intensity over time will also be taken into account by the manager, who will strive to favour companies making the greatest efforts in terms of decarbonisation.
Exclusion of issuers in violation of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises.	0%	Issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or at least two alleged violations) and the OECD Guidelines for Multinational Enterprises.
Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	Application of the exclusion policy

What were the top investments of this financial product?

The list includes the investments constituting the largest share of investments of the financial product as at: 31 December 2022

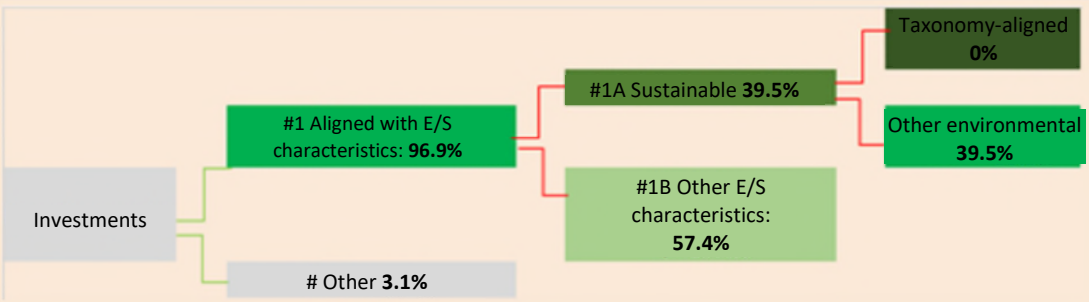
Largest investments	Sector	% Assets	Country
IBERDROLAS.A	Utilities	1.85%	Spain
SPGB 4.7 07/30/41	Governance	1.81%	Spain
FRTR 5.75 10/25/32	Governance	1.64%	France
SAP SE	Information technology	1.63%	Germany
MUENCHENER RUECKVER AG-REG	Finance	1.60%	Germany
SCHNEIDER ELECTRIC SE	Industry	1.56%	France
ISPIM 1 07/04/24 EMTN	Finance	1.54%	Italy
KERING	Consumer discretionary	1.43%	France
BTPS 1.5 06/01/2025	Governance	1.28%	Italy
ING GROEP NV	Finance	1.25%	Netherlands
BTPS 0.5 02/01/2026	Governance	1.21%	Italy
AXA SA	Finance	1.21%	France
FRTR 0.5 05/25/40	Governance	1.18%	France
KONINKLIJKE KPN NV	Telecommunications services	1.11%	Netherlands
CRH PLC	Materials	1.10%	Ireland

What was the proportion of sustainability-related investments?

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.

Although the subfund does not have sustainable investments as an objective, it commits to a minimum proportion of 15% of its assets in sustainable investments. At 31/12/2022, the share of sustainable investments was 39.5%.



Category **#1 "Aligned with E/S characteristics"** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

Category **#2 "Other"** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Category **#1 "Aligned with E/S characteristics**" covers:
-subcategory **#1A "Sustainable"** covers sustainable investments with environmental or social objectives;

-subcategory #1B "Other E/S characteristics" covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Sector	% Assets
Governance	21.53%
Finance	21.04%
Industry	10.7%
Telecommunications services	6.72%
Consumer discretionary	6.5%
Consumer staples	6.09%
Information technology	6.09%
Utilities	5.73%
Health	5.35%
Materials	4.13%
Energy	4.03%
Property	1.08%
Other	1.01%
Total	100%

To what minimum extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The subfund does not commit to a minimum proportion of sustainable investments with an environmental objective aligned with the European Union's taxonomy. However, when assessing issuers, the subfund manager takes into consideration two environmental indicators and applies our coal phase-out policy as well as the sectoral exclusions set out in the label guidelines.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

Yes. ☐

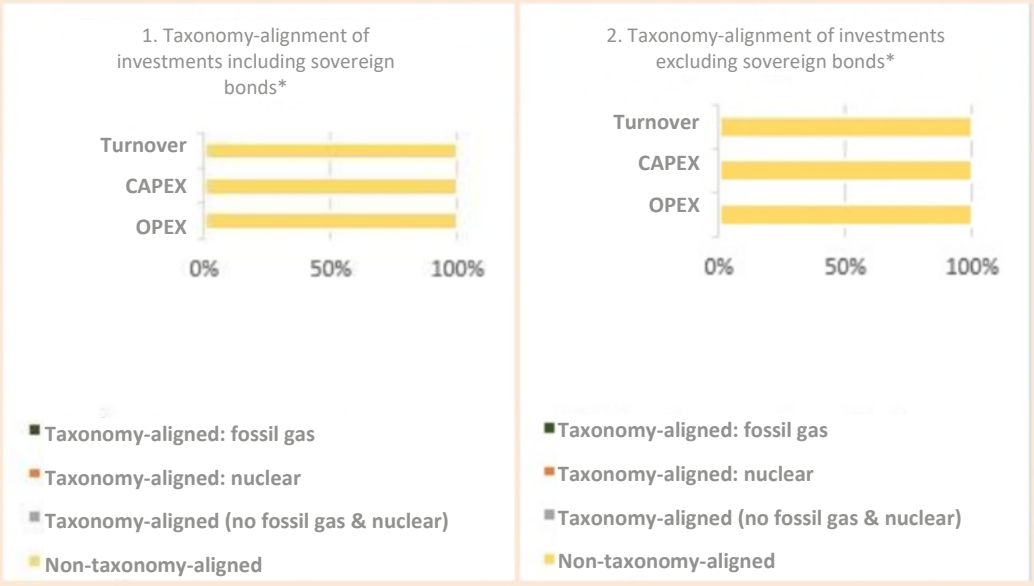
☐ In fossil gas ☐ In nuclear energy

No. ☒

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:
-**turnover** reflecting the share of revenue from green activities of investee companies; -**capital expenditure** (CAPEX) showing the green investments made by investee companies, e.g. for a transition to a green economy;
-**operational expenditure** (OPEX) reflecting green operational activities of investee companies.

The two graphs below show, in green, the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.

The share of sustainable investments with an environmental objective aligned with the European Union's taxonomy is 0%.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What was the share of investments in transitional and enabling activities?

This does not apply to the mandate, as the share of sustainable investments with an EU Taxonomy-aligned environmental objective was 0% as at 31/12/2022.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Not applicable.

The symbol denotes sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective that were not aligned with the European Union's taxonomy was 39.51%.

What was the share of socially sustainable investments?

The subfund does not commit to having a minimum share of socially sustainable investments. However, when assessing issuers, the subfund manager does look at the social characteristics, respect for human rights and employee rights, management conduct, and corporate social responsibility of the companies.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The fund's "Other" category is composed of cash and UCITS units.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The fund promotes ESG characteristics by investing primarily in companies chosen for their good environmental, social, and governance practices according to a best-in-class approach and their financial qualities. This approach consists of selecting the top companies within each sector according to ESG criteria. During 2022, we constantly adjusted the portfolio to meet our commitments. Issuers whose scores fell into the bottom quartile were systematically sold in favour of better-rated issuers, and the number of issuers in the 3rd quartile remained below 15%. Consideration of non-financial factors, such as the percentage of female executives or independent board members, were also added to the list of criteria taken into account to improve the S and G criteria.

How did this financial product perform compared to the reference sustainable benchmark?

The subfund is actively managed and does not track a benchmark. There is no benchmark representative of our management philosophy and therefore of our investment universe or an index designated to determine whether the subfund is aligned with the environmental or social characteristics it promotes. The information expected in this section is therefore not applicable to this product.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How does the reference benchmark differ from a broad market index?***

Not applicable.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

Not applicable.

- ***How did this financial product perform compared with the reference benchmark?***

Not applicable.

- ***How did this financial product perform compared with the broad market index?***

Not applicable.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

Subfund:

HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

Activity report

Management policy

Equity market allocation:

Markets remained very volatile over the period. The continued sharp increase in price indexes, mainly due to rising commodity prices and bottlenecks, forced central banks to react. The economic outlook also weakened as a result of the consequences of the war, the weakness of the Chinese economy, and weakened consumer confidence. However, the multiple shocks were relatively well absorbed by companies helped by generous governments and still substantial COVID savings, allowing an acceptable level of consumption to be maintained even as adjustments took place. Against this backdrop, we actively managed equity exposure with a rather defensive marking throughout the year.

As of 31 December 2022, the equity exposure of HRIF - SRI Dynamic was close to 75.8% of assets compared with 80% for the investment universe.

Exposure on equity markets:

The equity segment consists mainly of bearer securities and UCITSs. This combination exposes the segment to various themes. In order to adjust the directional allocation, derivatives can be used.

Investments on equity markets

a) Portion in euro SRI bearer securities:

The management of this segment follows our best-in-class SRI selection process, which aims to prioritise stocks for their good ESG practices. Added to this is an active fundamental approach based on an examination of the profitability/valuation profile, which favours stocks with an attractive valuation and profitability likely to improve significantly.
Sector allocation contributed positively to the subfund's relative performance. Positive contributions came primarily from the overexposure to insurance, banking, and telecoms and underexposure to consumer durables, specialised distribution, property, and semiconductors. On the other hand, the subfund suffered from its overexposure to the business services sector as well as its underexposure to pharmaceuticals and food/beverages.
Our stock picking contributed negatively to the relative performance of the subfund, notably our choices in capital goods (Alstom, Saint Gobain, and especially absence from the defence segment), energy (underexposure to oil companies), consumer durables (Kering and Seb), basic goods (Akzo Nobel and DSM), transport (Deutsche Post), automotive (Michelin), and banking (KBC and Société Générale). Note the positive contributions from Carrefour in food distribution, KPN, and Orange in telecoms, CNHI in industry, Iberdrola in utilities, Publicis in media, Heineken in food/beverages, and Relx in business services.

As of 31 December 2022, we held approximately 78.9% bearer securities.

b) SRI investments outside the eurozone:

SRI investment outside the eurozone is based on a systematic approach with a desire to maximise the ESG score under the constraint of Tracking Error. In practice, the selected securities belong to the first quartile of each sector. Geographical deviations are very modest. We tended to increase this position over the full year.

The allocation uses the following subfund:

- International stocks (HRIF - SRI Global Equity)

As of 31 December 2022, we held approximately 5.1%.

c) Use of derivatives:

We use futures on the Euro Stoxx 50 index to adjust the equity exposure. We had a short position of around 8.1% at 31 December 2022

Fixed-income market allocation

The subfund began 2022 with a sensitivity to interest-rate risk below the benchmark. We maintained this caution with regard to the bond markets at the beginning of the year, as yields were still at extremely low levels (-0.17% at 31/12/2021 for a German 10-year bond) given the rise in prices and economic growth.
Central bankers also changed their tune with respect to this inflation. The transitory nature has been forgotten, and the central banks significantly tightened financing conditions (Fed, Bank of England, ECB). Against this backdrop, yields tightened sharply from -0.17% to 2.57% at 30 December 2022 for a 10-year German bond. We supported this increase in yields and gradually reduced the hedge against the risk of rising interest rates.
Over the period, our hedging of interest rate risk contributed very positively to the subfund's performance.
As of 31 December 2022, the bond allocation of the HRIF - SRI Dynamic subfund was close to 11.7% compared with 20% for the investment universe.

Investments on bond markets

a) Investment in SRI government and corporate bonds:

The allocation uses the following subfund:

- HRIF - SRI Euro Bond

Regarding peripheral government debt, we reduced our exposure to Italian debt slightly to return to a neutral to slightly underweight position, while we maintained a modest overweight position on Portugal's sovereign debt. Regarding credit, we approached the year with a strategic overexposure to credit, to the detriment of government yields in core countries, while actively managing this segment. We did not fundamentally change this positioning during the period, supported by corporate earnings above expectations on average and favourable outlooks from rating agencies for changes in ratings and default rates. In addition, technical factors, such as risk aversion, generated by an uncertain geopolitical environment and less visibility on central bank policies dependent on inflation data, also seemed likely to lead to excessive spreads.

On the management side, we participated selectively and occasionally in the primary market. The premiums offered relative to the secondary market were a little more attractive than in 2021, and these purchases were an opportunity to carry out some arbitrage transactions, particularly in line with changes in the E, S, and G ratings of issuers, but also to optimise the positioning on the credit curve. During the second half of the year, the market improvement was an opportunity to reduce the positioning on subordinated insurance debt, helping to reduce the overall credit risk of the portfolio at the end of the year.

As of 31 December 2022, we held 10.3%.

Investments on the money market:

We used the money market tactically in a particularly turbulent year for all assets. It provides effective protection against increased risk aversion.

The allocation uses the following fund:

- HSBC Monétaire Etat

As of 31 December 2022, we held approximately 3.1%.

Performance

At the close of the year, the subfund posted performance of -15.22% for the AC share and -14.67% for the IC share.

Past performance is not an indicator of the future results of the SICAV subfund.

PEA

Pursuant to the provisions of Article 91 *quater* L of the French General Tax Code, Annex 2, at least 75% of the subfund is invested at all times in securities and interests referred to in Article L.221-31-I-1 a and b of the French Monetary and Financial Code.

Proportion of actual investment during the year: 77.20%.

Incidents affecting the subfund during the fiscal year and forthcoming

➢ **10 February 2022**

Annual update of 2021 performance in each KIID.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

➢ **06 May 2022**

Update of the prospectus with a warning regarding the ban on Russian or Belarusian nationals from subscribing for shares of the SICAV, which includes any natural person residing in Russia or Belarus or any legal person, entity, or body established in Russia or Belarus except for nationals of a Member State of the European Union (EU) and natural persons holding a temporary or permanent residence permit in a Member State of the European Union (EU).

On that occasion, the new address of CACEIS Bank and CACEIS FA was added to the prospectus, with effect from 1 June 2022.

➢ **30 September 2022**

The level of the risk scale (SRRI), indicated in the KIIDs, was updated from 5 to 6.

➢ **30 December 2022**

The prospectus was brought into line with the EU Sustainable Finance Regulation:

• Addition of an explanatory text on how the main adverse environmental, social, or governance impacts of the subfund's investments are taken into account.

• An appendix detailing how the promoted environmental and/or social characteristics are implemented has been included in the SICAV's prospectus.

• In furtherance of the incorporation in the prospectus of the European criteria for environmentally sustainable economic activities provided for in European Regulation 2020/852 of 18 June 2020 ("Taxonomy Regulation"), the explanatory text introduced on 1 January 2022 was supplemented by four other environmental objectives defined by the Taxonomy Regulation: the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

➢ **1 January 2023**

The subfund's KIIDs (Key Investor Information Documents) were replaced by the KIDs (Key Information Documents) pursuant to Regulation (EU) No 1286/2014 of 26 November 2014 ("PRIIPs Regulation").

Information on Environmental, Social, and Governance (ESG) criteria

In accordance with Article L.533-22-1 of the French Monetary and Financial Code, the policy on considering environmental, social, and governance quality (ESG) criteria in the investment strategy is available on the management company's website at www.assetmanagement.hsbc.fr.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

Further information on the inclusion of ESG criteria in the investment policy over the fiscal year

Information on SRI criteria

The HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC subfund simultaneously addresses environmental, social, and governance criteria in its management.

The HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC subfund has adopted the AFG/FIR/Eurosif transparency code for SRI UCIs open to the public. This transparency code fully describes how environmental, social, and governance criteria are reflected in the investment policy of the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC subfund. This code is available on the management company's website at the following address:

www.assetmanagement.hsbc.fr/-/media/files/attachments/france/common/code-de-transparence-hsbc-rif.pdf

All information and historical data on the financial performance of the HSBC Global Asset Management (France) range of SRI UCIs are available on the management company's information website:

www.assetmanagement.hsbc.fr/fr/retail-investors/fund-centre.

SRI philosophy

www.assetmanagement.hsbc.fr/fr/retail-**investor**/investment-expertise/sustainable-investments

The approach taken by HSBC Asset Management is to offer investors in SRI UCIs the prospect of performance in line with that of comparable conventional UCIs, while at the same time incorporating Environmental, Social/Societal, and Governance (ESG) factors, the pillars of Sustainable Development. **In our view, it is possible to reconcile our clients' individual interest of seeking performance with the collective interest of consideration of Sustainable Development issues.**

In practical terms, we believe that ESG factors can influence a company's business activity and a country's long-term policy and, as a result, the profitability of financial assets. We feel that the SRI UCI offering must be transparent and capable of reflecting our clients' expectations. Our objective is therefore to construct a disciplined, pragmatic offering for them, enhanced by our experience, gained over more than 16 years, and based on our management expertise. Complete financial data histories are available on request from the management company's head office:

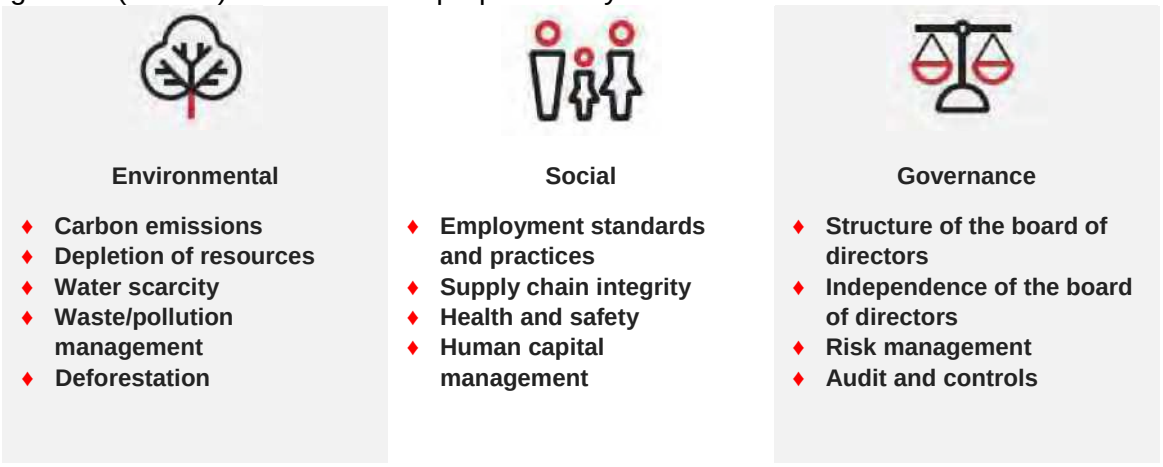
HSBC Global Asset Management (France)
Cœur Défense – 110, esplanade du Général de Gaulle – La Défense 4 – 92400 Courbevoie
@: hsbc.client.services-am@hsbc.fr

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

Description of the main criteria for these environmental, social, and governance (ESG) objectives.

What ESG criteria are taken into account?
The portfolio's ESG analysis is made possible primarily through an analysis of ESG scores from MSCI, to which we apply an internal weighting for each E, S, and G pillar by sector.

Examples of ESG factors considered in investment decisions. Source: HSBC Global Asset Management (France). For illustration purposes only.



Within each pillar, the MSCI research is based on a selection of more than 35 sub-criteria identified below. In bold are the sub-criteria common to the 30 HSBC sectors that map the specific characteristics of each industry.

- Environment pillar: 14 criteria including 3 criteria common to all sectors: Carbon emissions - Energy efficiency - Product carbon footprint - Climate change risks - Water stress - Biodiversity and land use - Origin of raw materials - Assessment of the environmental impact of financing - Toxic emissions and waste - Packaging material and waste - Electronic waste - Opportunities in clean technologies - Opportunities in green construction - Opportunities in renewable energy
- Social pillar: 15 criteria including 2 criteria common to all sectors: Development of human capital - Social dialogue - Health and safety - Compliance with employment standards in the supply chain - Contentious procurement - Product safety and Quality - Chemical safety - Security of financial products - Privacy and information security - Health insurance and Demographic risk - Responsible investment - Access to k communication - Access to financing - Access to medical services - Opportunities in nutrition and health
- Governance pillar: 5 criteria including 3 criteria common to all sectors: Corruption and instability - Ethics and fraud - Anti-competitive practices - Financial manipulation and misappropriation - Corporate governance

More specifically, in the sphere of Corporate Governance, the Governance pillar monitors opacity and lack of transparency in financial practices, directors' independence, the existence of key committees, directors' qualifications and experience, executive remuneration, the ownership structure and voting rights, the existence of anti-takeover measures, obstacles to voting, and shareholders' right to take collective action.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

Issuer analysis and ESG assessment methodology (construction, rating scale, etc.)

Beyond internal research, we have chosen to rely on various and complementary external research and provide it to all our managers and analysts.

The objective is to hedge all securities that we manage through an ESG analysis.

- S&P Trucost: provides analyses and data on carbon, water, waste, and natural resources with tracking of more than 6,200 issuers;
- Carbon4 Finance: tracks 15,000 issuers worldwide; provides data to measure “greenhouse gas emissions saved” through a more in-depth analysis of the climate trajectory of companies;
- MSCI ESG Research: covers the MSCI ACWI (All Countries World Index) with around 9,100 companies;
- ISS Ethix: banned and controversial weapons - tracking of 6,000 issuers; lists of securities identified as being involved in anti-personnel mines and cluster munitions). These exclusion lists are the subject of a highly formal distribution and a pre-trade and post-trade check set up and overseen by the Risk and Compliance departments.
- ISS ESG (formerly Oekom): rating of the world’s top 54 issuing countries and non-listed issuers;
- FTSE Green Revenues: FTSE Russell’s green revenues methodology comprehensively evaluates all companies whose revenues are exposed to green activities defined by the Green Revenue Classification System (GRCS), which is a taxonomy used to define and measure the industrial transition to a green economy.
- RepRisks: tracks 40,700 companies and provides a dynamic ESG and reputational risk assessment based on nearly 80,000 public sources and stakeholders, in 20 languages, with more than 500,000 incidents analysed each day;
- Sustainalytics: 23,000 companies are monitored against the 10 principles of the Global Compact. The UN Global Compact compliance research framework is based on international conventions and treaties and underpins these principles, including international ESG standards, such as those of the OECD, the Guidelines for Multinational Enterprises, International Labour Organisation conventions, Universal Declarations of Human Rights, Equator Principles, and sector-specific initiatives such as the International Council on Mining and Metals

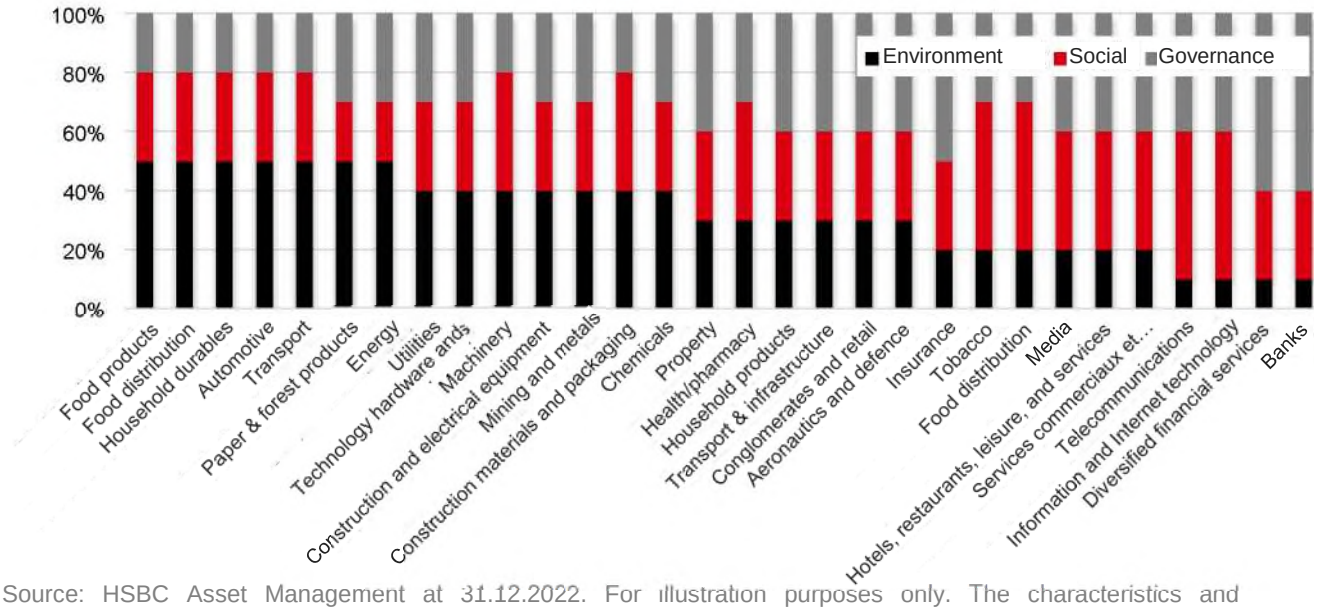
All types of investment thus incorporate the ESG aspect, which contributes to the overall analysis. ESG criteria are incorporated into the analysis and stock-picking processes in all the active management portfolios.

- Each security is linked to one of the 30 “house” sectors grouping consistent sets from the perspective of ESG issues and similarities presented by the economic models. Then, for each sector, we determined a weighting of the E, S, and G pillars reflecting the industrial reality of each sector. This approach is the result of extensive joint studies by the credit and equity analyst teams under the coordination of the Global Head of ESG Research.
- As shown in the diagram below, the contribution of E, S, and G pillars to the overall ESG score can vary significantly by sector. While the Environment is the most weighted parameter – the one with the greatest potential financial impact – in sectors such as Food and Automotive, it is clearly outweighed by Governance in the Banking sector.
- The companies are then classified as Low, Medium, and High Risk. Securities identified as High Risk undergo a thorough analysis. These are companies that have violated one or more of the ten principles of the United Nations Global Compact and/or are not aligned with the Financial Crime Compliance (FCC) standards or are ranked in the bottom 5 per cent of their benchmark universe according to our ESG analysis. This phase of heightened vigilance allows us to put financial attractiveness and ESG risks in

perspective and to determine whether these securities have been properly valued. At the end of the analysis, if the company is qualified to remain in the portfolio, it is monitored, and a dialogue is initiated with the company's management. This special monitoring ends once all the indicators lead to a "Low Risk" classification. In SRI funds, securities identified as "High Risk" are excluded from the investment universe

ESG rating: methodology

- The ESG ratings provided by MSCI are used to calculate ESG scores for each security/each issuer. Among the results of these ratings is the production of an SRI investment universe for each of the subfunds of the HSBC RIF SICAV.
- We then assign an E (Environment) rating, an S (Social) rating, and a G (Governance) rating and an overall ESG score of the portfolio. The rating scale ranges from 0 to 10, with 10 being the best score. Each of the E, S, and G pillars is assigned a specific weighting in each of the 30 business sectors using our internal rating process, and the overall rating is calculated on this basis.
- Weight of the E, S, and G pillars for each of the 30 sectors of the ESG segmentation.



Source: HSBC Asset Management at 31.12.2022. For illustration purposes only. The characteristics and measurements are provided for illustration purposes only and may be modified to take market changes into account.

- The portfolio's ESG score is the average of the ESG ratings weighted by the proportion of each security in the portfolio.
- Sovereign and supranational issues have only two equally weighted pillars: E and S. The S rating incorporates the issues covered in the G pillar.
- Securities classified as "High Risk" are subject to Enhanced Due Diligence (EDD) review and monitoring.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

In SRI funds, securities identified as “High Risk” are excluded from the investment universe.

Step 1: ESG analysis and definition of the investment universe

- Investment universe

Name of the subfund	Benchmark	Initial investment universe
HSBC RIF – SRI DYNAMIC	This subfund does use a benchmark.	The initial investment universe consists of equities of developed countries as well as government and corporate bonds. The subfund is managed with a bias on eurozone securities.

Source: HSBC Asset Management at 31.12.2022. For illustration purposes only. The characteristics and measurements are provided for illustration purposes only and may be modified to take market changes into account.

These initial universes can be enriched by adding companies or stocks that are not part of the market indexes mentioned above. These additions are made at the discretion of the managers and analysts.

- Issuers in the investment universe are ranked relative to their peers in each of the 30 sectors (best-in-class approach) according to a proprietary methodology. The ESG scores come from MSCI ESG Research, to which we apply an internal weighting for each E, S, and G pillar representative of the specific characteristics of each sector.
- The weighting of the three ESG pillars is determined within each sector based on the experience that we have developed since June 2001. We have created 30 sectors corresponding to existing MSCI sectors and one of the following four levels: 10 sectors, 24 industry groups, 68 industries, and 154 sub-industries. These 30 sectors, which assign a specific weight to the E, S, and G pillars, allow every company in the universe to be given an overall ESG rating. The E, S, and G ratings supplied by MSCI ESG Research are factored in and weighted using the weight determined within each of the 30 sectors and, if applicable, are adjusted by the Equity/ESG and/or Credit/ESG analyst responsible for the sector.
- Information provided by Sustainalytics, ISS-Ethix, and Trucost and meetings with company management teams are also incorporated into this rating. These meetings allow analysts to substantiate their opinion on the analysed companies by discussing with them the ESG themes specific to them.
- **Government issues**
  Government issues are classified according to the ratings assigned by the ISS-Oekom rating agency. Country ratings result from the consideration of 100 criteria, 30 % of which are qualitative, divided into two pillars: Social including Governance (50%) and Environmental (50%). The rating of issuers is reviewed on an annual basis.

The SRI investment universe is defined according to the ISS-Oekom ratings as follows:

- For countries rated between A+ and B-: no limits.
- For countries classified as C+, the weight of these States in the portfolio may not exceed the weight of these countries in the Bloomberg Barclays Euro Aggregate 500MM index.
- For countries rated between C and D-: investments are not permitted because their social and environmental practices lag behind their peers.

◆ The SRI universe of the subfunds includes companies in the top two quartiles in each sector as well as stocks selected from the third quartile for up to a maximum of 15% of net assets. For the HSBC RIF – SRI Euro Bond subfund (underlying of HSBC RIF – SRI DYNAMIC), securities in the bottom quartile are excluded, but it is possible to invest within a limit of 10% of net assets and eight issuers in the third quartile and without limitation in those in the top two quartiles.

◆ In addition, the subfund will:

- Exclude issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or with at least two alleged violations) and the OECD Guidelines for Multinational Enterprises.
- Exclude securities of companies involved in the production of controversial weapons or their components. Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons, and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties.
- Exclude securities of companies in the Defence sector.
- Exclude securities of companies engaged in thermal coal activities. With regard to electricity generation, companies deriving more than 10% of their turnover from electricity generated using thermal coal are partially excluded. Mining companies are completely excluded.
- Exclude securities of companies involved in tobacco production.

◆ Across all the subfunds, our SRI selection methodology introduces selectivity leading to the exclusion of 25% of companies in the same sector.

Step 2: financial process

Steps in the financial process	
Tactical allocation between asset classes	The allocation of assets is a significant source of added value given that the performances of financial markets vary and depend on the economic cycle. For instance, economic slowdowns generally translate into negative equity market performance, and positive bond market performance. Tactical allocation thus becomes quite significant by aiming to optimize the overall exposure of the portfolio through joint management of multiple asset classes. From the strategic allocation, the manager exposes the subfund to the various asset classes in order to adapt our forecasts to our economic scenario.
Stock-picking, portfolio construction/optimisation	**Equity allocation in direct lines - Profitability/Valuation analysis** Picking stocks with the best profitability/valuation profile. The aim of our process of analysis is to understand and measure the company's structural profitability. The manager selects companies with stable or growing profitability at an attractive price. **Fixed-income allocation in direct lines - Active fundamental management**, which aims to identify and exploit market inefficiencies. Several sources of performance with little correlation between them can help in leveraging sources of performance. We select bond securities that reflect these strategic choices, according to their valuation and the liquidity of the market.
Risk monitoring	Risk monitoring is an integral part of our investment process. The main aim is to monitor and manage regulatory, internal, and subfund-specific risks. Risks are managed by experienced professionals, according to stringent control and due diligence procedures and using appropriate tools.

Source: HSBC Asset Management. For illustration purposes only. Overview of the general investment process, which may differ depending on the product or market conditions.

The minimum non-financial analysis rate of 90% is applied to the subfund's eligible assets.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

Description of the incorporation of environmental, social, and governance criteria analysis results into the investment and disinvestment process. If applicable, description of how stocks not assessed on these criteria are taken into account.

As a reminder, there are two major consecutive, independent steps in our investment process for the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC subfund, as detailed in the paragraphs below.

Based on the research results and the ESG analysis process, we define a universe of SRI stocks meeting the criteria specified for the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC subfund in accordance with the description of the ESG investment criteria and the ESG analysis process described above.

Taking this SRI universe as the starting point, the fund manager then picks stocks according to an active fundamental approach based on financial criteria. The fund manager can therefore only invest in stocks that meet the criteria that we described above.

Based on the ratings determined by our internal rating system, the SRI universe of the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC subfund is defined and updated monthly, no later than the 15th of each month, using the updates from the end of the previous month. Within each sector, the universe is segmented into quartiles. Stocks classified in the bottom quartile are excluded, and it is possible to invest a maximum of 15% of net assets in the third quartile and without restriction in those classified in the top two quartiles.

The portfolio of the HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC subfund must be brought into line with changes in quartiles resulting from changes in ratings within two weeks after the new SRI universes are sent out and before the end of each calendar month at the latest. Exceptionally, however, this period may be extended by a further three months, at the fund manager's discretion, for companies in the bottom quartile.

Implementation of an issuer engagement policy

Our voting and engagement activities aim to protect and enhance the value of the assets entrusted to us by our clients. These activities allow us to better understand and assess ESG risks and opportunities at the level of each company, encourage responsible behaviour, and promote high standards of governance.

Engagement - **Our engagement policy is based on systematic ESG questioning** during meetings with companies and monitoring of the riskiest companies. We believe that consideration of ESG issues can have a long-term impact on the performance of companies. As part of our fiduciary responsibility, we are obliged to monitor the companies in which we are invested on behalf of our clients.
Our engagement objective is to allow companies to explain their ESG approach to us. The Managers and analysts initiate a shareholder dialogue for a constructive exchange with the management of the companies in which we invest on behalf of our clients. These discussions are a good way to explore in more detail and better understand the underlying ESG and climate risks and to encourage companies to incorporate ESG risks.

It also provides an opportunity to promote the improvement of corporate governance on the basis of our voting directives and to encourage them to establish and maintenance a high level of transparency.

Direct engagement. We regularly meet with company managers as part of the active management process. We ask issuers about the implementation of their business strategy, performance, financial and non-financial risks, capital allocation, and management of ESG issues. We also encourage companies in our portfolios to establish and maintain a high level of transparency, particularly with regard to their management of ESG risks and climate risk.

Exercising our voting rights

We vote in accordance with our voting policy, which is available on our website.

Presentation of voting policy

Our voting policy can be accessed on the HSBC Asset Management website:

www.assetmanagement.hsbc.fr/-/media/files/attachments/france/common/policy/politique-de-vote.pdf

HSBC Asset Management has set up a Corporate Governance Committee responsible for determining and monitoring the voting policy at general meetings. Fund managers and analysts make voting decisions based on the principles defined by this Committee. The Middle Office is responsible for implementation and for the operational process of exercising voting rights at general meetings.

Together with HSBC Asset Management (UK) Ltd, HSBC Asset Management uses the services of ISS, a world leader in supplying corporate governance services, particularly when it comes to managing voting rights.

HSBC Asset Management has defined guidelines or voting criteria that include the recommendations of the AFG, the OECD, AFEP/MEDEF, and the UK Corporate Governance Code.

Voting resolutions not covered by our guidelines shall be examined on a case-by-case basis.

HSBC Asset Management votes on all securities held in the portfolio, regardless of their level of ownership, on the basis of the overall voting policy, defined by the Asset Management business line. This applies to all markets throughout the world, with the exception of:

- markets that do not meet acceptable voting conditions,

- English, French, and Irish securities for which there are specific voting policies.

With regard to French securities, the HSBC Asset Management voting policy is applied to French shares held in UCIs managed in Paris.

With regard to English and Irish securities, voting rights are exercised based on the principles defined by the management structure in London, HSBC Asset Management (UK) Ltd.

Our voting policy describes a general framework that covers the main issues identified concerning the appointment and removal of companies' corporate bodies, remuneration of the board of directors

and executive officers (stock options, bonus shares, etc.), employee-only capital increases, respect for shareholders' rights (securities issuance and redemption programmes), approval of the accounts, appropriation of earnings, appointment of statutory auditors, regulated agreements, dividend distribution, decisions resulting in changes to the articles of association, shareholder resolutions, and consideration of E, S, and G issues by the company. Our voting policy also describes the procedures in place to prevent and manage conflicts of interest within the HSBC Group.

The Corporate Governance Committee meets at least once a year or when the situation calls for it to develop a plan. Its role is to validate and draw up the voting policy of the management company HSBC Asset Management for French securities. The members of this meeting review all regulatory issues or changes in market behaviour. The head of the Corporate Governance meeting is in charge of this regulatory watch.

The HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC subfund has chosen not to lend its securities and therefore exercises its voting rights in respect of all the shares it holds.

Evaluation of the implementation of the voting and engagement policy

We undertake a comprehensive evaluation. It can be accessed on the website mentioned above in a file entitled "Activity reports on the exercise of voting rights":

www.assetmanagement.hsbc.fr/-/media/files/attachments/france/common/rapport-sur-lexercice.pdf

"SFDR" Annex to Regulation (EU) 2019/2088 and its implementing technical standards

The subfund promotes environmental or social characteristics within under Article 8 of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR").

Information on environmental or social characteristics is available in the SFDR appendix of the annual report.

Additional information relating to Shareholder Rights Directive II (SRD2)

Contribution to medium- and long-term performance

The deployed management strategy is active and disciplined. As a Multi-Asset manager, we focus on allocation decisions based on the HSBC Group's expertise for decisions in selecting securities. Decisions concerning shares in particular will attach importance to the financial criteria of valuation and profitability but also to non-financial criteria (environmental, social, and governance).

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

For allocation decisions, we assess investment opportunities within and between asset classes according to a multi-factor approach. In particular, the criteria of valuation, carry, and price dynamics are taken into account and evaluated in the light of the economic environment. Other criteria may also be incorporated on specific asset classes. The various sources of performance thus detected are combined to obtain a well-balanced distribution of active risk in the portfolio. These elements are likely to achieve the long-term objectives of outperforming the subfund's benchmark.

- Main significant risks

  The subfund incurs primary and secondary risks, which are listed in the subfund's prospectus.

- Turnover rate

  Portfolio turnover rate: 21.21%

  The SEC method is used to calculate the turnover rate: Annual TO = Min (Purchase of securities; Sale of securities) / Average AUM

- Management of conflicts of interest

  During the past fiscal year, there were no conflicts of interest related to engagement activities.

  During this period, the management company decided to use a voting advisor, Institutional Shareholder Services (ISS), for engagement activities.

- Securities lending

  The management company did not engage in securities lending during the past fiscal year.

- Information about investment decisions

  Investment decisions are based on fundamental analysis of the companies included in the investment universe. Markets are not always efficient and do not always reflect the intrinsic value of companies.
  In this context, investment decisions are based on long-term fundamental analysis, thus enabling us to take advantage of these opportunities arising from the excessive volatility of financial markets.
  The management processes are based on exploiting the data from the fundamental analysis conducted by our independent research teams, whether in the short, medium, or long term.
  Furthermore, regardless of the asset class, the consideration of Environmental, Social, and Governance risks and opportunities (E.S.G. integration) is an integral part of the security selection process of the manager of the subfunds concerned with the objective of long-term outperformance.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

Information relating to efficient portfolio management techniques and derivatives used by the subfund of the SICAV, pursuant to AMF position No. 2013-06

Efficient portfolio management techniques

As of the close of the fiscal year, the subfund of the SICAV did not use efficient portfolio management techniques.

Derivatives

As of the close of the fiscal year, the subfund of the SICAV did not use derivatives.

Aggregate exposure

The commitment method is used to calculate the aggregate exposure on financial futures.

Main movements in the portfolio during the period

Securities	Movements ("Accounting currency")	
	Acquisitions	Disposals
HSBC MONETAIRE ETAT Z	5,921,153.57	5,974,376.79
HSBC Responsible Investment Funds SRI Euro Bond ZC	1,262,175.60	
SIEMENS AG-REG		1,181,836.37
VONOVIA SE	43,835.28	1,001,526.44
ENEL SPA	508,094.33	436,875.74
INTESA SANPAOLO	158,485.36	719,224.45
ASML HOLDING NV	839,756.17	33,733.91
SANOFI	437,324.93	431,670.78
KONINKLIJKE AHOLD NV	643,826.09	218,540.39
CAPGEMINI SE	33,762.32	798,242.28

Transparency of securities financing transactions and the reuse of financial instruments - SFTR - in the accounting currency of the UCI (EUR)

The UCI did not carry out any transactions covered by the SFTR during the fiscal year.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

Annual Financial Statements

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

Balance Sheet – Assets

Balance Sheet – Assets as at 30/12/2022
Portfolio: 249030 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

	30 December 2022	31 December 2021
NET FIXED ASSETS		
DEPOSITS		
FINANCIAL INSTRUMENTS	**44,456,850.55**	**46,894,708.27**
Equities and equivalent securities	**35,442,780.83**	**38,677,539.16**
Traded on a regulated or equivalent market	35,442,780.83	38,677,539.16
Not traded on a regulated or equivalent market		
Bonds and equivalent securities		
Traded on a regulated or equivalent market		
Not traded on a regulated or equivalent market		
Debt instruments		
Traded on a regulated or equivalent market		
Negotiable debt instruments		
Other debt instruments		
Not traded on a regulated or equivalent market		
Undertakings for collective investment	**8,874,989.72**	**8,185,669.11**
UCITS and AIF for retail investors and equivalents in other countries	8,874,989.72	8,185,669.11
Other funds for retail investors and equivalents in other EU Member States		
Professional general investment funds and equivalents in other EU member states and listed securitisation funds		
Other professional investment funds and equivalent in other EU Member States and non-listed securitisation funds		
Other non-European vehicles		
Repos and reverse repos		
Receivables under repurchase agreements		
Receivables representing lent securities		
Borrowed securities		
Securities delivered under repurchase agreements		
Other temporary transactions		
Financial futures	**139,080.00**	**31,500.00**
Transactions on a regulated or equivalent market	139,080.00	31,500.00
Other transactions		
Other financial instruments		
RECEIVABLES	**276,277.30**	**130,377.80**
Forward foreign currency transactions		
Other	276,277.30	130,377.80
FINANCIAL ACCOUNTS	**390,935.76**	**132,940.73**
Cash and cash equivalents	390,935.76	132,940.73
TOTAL ASSETS	**45,124,063.61**	**47,158,026.80**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

Balance Sheet – Liabilities & Equity

Balance Sheet – Liabilities & Equity as at 30/12/2022
Portfolio: 249030 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

	30 December 2022	31 December 2021
EQUITY		
Capital	45,483,737.29	45,802,746.51
Prior net gains and losses not distributed (a)		
Retained earnings (a)		
Net gains and losses for the period (a,b)	-1,027,687.18	1,013,196.41
Result for the fiscal year (a, b)	449,997.53	190,017.11
TOTAL EQUITY *	**44,906,047.64**	**47,005,960.03**
* *Amount representing net assets*		
FINANCIAL INSTRUMENTS	**139,080.00**	**31,500.00**
Disposals of financial instruments		
Repos and reverse repos		
Payables under repurchase agreements		
Payables representing borrowed securities		
Other temporary transactions		
Financial futures	139,080.00	31,500.00
Transactions on a regulated or equivalent market	139,080.00	31,500.00
Other transactions		
PAYABLES	**78,935.97**	**91,295.46**
Forward foreign currency transactions		
Other	78,935.97	91,295.46
FINANCIAL ACCOUNTS		**29,271.31**
Current bank facilities		29,271.31
Loans		
TOTAL LIABILITIES	**45,124,063.61**	**47,158,026.80**

(a) Including accruals
(b) Minus interim payments for the fiscal year

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

Off-balance sheet commitments

Off-balance-sheet commitments as at 30/12/2022
Portfolio: 249030 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

	30 December 2022	31 December 2021
HEDGING TRANSACTIONS		
Commitments on regulated or equivalent markets		
Futures contracts		
EURO STOXX 50 0323	3,633,600.00	
Commitments on over-the-counter markets		
Other commitments		
OTHER TRANSACTIONS		
Commitments on regulated or equivalent markets		
Futures contracts		
EURO STOXX 50 0322		1,929,375.00
Commitments on over-the-counter markets		
Other commitments		

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

Income Statement

Income Statement as at 30/12/2022
Portfolio: 249030 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

	30 December 2022	31 December 2021
Income from financial transactions		
Income from deposits and financial accounts	394.53	
Income from equities and equivalent securities	1,078,939.57	775,690.53
Income from bonds and equivalent securities		
Income from debt instruments		
Income from repos and reverse repos		
Income from financial futures		
Other financial income		
TOTAL (1)	**1,079,334.10**	**775,690.53**
Expenses on financial transactions		
Expenses from repos and reverse repos		
Expenses from financial futures		
Expenses from financial debts	3,415.23	2,642.62
Other financial expenses		
TOTAL (2)	**3,415.23**	**2,642.62**
RESULT FROM FINANCIAL TRANSACTIONS (1 - 2)	**1,075,918.87**	**773,047.91**
Other income (3)		
Management fees and amortisation allowance (4)	654,053.40	621,051.93
NET INCOME FOR THE PERIOD (L. 214-17-1) (1 - 2 + 3 - 4)	**421,865.47**	**151,995.98**
Accrued income for the fiscal year (5)	28,132.06	38,021.13
Interim dividends paid during the fiscal year (6)		
RESULT (1 - 2 + 3 - 4 + 5 - 6)	**449,997.53**	**190,017.11**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

Notes

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

1. Accounting policies

The annual financial statements are presented in the form prescribed by ANC regulation 2014-01, as amended.

General accounting principles are applied:
- true and fair view, comparability, going concern;
- accuracy, reliability;
- prudence;
- consistency of accounting methods from one period to the next.

The interest cash basis is used to recognise revenue from fixed-income securities.

Securities bought and sold are recognised excluding costs.
The euro is the reference currency for the portfolio's accounting.
The duration of the reporting period is 12 months.

Asset valuation rules

The asset valuation rules applied by the accounting manager are outlined below according to the instruments held by the subfund:

The subfund has adopted the euro as the reference currency.

The prices used for the valuation of securities traded on the stock exchange are the closing prices.

The prices applied for the valuation of bonds are an average contributor. The UCIs are valued at the last known price.

Negotiable debt securities with a residual life of more than three months are valued at the market rate, with the exception of variable-rate or adjustable-rate negotiable debt securities not presenting any particular market sensitivity.

A simplified method known as "linearisation" is applied for negotiable debt instruments whose residual lifespan is less than three months with no particular sensitivity to the market on the basis of the crystallised three-month rate.

Repos are valued at the contract price.

Futures, options, or exchange transactions made on OTC markets, authorised by applicable UCI regulations, are measured at their market value or at an estimated value according to methods chosen by the management company.

Interest rate and/or currency swaps are valued at their market value based on the price calculated by discounting future cash flows (principal and interest), at the market interest and/or exchange rates.

European and foreign futures are valued on the basis of the clearing prices.

Interest-rate and foreign currency swaps are valued under market conditions.

The valuation of interest-rate swaps against share performance is carried out:
- under market conditions for the fixed income branch

- according to the underlying security rate for the equity branch.

The valuation of Credit Default Swaps (CDS) stems from a model used by the spreads market.

Off-balance-sheet commitments in the European and foreign futures markets are calculated as follows:

- FUTURES
(Qty x Nominal x Daily rate x Contract currency)

- OPTIONS
(Qty x delta) x (Nominal of the underlying instrument x Daily rate of the underlying instrument x Contract currency).

For swaps, the off-balance-sheet commitment corresponds to the nominal value of the contract plus or minus the interest differential and the unrealised capital gain or loss on the closing date.

Transaction fees are recognised in specific accounts of each subfund and are not added to the price.

Financial instruments whose prices were not determined on the day of valuation or whose prices have been adjusted are valued at their probable trading price under the responsibility of the Management Company. These valuations and proof therein are provided to the Statutory Auditor in connection with its audits.

Valuation of financial guarantees

Collateral is marked to market on a daily basis.
Haircuts can be applied to collateral received in the form of securities according to the level of risk.

Margin calls occur daily unless otherwise indicated in the master agreement covering these transactions on in case of agreement between the Management Company and the counterparty on the application of a trigger threshold.

Management fees

Management fees and running costs cover all costs relating to the UCI: financial, administrative and accounting management, custodianship, distribution, audit fees, etc.
These fees are charged to the income statement of the UCI.
Management fees do not include transaction fees. For more information on the costs actually billed to the UCI, please see the prospectus.

They are recognised on a pro rata basis each time the net asset value is calculated.

The aggregate of these fees complies with the maximum fee rate as a percentage of the net assets given in the prospectus or the rules of the fund:

FR0013443173 - HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC IC share: Maximum fee rate of 0.70% including tax.
FR0013443165 - HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC AC share: Maximum fee rate of 1.35% including tax.

External management fees are a maximum of 0.20% including taxes for all units.
The maximum rate of indirect charges is 0.30% including taxes.

Swing pricing

The management company has implemented a swing pricing mechanism to adjust the net asset value of each of the subfunds once a trigger threshold is reached in order to protect the interests of the unitholders present in each of the subfunds.

Under this mechanism, investors bear the portfolio adjustment costs — including transaction fees, bid/offer spreads and taxes or fees applicable to the UCI — relating to investments or disinvestments when there are significant numbers of subscriptions and redemptions.

When the net balance of investor subscription and redemption orders exceeds a predefined threshold, called the “trigger threshold”, the NAV is adjusted.

The NAV is adjusted up or down if the balance of subscriptions/redemptions is respectively positive or negative, so as to take into account the readjustment costs attributable to the net subscription and/or redemption orders.

The trigger threshold is expressed as a percentage of the subfund’s net assets.
The parameters for the trigger threshold and the NAV adjustment factor are determined by the management company and periodically reviewed.

The adjusted (“swung”) NAV is the subfund’s only NAV and is therefore the only NAV published and communicated to unitholders.

By applying swing pricing with a trigger threshold, it is possible that the UCI’s volatility will not come from only the volatility of the financial instruments in the portfolio.

In accordance with the regulatory provisions, the management company does not communicate the trigger thresholds and ensures that internal communication channels are restricted so as to safeguard the confidential nature of the information.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

Appropriation of distributable amounts

Definition of distributable amounts

Distributable amounts consist of the following:

Result:

Net income for the fiscal year is equal to the amount of interest, arrears, premiums and bonuses, dividends, directors' fees, and any other income relating to the securities comprising the portfolio, plus the income from any amounts temporarily available, less management fees and borrowing costs.
Retained earnings are added to net income, and the balance of accrued income is added or subtracted as appropriate.

Capital gains and losses:

Capital gains realised, net of costs, minus realised losses, net of costs, recognised during the fiscal year, plus net gains of the same type recognised in previous fiscal years that were not distributed or accumulated, plus or minus the balance of accrued gains.

Appropriation of distributable amounts:

Share(s)	*Appropriation of net income*	*Appropriation of realised net capital gains or losses*
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC AC share	Accumulation	Accumulation
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC IC share	Accumulation	Accumulation

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

2. Change in Net Assets

Change in net assets as at 30/12/2022
Portfolio: 249030 HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

	30 December 2022	31 December 2021
BEGINNING NET ASSETS	**47,005,960.03**	**30,471,475.83**
Subscriptions (including subscription fees paid into the UCI)	9,947,008.07	15,645,399.89
Redemptions (after deducting redemption fees paid into the UCI)	-4,536,230.87	-4,104,480.06
Capital gains realised on deposits and financial instruments	1,212,761.73	1,298,734.20
Capital losses realised on deposits and financial instruments	-1,957,834.64	-273,324.24
Capital gains realised on financial futures	160,430.00	7,792.50
Capital losses realised on financial futures	-426,267.50	-142,470.43
Transaction fees	-24,860.03	-28,386.69
Foreign exchange gains/losses	-40,951.36	33,688.32
Changes in the valuation differential of deposits and financial instruments	-7,026,413.26	3,959,884.73
Valuation differential period N	*-979,063.28*	*6,047,349.98*
Valuation differential period N-1	*-6,047,349.98*	*-2,087,465.25*
Changes in the valuation differential of financial futures	170,580.00	-14,350.00
Valuation differential period N	*139,080.00*	*-31,500.00*
Valuation differential period N-1	*31,500.00*	*17,150.00*
Prior-year distribution on net gains and losses		
Prior-year distribution on earnings		
Net income for the period before accruals	421,865.47	151,995.98
Current-year interim distribution(s) on net gains and losses		
Current-year interim distribution(s) on earnings		
Other items		
ENDING NET ASSETS	**44,906,047.64**	**47,005,960.03**

3. Additional information

3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC NATURE

	Amount	%
ASSETS		
BONDS AND EQUIVALENT SECURITIES		
TOTAL BONDS AND EQUIVALENT SECURITIES		
DEBT INSTRUMENTS		
TOTAL DEBT INSTRUMENTS		
LIABILITIES & EQUITY		
DISPOSALS OF FINANCIAL INSTRUMENTS		
TOTAL DISPOSALS OF FINANCIAL INSTRUMENTS		
OFF-BALANCE SHEET COMMITMENTS		
HEDGING TRANSACTIONS		
Equities	3,633,600.00	8.09
TOTAL HEDGING TRANSACTIONS	**3,633,600.00**	**8.09**
OTHER TRANSACTIONS		
TOTAL OTHER TRANSACTIONS		

3.2. BREAKDOWN OF ASSETS, LIABILITIES, AND OFF-BALANCE-SHEET ITEMS BY RATE TYPE

	Fixed rate	%	Variable rate	%	Adjustable rate	%	Other	%
ASSETS								
Deposits								
Bonds and equivalent securities								
Debt instruments								
Repos and reverse repos								
Financial accounts							390,935.76	0.87
LIABILITIES & EQUITY								
Repos and reverse repos								
Financial accounts								
OFF-BALANCE SHEET COMMITMENTS								
Hedging transactions								
Other transactions								

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

3.3. BREAKDOWN OF ASSETS, LIABILITIES, AND OFF-BALANCE SHEET COMMITMENTS BY RESIDUAL MATURITY(*)

	< 3 months	%	]3 months - 1 year]	%	]1 - 3 years]	%	]3 - 5 years]	%	> 5 years	%
ASSETS										
Deposits										
Bonds and equivalent securities										
Debt instruments										
Repos and reverse repos										
Financial accounts	390,935.76	0.87								
LIABILITIES & EQUITY										
Repos and reverse repos										
Financial accounts										
OFF-BALANCE SHEET COMMITMENTS										
Hedging transactions										
Other transactions										

(*) Forward-rate positions are presented according to the maturity of the underlying assets.

3.4. BREAKDOWN OF ASSETS, LIABILITIES, AND OFF-BALANCE SHEET COMMITMENTS BY LISTING CURRENCY OR VALUATION CURRENCY (EXCLUDING EURO)

	Currency 1 USD:		Currency 2 GBP		Currency 3		Currency N OTHER(S)	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Deposits								
Equities and equivalent securities								
Bonds and equivalent securities								
Debt instruments								
UCI								
Repos and reverse repos								
Receivables								
Financial accounts	10,825.52	0.02	5,101.11	0.01				
LIABILITIES & EQUITY								
Disposals of financial instruments								
Repos and reverse repos								
Payables								
Financial accounts								
OFF-BALANCE SHEET COMMITMENTS								
Hedging transactions								
Other transactions								

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Debit/credit type	30 December 2022
RECEIVABLES		
	Cash security deposits	276,277.30
TOTAL RECEIVABLES		**276,277.30**
PAYABLES		
	Fixed management fees	78,935.97
TOTAL PAYABLES		**78,935.97**
TOTAL PAYABLES AND RECEIVABLES		**197,341.33**

3.6. EQUITY

3.6.1. Number of securities issued or redeemed

	Shares	Amount
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC AC share		
Shares subscribed during the period	90,590.685	9,947,008.07
Shares redeemed during the period	-42,072.510	-4,536,230.87
Net balance of subscriptions/redemptions	48,518.175	5,410,777.20
Number of shares outstanding at year-end	430,905.001	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC IC share		
Shares subscribed during the period		
Shares redeemed during the period		
Net balance of subscriptions/redemptions		
Number of shares outstanding at year-end	0.500	

3.6.2. Subscription and/or redemption fees

	Amount
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC AC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	

	Amount
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC IC share	
Total fees earned	
Subscription fees earned	
Redemption fees earned	

3.7. MANAGEMENT FEES

	30 December 2022
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC AC share	
Guarantee commissions	
Fixed management fees	654,008.00
Percentage of fixed management fees	1.48
Retrocession of management fees	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC IC share	
Guarantee commissions	
Fixed management fees	45.40
Percentage of fixed management fees	0.83
Retrocession of management fees	

3.8. COMMITMENTS RECEIVED AND GIVEN

3.8.1. Guarantees received by the UCI:

None.

3.8.2. Other commitments received and/or given:

None.

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

3.9. OTHER INFORMATION

3.9.1. Present value of borrowed financial instruments

	30 December 2022
Securities under a repurchase agreement	
Borrowed securities	

3.9.2. Present value of financial instruments constituting security deposits

	30 December 2022
Financial instruments given as collateral and maintained in their original line item	
Financial instruments received as collateral and not recorded on the balance sheet	

3.9.3. Financial instruments held, issued, and/or managed by the Group

	ISIN code	Name	30 December 2022
Equities			
Bonds			
Negotiable debt instruments			
UCI			8,874,989.72
	FR0013217973	HSBC MONETAIRE ETAT Z	1,370,003.45
	FR0013015542	HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND ZC	5,234,808.56
	FR0013076007	HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY	2,270,177.71
Financial futures			
Total group securities			**8,874,989.72**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

3.10. APPROPRIATION OF DISTRIBUTABLE AMOUNTS

Appropriation of the share of distributable amounts relating to earnings

	30 December 2022	31 December 2021
Amounts remaining to be appropriated		
Retained earnings		
Result	449,997.53	190,017.11
Total	**449,997.53**	**190,017.11**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC AC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	449,909.08	189,952.59
Total	**449,909.08**	**189,952.59**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC IC share		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	88.45	64.52
Total	**88.45**	**64.52**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

Appropriation of the share of distributable amounts relating to net gains and losses

	30 December 2022	31 December 2021
Amounts remaining to be appropriated		
Past net gains and losses not distributed		
Net gains and losses for the period	-1,027,687.18	1,013,196.41
Interim payments on net gains and losses for the period		
Total	**-1,027,687.18**	**1,013,196.41**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC AC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	-1,027,565.42	1,013,062.46
Total	**-1,027,565.42**	**1,013,062.46**

	30 December 2022	31 December 2021
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC IC share		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	-121.76	133.95
Total	**-121.76**	**133.95**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

3.11. RESULTS AND OTHER CHARACTERISTIC FEATURES OF THE ENTITY DURING THE LAST FIVE FISCAL YEARS

	31 December 2019	31 December 2020	31 December 2021	30 December 2022
Total net assets in EUR	**19,330,780.55**	**30,471,475.83**	**47,005,960.03**	**44,906,047.64**
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC AC (EUR) share				
Net assets	19,325,604.21	30,466,069.99	46,999,721.79	44,900,724.84
Number of securities	186,982.425	284,147.012	382,386.826	430,905.001
Net asset value per unit	103.35	107.21	122.91	104.20
Accumulation per unit on net gains/losses	-0.08	-1.50	2.64	-2.38
Accumulation per unit on the result	-0.28	0.14	0.49	1.04
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC IC (EUR) share				
Net assets	5,176.34	5,405.84	6,238.24	5,322.80
Number of securities	0.500	0.500	0.500	0.500
Net asset value per unit	10,352.68	10,811.68	12,476.48	10,645.60
Accumulation per unit on net gains/losses	-8.64	-151.20	267.90	-243.52
Accumulation per unit on the result	5,229.10	79.18	129.04	176.90

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
Equities and equivalent securities				
Equities and equivalent securities traded on a regulated or equivalent market				
GERMANY				
ALLIANZ SE-REG	in EUR	3,229	648,706.10	1.44
BMW BAYERISCHE MOTOREN WERKE	in EUR	10,746	896,001.48	2.00
DEUTSCHE POST AG NAMEN	in EUR	23,050	810,899.00	1.80
FRESENIUS	in EUR	22,546	591,832.50	1.32
MERCK KGA	in EUR	4,563	825,446.70	1.83
MUENCHENER RUECKVERSICHERUNG AG	in EUR	4,317	1,312,368.00	2.93
SAP SE	in EUR	13,861	1,336,061.79	2.98
TOTAL GERMANY			**6,421,315.57**	**14.30**
AUSTRIA				
BAWAG GROUP AG	in EUR	9,941	495,061.80	1.10
OMV AG	in EUR	16,109	774,842.90	1.73
TOTAL AUSTRIA			**1,269,904.70**	**2.83**
BELGIUM				
KBC GROUPE	in EUR	9,016	541,681.28	1.20
TOTAL BELGIUM			**541,681.28**	**1.20**
SPAIN				
BANCO DE BILBAO VIZCAYA S.A.	in EUR	152,987	861,928.76	1.92
GRIFOLS SA SHARES A	in EUR	16,290	175,443.30	0.40
IBERDROLA SA	in EUR	138,908	1,518,264.44	3.38
INDITEX	in EUR	22,257	553,086.45	1.23
TOTAL SPAIN			**3,108,722.95**	**6.93**
FINLAND				
ELISA COMMUNICATION OXJ - A	in EUR	9,721	480,800.66	1.07
METSO OUTOTEC OYJ	in EUR	63,895	614,158.74	1.37
NESTE OYJ	in EUR	18,591	799,784.82	1.78
TOTAL FINLAND			**1,894,744.22**	**4.22**
France				
ALSTOM	in EUR	17,261	393,896.02	0.88
AXA SA	in EUR	37,986	989,725.23	2.20
CARREFOUR	in EUR	46,645	729,527.80	1.62
KERING	in EUR	2,468	1,173,534.00	2.62
MICHELIN (CGDE)	in EUR	31,543	819,644.86	1.83
ORANGE	in EUR	68,477	635,535.04	1.41
PERNOD RICARD	in EUR	3,126	574,402.50	1.28
PLASTIC OMNIUM	in EUR	17,996	244,385.68	0.54
PUBLICIS GROUPE SA	in EUR	11,479	682,082.18	1.52
REXEL	in EUR	17,437	321,538.28	0.72
SAINT-GOBAIN	in EUR	17,828	813,848.20	1.82

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
SCHNEIDER ELECTRIC SA	in EUR	9,745	1,273,866.40	2.84
SEB SA	in EUR	5,872	459,484.00	1.02
SOCIETE GENERALE SA	in EUR	31,891	748,800.68	1.66
SR TELEPERFORMANCE	in EUR	2,437	542,719.90	1.21
TOTALENERGIES SE	in EUR	9,760	572,424.00	1.28
VIVENDI	in EUR	56,479	503,453.81	1.12
TOTAL FRANCE			**11,478,868.58**	**25.57**
IRELAND				
CRH PLC	in EUR	24,401	903,081.01	2.01
TOTAL IRELAND			**903,081.01**	**2.01**
ITALY				
ENEL SPA	in EUR	110,006	553,330.18	1.23
TOTAL ITALY			**553,330.18**	**1.23**
NETHERLANDS				
AKZO NOBEL	in EUR	6,394	400,008.64	0.89
ASML HOLDING NV	in EUR	1,339	674,588.20	1.50
ASR NEDERLAND NV	in EUR	10,388	460,707.80	1.02
CNH INDUSTRIAL NV	in EUR	51,171	765,774.02	1.71
HEINEKEN	in EUR	9,965	875,724.20	1.95
ING GROEP NV	in EUR	89,913	1,023,929.24	2.28
KONINKLIJKE AHOLD NV	in EUR	28,766	772,079.44	1.72
KONINKLIJKE DSM	in EUR	6,434	735,406.20	1.64
KONINKLIJKE KPN NV	in EUR	315,707	912,393.23	2.03
SIGNIFY NV	in EUR	14,800	464,424.00	1.03
TOTAL NETHERLANDS			**7,085,034.97**	**15.77**
PORTUGAL				
ELEC DE PORTUGAL	in EUR	92,188	429,227.33	0.95
TOTAL PORTUGAL			**429,227.33**	**0.95**
UNITED KINGDOM				
RELX PLC	in EUR	34,422	889,464.48	1.98
TOTAL UNITED KINGDOM			**889,464.48**	**1.98**
SWITZERLAND				
STMICROELECTRONICS NV	in EUR	26,289	867,405.56	1.94
TOTAL SWITZERLAND			**867,405.56**	**1.94**
TOTAL Equities and equivalent securities traded on a regulated or equivalent market			**35,442,780.83**	**78.93**
TOTAL Equities and equivalent securities			**35,442,780.83**	**78.93**
Undertakings for collective investment				
UCITS and AIF for retail investors and equivalents in other countries				
France				
HSBC MONETAIRE ETAT Z	in EUR	1,412	1,370,003.45	3.05
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI EURO BOND ZC	in EUR	5,847.968	5,234,808.56	11.65
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI GLOBAL EQUITY	in EUR	1,234.443	2,270,177.71	5.06
TOTAL FRANCE			**8,874,989.72**	**19.76**
TOTAL UCITS and AIF for retail investors and equivalents in other countries			**8,874,989.72**	**19.76**

SICAV HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
Financial futures				
Futures, forwards, and swaps				
Futures, forwards, and swaps on regulated or equivalent markets				
EURO STOXX 50 0323	in EUR	-96	139,080.00	0.31
TOTAL Futures, forwards, and swaps on regulated or equivalent markets			**139,080.00**	**0.31**
TOTAL Futures, forwards, and swaps			**139,080.00**	**0.31**
TOTAL Financial futures			**139,080.00**	**0.31**
Margin call				
CACEIS MARGIN CALL	in EUR	-139,080	-139,080.00	-0.31
TOTAL Margin call			**-139,080.00**	**-0.31**
Receivables			**276,277.30**	**0.62**
Payables			**-78,935.97**	**-0.18**
Financial accounts			**390,935.76**	**0.87**
Net assets			**44,906,047.64**	**100.00**

HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC IC share	**in EUR**	**0.500**	**10,645.60**	
HSBC RESPONSIBLE INVESTMENT FUNDS - SRI DYNAMIC AC share	**in EUR**	**430,905.001**	**104.20**	

Product name:	**HSBC RESPONSIBLE INVESTMENT FUNDS – SRI DYNAMIC**
Legal entity identifier:	**9695002V8BPHIL9GT010**
Reporting Date	**31 December 2022**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

●● ☐ **Yes** ●○ ☒ **No**

☐ It made a minimum of **sustainable investments with an environmental objective: __%**

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:_%

☒ It **promoted Environmental/Social (E/S) characteristics**, and while it did not have as its objective a sustainable investment, it had a proportion of 46.8% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ with a social objective

☐ It promoted E/S characteristics **but did not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally **sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective are not necessarily aligned with the taxonomy.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The subfund promotes E, S, and G characteristics by investing in international equity and fixed-income markets with a euro bias by selecting securities issued by companies or countries in a universe of issues that meet Environmental, Social, and Governance (ESG) criteria. The subfund invests, at the manager's discretion, either in securities of companies or countries or in UCIs managed by the HSBC Group.
For public or private listed corporate issues: the manager uses a best-in-class approach to select within each sector the companies that have the best ESG practices compared with their peers within each sector of the economy.
For each ESG pillar, several criteria are used, including CO2 emissions for the E pillar, the management of staff for the S pillar, and level of independence of directors for the G pillar.

For government issues (bonds): euro-denominated issuing countries are ranked according to their overall “ESG” rating, which is based 50% on the Environmental pillar (E) and 50% on the Social/Governance pillar (S/G). The Social and Governance pillar includes the analysis of the political and governance system, human rights and fundamental freedoms, and social conditions. The Environmental pillar includes the analysis of natural resources, climate change and energy, production, and sustainable consumption.
The manager uses an ESG Selection approach to select the countries with a minimum ESG rating according to the non-financial rating agency ISS-Oekom from among euro-denominated issuing countries.

In addition, the subfund will:
- Exclude issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or at least two alleged violations) and the OECD Guidelines for Multinational Enterprises.
- Exclude securities of companies involved in the production of controversial weapons or their components. Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons, and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties.
- Exclude securities of companies in the Defence sector.
- Exclude securities of companies engaged in thermal coal activities. Companies with more than 10% revenue generated from coal-fired power generation are partially excluded. Mining companies are completely excluded.
- Exclude securities of companies involved in tobacco production.
- Carefully consider environmental issues through voting and engagement activities.
The subfund is actively managed and does not track a benchmark. There is no benchmark representative of our management philosophy and therefore of our investment universe or an index designated to determine whether the subfund is aligned with the environmental or social characteristics it promotes.

Alignment with the environmental and social characteristics was 92.74% as at 31 December 2022

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

The subfund promotes all the pillars (E, S, and G). Therefore, the primary sustainability indicator used to measure the portfolio's ESG performance is the ESG rating.

	ESG rating source*	ESG	E	G	S	Coverage rate
Fund	HSBC	6.69	7.85	6.3	6.37	80.19%

* HSBC Proprietary ESG rating (look-through)

The fund's management strategy is to select companies with the highest ESG ratings within each economic sector. Companies with the lowest scores (25% lowest) are systematically excluded from the selection.
The SICAV takes into account all the E, S, and G pillars to obtain an overall ESG score that is higher than that of its reference benchmark. It will also exclude issuers in the bottom quartile of ESG scores and limit the number of issuers in the 3rd quartile. Other exclusions are also applied, such as issuers with an excessive percentage of carbon emissions, controversial weapons, or the tobacco sector. At the end of 2022, the top issuers in terms of ESG score were Sydney Airport, Transurban, and Orsted.

The subfund also takes the following principal adverse impacts into consideration: · Corporate greenhouse gas intensity, · Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises: Exclusion · Exposure to controversial weapons. Exclusion · In addition, the subfund will not invest in shares of companies or other securities equivalent to shares of companies exposed to certain activities ("excluded activities"). The excluded activities are set out below among the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product.

Scores	Carbon intensity (Scope 1+2)*	Coverage rate
Fund	97.5	82.77

* Expressed in tonnes of CO2/$M of revenue, taking scope 1 & 2 emissions into account.

The fund's management policy takes into account the adverse impact of greenhouse gas emissions in its selection of securities. In addition, the fund excludes companies involved in coal mining from its investments and limits investments to those that have more than 10% of their activities related to coal use. Carbon intensity is not one of the basic constraints of the SICAV. However, the manager will not be able to invest in emitters for which the percentage of CO2 will be greater than 10% of turnover. The evolution of carbon intensity over time will also be taken into account by the manager, who will strive to favour companies making the greatest efforts in terms of decarbonisation.

The international Greenhouse Gas (GHG) Protocol was created in 1998 to help companies conduct their carbon or greenhouse gas assessments by identifying the main direct and indirect emission items in order to better target reduction strategies. The GHG Protocol serves to quantify all the impacts generated by the production and consumption of products and services by companies. It is divided into three CO2 emissions scopes:
• Scope 1 includes direct emissions resulting from combustion of fossil fuels, such as gas, oil, and coal.
• Scope 2 relates to indirect emissions from the consumption of electricity, heat, or steam necessary to manufacture the product. A company's scope 2 will include emissions associated with the production of energy it uses: electricity, steam, heat, cold, and compressed air. These indirect emissions therefore depend greatly on the primary energy source (oil, gas, coal, biomass, wind, solar, etc.) used to produce them.
• Scope 3 corresponds to other indirect emissions.

Scope 3 carbon emissions are not yet included in the calculation of carbon intensities because this scope of emissions is difficult to understand and is not yet sufficiently taken into account in the carbon assessment of companies.

…and compared to previous periods?

Not applicable

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

The subfund's sustainable investments are aligned with its environmental characteristics. The identification and ESG analysis of companies are performed as part of the investment decision-making process to reduce sustainability risks and increase returns.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or sustainable investment objective?

The principle of "do no significant harm" to environmental or social objectives applies only to the underlying sustainable investments of the subfund. This principle is incorporated into the investment decision-making process, which includes consideration of principal adverse impacts.

How were the indicators for adverse impacts on sustainability factors taken into account?

HSBC Asset Management's "do no significant harm" (DNSH) assessment of issuers as part of its sustainable investment process includes consideration of principal adverse impacts (PAI). All the PAIs included in table 1 of Annex 1 of Commission Delegated Regulation (EU) 2022/1288 were thus examined and integrated into the investment process according to an approach that combines exclusions (sectoral, the most severe ESG controversies, norms-based exclusions, etc.) with voting and shareholder engagement activities to instil and maintain a positive change dynamic within companies. As such, the subfund's eligible universe during the past financial year excluded issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or with at least two alleged violations) and the OECD Guidelines for Multinational Enterprises,- shares of companies involved in the production of controversial weapons or their components. Controversial weapons include, but are not limited to, anti-personnel mines, depleted uranium weapons, and white phosphorus when used for military purposes. This exclusion is in addition to the exclusion policy on weapons prohibited by international treaties. The examination of the other PAIs was conducted with proxies. For example, to address all PAIs related to greenhouse gas emissions, we have used our coal policy as an exclusion filter. Companies with more than 10% revenue generated from coal-fired power generation are partially excluded. Mining companies are completely excluded. Furthermore, the 'do no significant harm' (DNSH) test of issuers described above was supplemented by the application of an exclusion policy (with a 0% threshold for tobacco) and the exclusion of issuers for which the level of controversy provided by Sustainalytics was very severe (equal to 5). In our view, the setting of exclusion thresholds for each PAI is not always relevant and could compromise the fact that many sectors and companies are in a transition strategy. Lastly, the subfund takes into consideration the principal adverse impacts in its engagement approach, which incorporates several levers for action including 1) direct dialogue with companies about their consideration of environmental and social issues to ensure that they are able to face the future and maintain long-term financial viability, 2) the exercising of voting rights by which we express our support for positive development initiatives or, conversely, our disagreement when directors do not meet our expectations, and 3) a gradual escalation procedure with companies when the ESG risks or controversies to which they are exposed are not managed.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Yes, sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Pre-trade and post-trade monitoring ensures that issuers in violation of one or more of the Ten Principles of the United Nations Global Compact (or with at least two alleged violations) and the OECD Guidelines for Multinational Enterprises are systematically excluded.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.
The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.
Any other sustainable investments must also do no significant harm to any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

The methodology for addressing the principal adverse impacts selected by the subfund combines exclusions with voting and shareholder engagement activities to instil and maintain a positive change dynamic within companies. The manner in which each PAI is considered is explained in the table below.

	Impact 31 December 2022	Comment
Greenhouse gas intensity of investee companies	97.5	The fund's management policy takes into account the adverse impact of greenhouse gas emissions in its selection of securities. In addition, the fund excludes companies involved in coal mining from its investments and limits investments to those that have more than 10% of their activities related to coal use. Carbon intensity is not one of the basic constraints of the SICAV. However, the manager will not be able to invest in emitters for which the percentage of CO2 will be greater than 10% of turnover. The evolution of carbon intensity over time will also be taken into account by the manager, who will strive to favour companies making the greatest efforts in terms of decarbonisation.
Exclusion of issuers in violation of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises.	0%	Issuers in violation of one or more of the 10 principles of the United Nations Global Compact (or at least two alleged violations) and the OECD Guidelines for Multinational Enterprises.
Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	Application of the exclusion policy

What were the top investments of this financial product?

The list includes the investments constituting the largest share of investments of the financial product as at: 31 December 2022

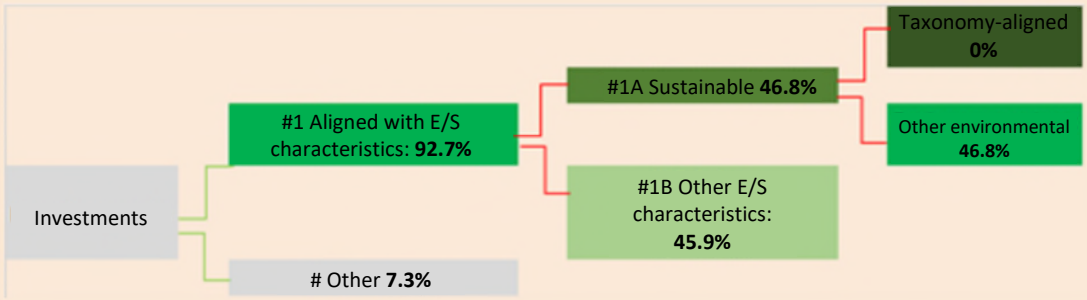
Largest investments	Sector	% Assets	Country
IBERDROLA SA	Utilities	3.38%	Spain
SAP SE	Information technology	2.98%	Germany
MUENCHENER RUECKVER AG-REG	Finance	292%	Germany
SCHNEIDER ELECTRIC SA	Industry	2.84%	France
KERING	Consumer discretionary	2.61%	France
ING GROEP NV	Finance	2.28%	Netherlands
AXA SA	Finance	2.20%	France
KONINKLIJKE KPN NV	Telecommunications services	2.03%	Netherlands
CRH PLC	Materials	2.01%	Ireland
BAYERISCHE MOTOREN WERKE AG	Consumer discretionary	2.00%	Germany
RELX PLC	Industry	1.98%	United Kingdom
HEINEKEN	Consumer staples	1.95%	Netherlands
STMICROELECTRONICS NV	Information technology	1.93%	Switzerland
BANCO DE BILBAO VIZCAYA ARGENTA	Finance	1.92%	Spain
MERCK KGA	Health	1.84%	Germany

What was the proportion of sustainability-related investments?

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.

Although the subfund does not have sustainable investments as an objective, it commits to a minimum proportion of 20% of its assets in sustainable investments. At 31/12/2022, the share of sustainable investments was 46.8%.



Category **#1 "Aligned with E/S characteristics"** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

Category **#2 "Other"** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Category **#1 "Aligned with E/S characteristics"** covers:
-subcategory **#1A "Sustainable"** covers sustainable investments with environmental or social objectives;

-subcategory #1B "Other E/S characteristics" covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Sector	% Assets
Finance	19.45%
Industry	16.75%
Consumer discretionary	9.86%
Telecommunications services	7.78%
Information technology	7.59%
Consumer staples	7.5%
Governance	7.46%
Utilities	6.51%
Energy	5.26%
Materials	4.85%
Health	4.66%
Other	1.73%
Property	0.6%
Total	100%

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The subfund does not commit to a minimum proportion of sustainable investments with an environmental objective aligned with the European Union's taxonomy. However, when assessing issuers, the subfund manager takes into consideration two environmental indicators and applies our coal phase-out policy as well as the sectoral exclusions set out in the label guidelines.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

Yes. ☐

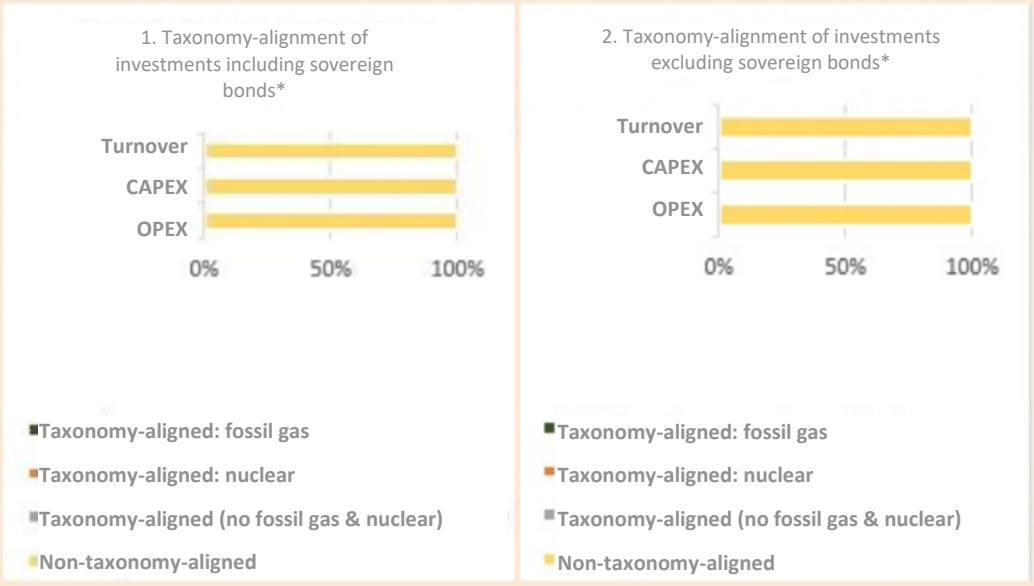
☐ In fossil gas ☐ In nuclear energy

No. ☒

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:
-**turnover** reflecting the share of revenue from green activities of investee companies;
-**capital expenditure** (CAPEX) showing the green investments made by investee companies, e.g. for a transition to a green economy;
-**operational expenditure** (OPEX) reflecting green operational activities of investee companies.

The two graphs below show, in green, the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.

The share of sustainable investments with an environmental objective aligned with the European Union's taxonomy is 0%.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What was the share of investments in made transitional and enabling activities?

This does not apply to the mandate, as the share of sustainable investments with an EU Taxonomy-aligned environmental objective was 0% as at 31/12/2022.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Not applicable.

The symbol denotes sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective that were not aligned with the European Union's taxonomy was 46.8%.

What was the share of socially sustainable investments?

The subfund does not commit to having a minimum share of socially sustainable investments. However, when assessing issuers, the subfund manager does look at the social characteristics, respect for human rights and employee rights, management conduct, and corporate social responsibility of the companies.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The fund's "Other" category is composed of cash and UCITS units.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The fund promotes ESG characteristics by investing primarily in companies chosen for their good environmental, social, and governance practices according to a best-in-class approach and their financial qualities. This approach consists of selecting the top companies within each sector according to ESG criteria. During 2022, we constantly adjusted the portfolio to meet our commitments. Issuers whose scores fell into the bottom quartile were systematically sold in favour of better-rated issuers, and the number of issuers in the 3rd quartile remained below 15%. Consideration of non-financial factors, such as the percentage of female executives or independent board members, were also added to the list of criteria taken into account to improve the S and G criteria.

How did this financial product perform compared to the reference benchmark?

The subfund is actively managed and does not track a benchmark. There is no benchmark representative of our management philosophy and therefore of our investment universe or an index designated to determine whether the subfund is aligned with the environmental or social characteristics it promotes. The information expected in this section is therefore not applicable to this product.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How does the reference benchmark differ from a broad market index?

Not applicable.

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?

Not applicable.

How did this financial product perform compared to the reference benchmark?

Not applicable.

How did this financial product perform compared with the broad market index?

Not applicable.