

Asset Management

**French mutual fund (FCP)
HSBC SELECT EQUITY**

Annual Report as at 30 December 2022



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Information concerning investments and management

Management company

HSBC Global Asset Management (France)

Depositary and Custodian

CACEIS Bank

Appointed accounting manager

CACEIS Fund Administration

Statutory Auditor

Ernst & Young Audit

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 associated with 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 2022¹, 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 at 3.6% and wage increases 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).

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.

¹ Bloomberg consensus as at 31/03/2022 compared with that of 31 December 2021.

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In second quarter 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 forecasts² 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. 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.

² Bloomberg consensus as at 30/06/2022.

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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 economists³ 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.

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 2023⁴ 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 debt⁵

³ Bloomberg consensus as at 30/09/2022.

⁴ Bloomberg consensus as at 31/12/2022

⁵ IMF estimates, December 2022.

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(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 could push 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 (+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 index⁶ +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

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.

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Europe, with spreads widening sharply at first, then narrowing slightly starting mid-March, and the riskiest bonds underperforming.

In second quarter (Q2) 2022, 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 index⁶+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 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 rather 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,

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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.

Management policy

Exposure

Starting in February, we reduced our exposure to equities and maintained this bias throughout the year, which helped limit the decline in the portfolio's valuation.
Equity exposure averaged around 89% over the year within a range of 85% to 96%.

Choice of investments in equity markets

Geographically, we maintained a greater weighting in developed countries. Europe and the United States each accounted for 38%* on average of the share in equities, and Japan 3.8%*. Selectivity on emerging equity markets was positive for our management. In terms of choice of vehicles, the emerging-market portfolio benefited from our positions on countries benefiting from the surge in commodities (South Africa,

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Latin America, and frontier markets) over the first half of the year; this bias was reduced before the summer. Our investments, albeit limited, in Chinese equities suffered from the “zero-Covid” policy. We wisely increased them in November as the lifting of the health restrictions approached. Within developed countries, our preference for value stocks (financials and energy) and defensive stocks (healthcare, consumer staples) at the expense of growth stocks and small caps was beneficial.

As innovation is not being sought in a context of monetary restrictions, we repositioned our thematic portfolio from new technologies to sustainable investment (water, green energy, etc.) benefiting from government plans.

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Choice of investments in bond markets

In this “annus horribilis” for bond vehicles, we were little invested in these assets, with the exception of some emerging-market and high-yield investments. Our preference over the first nine months of the year for Indian and Chinese debts over other emerging-market debt was positive. We gradually reinstated positions in debt in dollars and local currencies at the end of the year.

Selection of vehicles on other asset classes

Diversification into alternative asset classes was particularly beneficial. These include commodities (iShares Bloomberg Enhanced Roll Yield Commodity; +23.7% in EUR), absolute performance funds (Passim Cross Asset Trend Strategy; +15.2% in euros), and currency management (US dollar, in particular).

Performance

At the close of the fiscal year, the Fund’s performance was -12.52% for the A unit and -11.95% for the B unit. The H unit is inactive.

Past performance is not an indicator of the Fund’s future performance.

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.

Non-consideration of criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852

The Fund does not promote environmental or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (“SFDR”) or does not have a sustainable investment objective within the meaning of Article 9 of this EU regulation.

In this context, the underlying investments of the Fund do not take into account the European Union criteria for environmentally sustainable economic activities within the meaning of Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to promote sustainable investment and amending Regulation (EU) 2019/2088 (“Taxonomy Regulation”).

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Incidents affecting the Fund during the fiscal year or forthcoming

➤ 11 February 2022

Annual update of 2021 performance in the KIIDs.

➤ 6 May 2022

Update of the prospectus with a warning regarding the ban on Russian or Belarusian nationals from subscribing for units of the Fund, 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 Fund Administration was added to the prospectus, with effect from 1 June 2022.

➤ 30 December 2022

The prospectus was brought into line with EU Sustainable Finance Disclosure Regulation with the addition of an explanatory text on how the main adverse environmental, social, or governance impacts of the Fund's investments are taken into account.

➤ 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").

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.

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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 incentives schemes in 2022.

FCP HSBC SELECT EQUITY

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

Efficient portfolio management techniques

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

Derivatives

As of the fiscal year-end closure date, the Fund used derivative financial instruments comprising 0.01% of its net assets.

The exposure generated by such financial contracts was:

- 0.01% for forward exchange contracts

The Fund received a security deposit of €4,010,949.14 in connection with these transactions.

Aggregate exposure

The management company has adopted the absolute VaR calculation method to measure the aggregate exposure of the fund that it manages.

VaR is calculated according to a parametric methodology. A short-term risk model is used to represent the dynamics of market risk parameters (volatilities and correlations). This model relies on data histories of at least 250 days.

VaR is calculated for a one-sided confidence interval of 99% and a holding period of one day (VaR 99% 1 day). The VaR 99% 1 day is converted into a 99% confidence interval VaR and a holding period of 20 days (VaR 99% 20 days) according to the method recommended by the regulator.

Over the year, the VaR (99% 1 month) represented:

- average: 7.72%
- minimum: 6.87%
- maximum: 9.18%

In addition to monitoring the VaR, the Fund's leverage level is also calculated.

For information purposes, leverage, calculated as the sum of par values of positions on financial contracts used, represented for the year:

- average: 45.53%
- minimum: 28.45%
- maximum: 55.64%

FCP HSBC SELECT EQUITY

Main movements in the portfolio during the year

Securities	Movements ("Accounting currency")	
	Acquisitions	Disposals
ISH EDGE MSCI EU MOMENTUM FCTR UCTS ETF	10,556,859.70	11,704,521.01
ISHARES EDGE MSCI EUROPE MIN VOL	5,960,931.97	8,871,727.00
ISHARES EDGE MSCI USA MMNTM	9,121,411.22	4,644,093.66
db x-trackers SICAV - db x-trackers MSCI EMU INDEX UCITS ETF	3,570,624.50	9,804,333.49
ISHS SP LATIN AMERN INDEX FUND	7,045,584.03	5,901,743.86
iShares Edge MSCI Europe Value Factor UCITS ETF EUR (Acc)	9,470,495.40	3,330,417.90
SPDR DVD ARISTOC	9,711,201.48	2,809,111.70
ISH EDGE MSCI EU QLTY FACTOR UCTS ETF	5,913,982.70	5,939,555.90
iShares VI PLC - iShares Edge S P 500 Minimum Volatility UCI	7,216,685.38	4,533,998.45
ISHARES BLOOMBERG ROLL SELECT COMMODITY SWAP UCITS ETF	6,128,615.72	5,099,587.42

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.

FCP HSBC SELECT EQUITY

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 Fund	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 Fund's depository.

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

FCP HSBC SELECT EQUITY

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 management company's website: www.assetmanagement.hsbc.fr.

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 carry out 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.

FCP HSBC SELECT EQUITY

Statutory auditor's certification on the annual financial statements



HSBC Select Equity
Period ended 30 December 2022

Statutory auditor's report on the annual financial statements

ERNST & YOUNG et Autres



HSBC Select Equity

Period ended 30 December 2022

Statutory auditor's report on the annual financial statements

To the Unitholders of the HSBC Select Equity fund,

Opinion

In accordance with the assignment entrusted to us by the management company, we audited the annual financial statements of the HSBC Select Equity undertaking for collective investment, established in the form of a mutual fund, for the fiscal year ended on 30 December 2022, as attached to this report.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the fund as at the end date of the year and of the results of its operations for the year then ended in accordance with French accounting principles.

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 under those standards are further described in the "Statutory auditor's responsibilities for the audit of the annual financial statements" section 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 2022 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.

We have no comments to make as to the fairness and consistency with the annual financial statements of the information given in the management report prepared by the management company.

Management company's responsibilities for the annual financial statements

The management company is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management company is responsible for assessing the fund'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 fund or to cease operations.

The annual financial statements were prepared by the management company.

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 a guarantee that an audit performed in accordance with the professional auditing standards will always detect any material misstatement. 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 by Article L.823-10-1 of the French Commercial Code, our role of certifying the financial statements is not to guarantee the viability or the quality of the management of your fund.



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 the management company, as well as the overall presentation of the financial statements;
- ▶ Conclude on the appropriateness of the management company'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 Fund'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, 14 April 2023

The Statutory Auditor
ERNST & YOUNG et Autres

YOUSSEF
BOUJANOUI

Youssef Boujanoui

Digitally signed by YOUSSEF
BOUJANOUI
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FCP HSBC SELECT EQUITY

Annual Financial Statements

FCP HSBC SELECT EQUITY

Balance Sheet – Assets

Balance Sheet – Assets as at 30/12/2022
Portfolio: 1583 HSBC SELECT EQUITY

	30/12/2022	31/12/2021
NET FIXED ASSETS		
DEPOSITS		
FINANCIAL INSTRUMENTS	196,983,998.89	210,979,650.69
Equities and equivalent securities		
Traded on a regulated or equivalent market		
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	195,029,932.96	210,092,717.50
UCITS and AIF for retail investors and equivalents in other countries	185,981,583.13	187,947,407.78
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	7,467,138.31	17,811,715.81
Other professional investment funds and equivalent in other EU Member States and non-listed securitisation funds		
Other non-European vehicles	1,581,211.52	4,333,593.91
Repos and reverse repos		
Receivables under repurchase agreements		
Receivables representing lent securities		
Borrowed securities		
Securities delivered under repurchase agreements		
Other temporary transactions		
Financial futures	1,954,065.93	886,933.19
Transactions on a regulated or equivalent market	1,954,065.93	886,933.19
Other transactions		
Other financial instruments		
RECEIVABLES	7,586,267.54	2,810,051.18
Forward foreign currency transactions	3,440,670.09	
Other	4,145,597.45	2,810,051.18
FINANCIAL ACCOUNTS	23,161,544.29	18,607,169.56
Cash and cash equivalents	23,161,544.29	18,607,169.56
TOTAL ASSETS	227,731,810.72	232,396,871.43

FCP HSBC SELECT EQUITY

Balance Sheet – Liabilities & Equity

Balance Sheet – Liabilities & Equity as at 30/12/2022
Portfolio: 1583 HSBC SELECT EQUITY

	30/12/2022	31/12/2021
EQUITY		
Capital	199,532,086.50	198,664,223.85
Prior net gains and losses not distributed (a)		
Retained earnings (a)		
Net gains and losses for the period (a,b)	450,114.29	20,179,880.53
Result for the period (a,b)	-246,846.23	-1,489,309.55
TOTAL EQUITY *	199,735,354.56	217,354,794.83
<i>* Amount representing net assets</i>		
FINANCIAL INSTRUMENTS	1,948,677.62	842,108.17
Disposals of financial instruments		
Repos and reverse repos		
Payables under repurchase agreements		
Payables representing borrowed securities		
Other temporary transactions		
Financial futures	1,948,677.62	842,108.17
Transactions on a regulated or equivalent market	1,948,677.62	842,108.17
Other transactions		
PAYABLES	4,670,314.65	293,131.91
Forward foreign currency transactions	3,419,863.11	
Other	1,250,451.54	293,131.91
FINANCIAL ACCOUNTS	21,377,463.89	13,906,836.52
Current bank facilities	21,377,463.89	13,906,836.52
Loans		
TOTAL LIABILITIES	227,731,810.72	232,396,871.43

(a) Including accruals

(b) Minus interim payments for the fiscal year

FCP HSBC SELECT EQUITY

Off-balance sheet commitments

Off-balance-sheet commitments as at 30/12/2022
Portfolio: 1583 HSBC SELECT EQUITY

	30/12/2022	31/12/2021
HEDGING TRANSACTIONS		
Commitments on regulated or equivalent markets		
Futures contracts		
SP 500 MINI 0322		1,046,100.07
SP 500 MINI 0323	1,808,854.53	
MME MSCI EMER 0322		8,896,390.26
MME MSCI EMER 0323	2,696,837.67	
NIKKEI 225 0323	3,230,492.77	
NQ USA NASDAQ 0322		2,009,237.60
DJE 600 EUROP 0322		14,667,975.00
DJE 600 EUROP 0323	12,786,615.00	
CBOE VIX FUT 0422		629,658.55
EURO STOXX 50 0322		4,030,250.00
EURO STOXX 50 0323	11,619,950.00	
Options		
DJ EURO STOXX 50 01/2022 CALL 4400		2,669,183.44
Commitments on over-the-counter markets		
Other commitments		
OTHER TRANSACTIONS		
Commitments on regulated or equivalent markets		
Futures contracts		
XEUR EUFF AUS 0323	1,005,920.00	
DJES BANKS 0322		1,542,675.00
DJES BANKS 0323	2,526,562.50	
CAC 40 FUT 0122		3,071,490.00
CAC 40 FUT 0123	4,076,415.00	
XEUR EUFF DAX 0323	979,160.00	
AEX FUT 0122		2,712,146.00
AEX FUT 0123	1,103,440.00	
XEUR FSTU DJ 0323	2,148,000.00	
HHI HANG SENG 0123	3,165,002.97	
HKF HANG SENG T 0122		580,445.41
DJ STOXX HC 0322		269,000.00
DJ STOXX HC 0323	1,486,050.00	
MEFF IBEX35 E 0123	1,638,860.00	
IN NSE SP CN 0122		306,709.46

FCP HSBC SELECT EQUITY

Off-balance sheet commitments

Off-balance-sheet commitments as at 30/12/2022
Portfolio: 1583 HSBC SELECT EQUITY

	30/12/2022	31/12/2021
IN NSE SP CN 0123	2,424,610.92	
SP E-MINI FIN 0322		1,161,954.80
SP E-MINI FIN 0323	795,502.46	
SP E-MINI HEA 0322		2,251,582.84
SP E-MINI HEA 0323	1,683,757.32	
SP E-MINI MAT 0323	854,851.25	
XAE ENERGY SE 0322		1,624,762.57
XAE ENERGY SE 0323	1,897,287.42	
XAPXAP CONSUM 0322		1,022,379.53
XAPXAP CONSUM 0323	1,984,464.75	
SP EMIN UTILI 0323	872,391.66	
XAKTECHNOLOG0323	1,420,548.14	
XAY CONSUMER 0322		1,270,981.36
CONSUMER DISC 0323	738,833.45	
DJS BAS R FUT 0322		2,366,000.00
DJS BAS R FUT 0323	4,576,900.00	
DJE 600 INSUR 0323	2,030,095.00	
DJE 600 OIL G 0322		2,691,080.00
DJE 600 OIL G 0323	2,354,345.00	
MSCI CHIN A50 0123	3,672,354.18	
NK2 TOKYO NIK 0322		1,647,140.13
NQ USA NASDAQ 0323	1,858,988.05	
XEUR FSTN DJ 0323	1,530,000.00	
DJS 600 MED 0323	1,944,460.00	
STOXX 600 FIN 0323	1,524,420.00	
DJS F&B FUT 0323	260,925.00	
DJE 600 INDUS 0323	1,748,450.00	
OMXS30 FUT 0123	1,156,862.48	
STOXX 600 P&H 0322		2,202,600.00
STOXX 600 P&H 0323	1,580,700.00	
E-MIN RUS 200 0322		493,053.11
XEUR FSMI SWI 0322		1,111,634.42
XEUR FSMI SWI 0323	1,402,886.22	
DJE 600 REAL 0322		1,453,495.00
DJE 600 REAL 0323	1,056,135.00	
FTSE/MIB 0322		2,861,040.00
FTSE/MIB 0323	829,780.00	
DJ STX600 AUT 0323	423,040.00	

FCP HSBC SELECT EQUITY

Off-balance sheet commitments

Off-balance-sheet commitments as at 30/12/2022
Portfolio: 1583 HSBC SELECT EQUITY

	30/12/2022	31/12/2021
FTSE TAIWAN I 0122		1,692,050.65
DJS TECH FUT 0322		3,864,960.00
CBOE VIX FUT 0123	389,567.39	
DJS TELECOM 0323	1,419,750.00	
RE SELECT SEC 0323	1,752,752.40	
CN FTSE CHINA 0122		2,125,963.77
FTSE 250 I 0322		2,176,493.57
FTSE 100 FUT 0322		2,442,496.43
FTSE 100 FUT 0323	1,178,067.06	
Options		
HANG SENG CHINA ENT 02/2023 CALL 7300	1,148,671.34	
DJ EURO STOXX 50 01/2023 CALL 4100	344,787.30	
Commitments on over-the-counter markets		
Other commitments		

FCP HSBC SELECT EQUITY

Income Statement

Income Statement as at 30/12/2022

Portfolio: 1583 HSBC SELECT EQUITY

	30/12/2022	31/12/2021
Income from financial transactions		
Income from deposits and financial accounts	70,273.19	170.63
Income from equities and equivalent securities	2,740,267.58	1,408,435.60
Income from bonds and equivalent securities		-43,263.18
Income from debt instruments		
Income from repos and reverse repos		
Income from financial futures		
Other financial income	-15,485.91	
TOTAL (1)	2,795,054.86	1,365,343.05
Expenses on financial transactions		
Expenses from repos and reverse repos		
Expenses from financial futures		
Expenses from financial debts	326,516.00	163,298.56
Other financial expenses		
TOTAL (2)	326,516.00	163,298.56
RESULT FROM FINANCIAL TRANSACTIONS (1 - 2)	2,468,538.86	1,202,044.49
Other income (3)		
Management fees and amortisation allowance (4)	2,710,659.97	2,639,628.16
NET INCOME FOR THE PERIOD (L. 214-17-1) (1 - 2 + 3 - 4)	-242,121.11	-1,437,583.67
Accrued income for the fiscal year (5)	-4,725.12	-51,725.88
Interim dividends paid during the fiscal year (6)		
RESULT (1 - 2 + 3 - 4 + 5 - 6)	-246,846.23	-1,489,309.55

FCP HSBC SELECT EQUITY

Notes

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.

Revenues from fixed-income securities are recognised on the basis of interest actually received.

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

Financial instruments are recognised according to the historical cost method and are entered in the balance sheet at their present value, which is determined by the last-known market value or, if no market exists, by any external means or through the use of financial models.

Differences between the present values used when calculating the net asset value and the historical costs of the securities upon their entry into the portfolio are recorded in "Valuation differentials" accounts.

Securities that are not in the portfolio's currency are recognised in accordance with the principle set forth below then converted into the portfolio's currency according to the exchange rates in effect on the day of the valuation.

Deposits:

Deposits with a residual maturity of 3 months or less are valued according to the straight-line method.

Equities, bonds, and other securities traded on a regulated or equivalent market:

For the calculation of the net asset value, equities and other securities traded on a regulated or equivalent market are valued on the basis of the day's last market price.

Bonds and equivalent securities are valued at the closing price supplied by various financial services providers. Interest accrued on bonds and equivalent securities is calculated up to the net asset value date.

Equities, bonds, and other securities not traded on a regulated or equivalent market:

Securities not traded on a regulated market are valued under the responsibility of the management company using methods based on the asset value and the yield, taking into consideration the prices used in recent significant transactions.

FCP HSBC SELECT EQUITY

Negotiable debt instruments:

Negotiable debt instruments and equivalent securities for which transaction amounts are not significant are valued on an actuarial basis according to a reference rate defined below, plus any differential representative of the issuer's intrinsic characteristics:

- Negotiable debt instruments with a maturity of 1 year or less: Interbank rate offered in euros (Euribor);
- Negotiable debt instruments with a maturity of more than 1 year: Yield on normalised annual interest Treasury bonds (BTAN) or fungible Treasury bonds (OAT) with similar maturity for the longest durations.

Negotiable debt instruments with a residual maturity of 3 months or less may be valued according to the straight-line method.

Treasury bonds are valued at the market rate communicated daily by Banque de France or treasury bond specialists.

UCIs held:

UCI units or shares are valued at the last known net asset value. ***Repos and reverse***

repos:

Securities borrowed under repurchase agreements are recorded in assets under "receivables under repurchase agreements" for the amount specified in the contract plus accrued interest receivable.

Securities delivered under repurchase agreements are recorded in the long portfolio for their present value. The payable under repurchase agreements is recorded in the short portfolio at the value set in the contract plus accrued interest payable.

Lent securities are measured at their present value and are recorded in assets in "receivables representing lent securities" at the present value plus accrued interest receivable.

Borrowed securities are recorded in assets under "borrowed securities" for the amount specified in the contract and in liabilities under "payables representing borrowed securities" for the amount specified in the contract plus accrued interest payable.

Financial futures:

Financial futures traded on a regulated or equivalent market:

Financial futures traded on regulated markets are valued at the day's settlement price.

Financial futures not traded on a regulated or equivalent market: Swaps:

Interest rate and/or currency swaps are valued at their market value based on the price calculated by discounting future interest flows at the market interest and/or exchange rates. This price is adjusted to take into account the issuer's creditworthiness risk.

FCP HSBC SELECT EQUITY

Index swaps are valued on an actuarial basis according to a reference rate provided by the counterparty.

Other swaps are valued at their market value or at a value estimated according to the methods established by the management company.

Off-balance-sheet commitments:

Futures appear in off-balance-sheet commitments for their market value at the price used in the portfolio. Options are converted into the underlying equivalent. Commitments on swaps are shown at their nominal value or, in the absence of a nominal value, for an equivalent amount.

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:

FR0013313988 - HSBC SELECT EQUITY B unit: Maximum fee rate of 0.65% including taxes,

FR0007036900 - HSBC SELECT EQUITY A unit: Maximum fee rate of 1.30% including tax

The external management fees are:

FR0013313988 - HSBC SELECT EQUITY B: Maximum fee rate of 0.30% including tax

FR0007036900 - HSBC SELECT EQUITY A: Maximum fee rate of 0.30% including tax

Swing pricing

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

Under this mechanism, investors bear the portfolio adjustment costs – including transaction fees, bid/offer spreads and taxes or fees applicable to the UCITS – 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 Fund's net assets.

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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 Fund’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 UCITS’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:

<i>Unit(s)</i>	<i>Appropriation of net income</i>	<i>Appropriation of realised net capital gains or losses</i>
HSBC SELECT EQUITY A unit	Accumulation	Accumulation
HSBC SELECT EQUITY B unit	Accumulation	Accumulation

FCP HSBC SELECT EQUITY

2. Change in Net Assets

Change in net assets as at 30/12/2022

Portfolio: 1583 HSBC SELECT EQUITY

	30/12/2022	31/12/2021
BEGINNING NET ASSETS	217,354,794.83	164,856,364.00
Subscriptions (including subscription fees paid into the UCI)	27,609,799.52	34,672,012.03
Redemptions (after deducting redemption fees paid into the UCI)	-17,513,257.42	-14,102,541.94
Capital gains realised on deposits and financial instruments	5,739,180.24	20,749,019.18
Capital losses realised on deposits and financial instruments	-10,825,078.66	-1,295,766.52
Capital gains realised on financial futures	20,545,223.36	13,374,544.73
Capital losses realised on financial futures	-20,583,125.83	-13,680,511.62
Transaction fees	-174,060.68	-123,222.35
Foreign exchange gains/losses	6,492,109.65	6,046,315.08
Changes in the valuation differential of deposits and financial instruments	-29,541,710.51	8,173,967.58
<i>Valuation differential period N</i>	<i>-2,382,836.81</i>	<i>27,158,873.70</i>
<i>Valuation differential period N-1</i>	<i>-27,158,873.70</i>	<i>-18,984,906.12</i>
Changes in the valuation differential of financial futures	873,601.17	122,198.33
<i>Valuation differential period N</i>	<i>879,773.68</i>	<i>6,172.51</i>
<i>Valuation differential period N-1</i>	<i>-6,172.51</i>	<i>116,025.82</i>
Prior-year distribution on net gains and losses		
Prior-year distribution on earnings		
Net income for the period before accruals	-242,121.11	-1,437,583.67
Current-year interim distribution(s) on net gains and losses		
Current-year interim distribution(s) on earnings		
Other items		
ENDING NET ASSETS	199,735,354.56	217,354,794.83

FCP HSBC SELECT 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		
Equities	32,142,749.97	16.09
TOTAL HEDGING TRANSACTIONS	32,142,749.97	16.09
OTHER TRANSACTIONS		
Equities	64,985,594.26	32.54
TOTAL OTHER TRANSACTIONS	64,985,594.26	32.54

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

	Fixed rate	%	Variable rate	%	Adjustable rate	%	Other	%
ASSETS								
Deposits								
Bonds and equivalent securities								
Debt instruments								
Repos and reverse repos								
Financial accounts							23,161,544.29	11.60
LIABILITIES & EQUITY								
Repos and reverse repos								
Financial accounts							21,377,463.89	10.70
OFF-BALANCE SHEET COMMITMENTS								
Hedging transactions								
Other transactions								

FCP HSBC SELECT 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	23,161,544.29	11.60								
LIABILITIES & EQUITY										
Repos and reverse repos										
Financial accounts	21,377,463.89	10.70								
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 HKD		Currency N OTHER(S)	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Deposits								
Equities and equivalent securities								
Bonds and equivalent securities								
Debt instruments								
UCI	90,575,758.62	45.35	5,935,445.19	2.97			1,855,777.98	0.93
Repos and reverse repos								
Receivables	1,997,771.24	1.00	69,917.16	0.04	477,435.49	0.24	281,580.61	0.14
Financial accounts	245,569.12	0.12	380,571.91	0.19	7,051.20		3,714,845.96	1.86
LIABILITIES & EQUITY								
Disposals of financial instruments								
Repos and reverse repos								
Payables	2,769,863.11	1.39						
Financial accounts	12,626,215.21	6.32	145,184.30	0.07	1,343,802.40	0.67	7,262,261.98	3.64
OFF-BALANCE SHEET COMMITMENTS								
Hedging transactions	4,505,692.20	2.26					3,230,492.77	1.62
Other transactions	20,345,909.39	10.19	1,178,067.06	0.59	4,313,674.31	2.16	2,559,748.70	1.28

FCP HSBC SELECT EQUITY

3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Debit/credit type	30/12/2022
RECEIVABLES		
	Forward currency purchases	640,670.09
	Funds receivable on forward currency sales	2,800,000.00
	Subscriptions receivable	100,000.00
	Cash security deposits	4,010,949.14
	Coupons and dividends in cash	34,648.31
TOTAL RECEIVABLES		7,586,267.54
PAYABLES		
	Forward currency sales	2,769,863.11
	Funds payable on forward currency purchases	650,000.00
	Deferred settlement purchases	994,664.00
	Fixed management fees	255,787.54
TOTAL PAYABLES		4,670,314.65
TOTAL PAYABLES AND RECEIVABLES		2,915,952.89

3.6. EQUITY

3.6.1. Number of securities issued or redeemed

	Units	Amount
HSBC SELECT EQUITY A unit		
Units subscribed during the fiscal year	271,102.4821	27,609,799.52
Units redeemed during the fiscal year	-172,849.6737	-17,513,140.32
Net balance of subscriptions/redemptions	98,252.8084	10,096,659.20
Number of units outstanding at year-end	2,044,107.3949	
HSBC SELECT EQUITY B unit		
Units subscribed during the fiscal year		
Units redeemed during the fiscal year	-0.9050	-117.10
Net balance of subscriptions/redemptions	-0.9050	-117.10
Number of units outstanding at year-end	2,518.4587	

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3.6.2. Subscription and/or redemption fees

	Amount
HSBC SELECT EQUITY A unit	
Total fees earned	
Subscription fees earned	
Redemption fees earned	
HSBC SELECT EQUITY B unit	
Total fees earned	
Subscription fees earned	
Redemption fees earned	

3.7. MANAGEMENT FEES

	30/12/2022
HSBC SELECT EQUITY A unit	
Guarantee commissions	
Fixed management fees	2,708,518.95
Percentage of fixed management fees	1.34
Retrocession of management fees	
HSBC SELECT EQUITY B unit	
Guarantee commissions	
Fixed management fees	2,141.02
Percentage of fixed management fees	0.69
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.

FCP HSBC SELECT EQUITY

3.9. OTHER INFORMATION

3.9.1. Present value of borrowed financial instruments

	30/12/2022
Securities under a repurchase agreement	
Borrowed securities	

3.9.2. Present value of financial instruments constituting security deposits

	30/12/2022
Financial instruments given as collateral and maintained in their original line item	
Financial instruments received as collateral and not recorded on the balance sheet	

FCP HSBC SELECT EQUITY

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

	ISIN code	Name	30/12/2022
Equities			
Bonds			
Negotiable debt instruments			
UCI			82,454,747.70
	LU0362711912	EUROLAND GROWTH ZC	1,995,540.37
	LU0234594694	Global Emerging Markets Local Debt Z Cap	1,214,956.43
	FR0013261229	HSBC EURO EQUITY VOLATILITY FOCUSED Z	4,736,768.40
	LU0165100685	HSBC EUROLAND EQUITY Z CAP.	3,916,872.17
	FR0013015534	HSBC EURO SHORT TERM BOND FUND ZC EUR unit	4,026,204.00
	LU0164880972	HSBC GIF-ASIA EX JAPN SML-ZC	4,250,603.23
	LU0708657001	HSBC GIF FRONTIER MARKETS ZC	736,249.33
	LU1240778420	HSBC GIF-GL SD HY B-ZQ1HEUR	1,543,053.52
	LU1449948840	HSBC GIF MULTI ASSET STYLE FACTORS ZC	2,311,123.28
	LU0692311367	HSBC GIF-RMB FIXED INCOME Z USD CAP	329,518.99
	LU1464646964	HSBC GI GL HYBD ZHC EUR C.	595,485.00
	LU0165093617	HSBC GL.INV.EUR.CURR.H.Y.Z.C.	2,721,184.70
	LU0780248877	HSBC GL INV-IND FIX IN-ZD	442,112.84
	LU1464645487	HSBC GLOB GL EM ZHC EUR C.	1,089,324.22
	IE00B5SSQT16	HSBC MSCI EMERGING MARKETS UCITS ETF	11,711,623.22
	IE00B5VX7566	HSBC MSCI JAPAN	5,786,581.00
	IE00B5SG8Z57	HSBC MSCI PACIFIC EX JAPAN UCITS ETF USD	877,641.94
	IE00B5KQNG97	HSBC S AND P 500 ETF	30,435,122.98
	FR0000971277	HSBC SRI MONEY ZC	3,734,782.08
Financial futures			
Total group securities			82,454,747.70

FCP HSBC SELECT EQUITY

3.10. APPROPRIATION OF DISTRIBUTABLE AMOUNTS

Appropriation of the share of distributable amounts relating to earnings

	30/12/2022	31/12/2021
Amounts remaining to be appropriated		
Retained earnings		
Result	-246,846.23	-1,489,309.55
Total	-246,846.23	-1,489,309.55

	30/12/2022	31/12/2021
HSBC SELECT EQUITY A unit		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	-248,499.30	-1,489,044.61
Total	-248,499.30	-1,489,044.61

	30/12/2022	31/12/2021
HSBC SELECT EQUITY B unit		
Appropriation		
Distribution		
Retained earnings for the period		
Accumulation	1,653.07	-264.94
Total	1,653.07	-264.94

FCP HSBC SELECT EQUITY

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

	30/12/2022	31/12/2021
Amounts remaining to be appropriated		
Past net gains and losses not distributed		
Net gains and losses for the period	450,114.29	20,179,880.53
Interim payments on net gains and losses for the period		
Total	450,114.29	20,179,880.53

	30/12/2022	31/12/2021
HSBC SELECT EQUITY A unit		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	449,456.96	20,148,362.04
Total	449,456.96	20,148,362.04

	30/12/2022	31/12/2021
HSBC SELECT EQUITY B unit		
Appropriation		
Distribution		
Net gains and losses not distributed		
Accumulation	657.33	31,518.49
Total	657.33	31,518.49

FCP HSBC SELECT EQUITY

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

	31/12/2018	31/12/2019	31/12/2020	31/12/2021	30/12/2022
Total net assets in EUR	95,545,772.95	134,418,175.14	164,856,364.00	217,354,794.83	199,735,354.56
HSBC SELECT EQUITY A (EUR) unit					
Net assets	95,184,552.90	133,767,360.87	164,437,469.07	217,014,066.41	199,435,433.85
Number of securities	1,253,944.6591	1,449,667.2821	1,746,152.9082	1,945,854.5865	2,044,107.3949
Net asset value per unit	75.90	92.27	94.17	111.52	97.56
Accumulation per unit on net gains/losses	0.34	2.62	1.03	10.35	0.21
Accumulation per unit on the result	-0.58	-0.42	-0.42	-0.76	-0.12
HSBC SELECT EQUITY B (EUR) unit					
Net assets	361,220.05	650,814.27	418,894.93	340,728.42	299,920.71
Number of securities	4,001.4359	5,892.2630	3,692.0787	2,519.3637	2,518.4587
Net asset value per unit	90.27	110.45	113.45	135.24	119.08
Accumulation per unit on net gains/losses	0.58	3.13	1.26	12.51	0.26
Accumulation per unit on the result	-0.02	0.15	0.16	-0.10	0.65

FCP HSBC SELECT EQUITY

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
Undertakings for collective investment				
UCITS and AIF for retail investors and equivalents in other countries				
GERMANY				
iShares III PLC - iShares MSCI Japan Small Cap UCITS ETF	JPY	54,500	1,855,777.98	0.93
TOTAL GERMANY			1,855,777.98	0.93
FRANCE				
HSBC EURO EQUITY VOLATILITY FOCUSED Z	EUR	3,990	4,736,768.40	2.37
HSBC EURO SHORT TERM BOND FUND ZC EUR unit	EUR	4,200	4,026,204.00	2.01
HSBC SRI MONEY ZC	EUR	2,739	3,734,782.08	1.87
TOTAL FRANCE			12,497,754.48	6.25
IRELAND				
CS ETF (IE) ON MSCI CANADA	USD	11,300	1,694,073.55	0.85
HSBC GBF ICAV MLTFAF E E ZC	EUR	1,709,200	17,052,688.40	8.53
HSBC MSCI EMERGING MARKETS UCITS ETF	USD	1,292,077	11,711,623.22	5.86
HSBC MSCI JAPAN	EUR	194,900	5,786,581.00	2.89
HSBC S AND P 500 ETF	USD	839,000	30,435,122.98	15.24
INVESCO EQQQ NASDAQ-100 UCITS ETF	GBP	14,100	3,504,936.60	1.76
ISHARES BLOOMBERG ROLL SELECT COMMODITY SWAP UCITS ETF	USD	759,333	5,133,012.82	2.57
ISHARES DJ EURO STOXX	EUR	40,000	1,807,800.00	0.91
ISHARES EDGE MSCI EUROPE MIN VOL	EUR	29,700	1,468,590.75	0.73
iShares Edge MSCI Europe Value Factor UCITS ETF EUR (Acc)	EUR	788,200	5,519,764.60	2.77
ISHARES EDGE MSCI USA MMNTM	USD	598,700	5,723,342.00	2.87
ISHARES EDGE MSCI USA QUALITY FACTOR UCITS ETF	USD	190,000	1,657,214.80	0.83
ISHARES EDGE MSCI USA VALUE	USD	424,300	3,202,376.67	1.60
iShares Global Clean Energy UCITS ETF USD (Dist)	GBP	228,500	2,430,508.59	1.22
iShares Gold Producers UCITS ETF USD (Acc)	USD	105,133	1,245,883.93	0.62
iShares VI PLC - iShares Edge S P 500 Minimum Volatility UCI	USD	97,000	6,823,855.70	3.42
ISH EDGE MSCI EU MOMENTUM FCTR UCTS ETF	EUR	473,100	3,982,082.70	1.99
ISH EDGE MSCI EU QLTQ FACTOR UCTS ETF	EUR	709,800	6,009,876.60	3.01
PASSIM STR CRS AST TRD STR B	EUR	38,202.1274	4,306,525.82	2.16
SPDR DVD ARISTOC	USD	107,900	7,018,934.18	3.51
TOTAL IRELAND			126,514,794.91	63.34
LUXEMBOURG				
db x-trackers SICAV - db x-trackers MSCI EMU INDEX UCITS ETF	EUR	505,779	21,083,397.62	10.56
EUROLAND GROWTH ZC	EUR	121,501.484	1,995,540.37	1.00
Global Emerging Markets Local Debt Z Cap	USD	128,547.859	1,214,956.43	0.61
HSBC EUROLAND EQUITY Z CAP.	EUR	61,787.14	3,916,872.17	1.96
HSBC GIF-ASIA EX JAPN SML-ZC	USD	65,300	4,250,603.23	2.13
HSBC GIF FRONTIER MARKETS ZC	USD	100,700	736,249.33	0.37
HSBC GIF-GL SD HY B-ZQ1HEUR	EUR	196,968.793	1,543,053.52	0.77
HSBC GIF MULTI ASSET STYLE FACTORS ZC	EUR	207,984.456	2,311,123.28	1.16

FCP HSBC SELECT EQUITY

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
HSBC GIF-RMB FIXED INCOME Z USD CAP	USD	31,688.515	329,518.99	0.16
HSBC GI GL HYBD ZHC EUR C.	EUR	59,400	595,485.00	0.29
HSBC GL INV.EUR.CURR.H.Y.Z C.	EUR	53,181.377	2,721,184.70	1.36
HSBC GL INV-IND FIX IN-ZD	USD	53,900.495	442,112.84	0.22
HSBC Global Investment Funds - Asia High Yield Bond ZQ1HEUR	EUR	73,800	430,032.60	0.22
HSBC GLOBAL INVESTMENT FUNDS GLOBAL EQUITY SUSTAINABLE HEALTH	USD	92,000	786,170.06	0.39
HSBC GLOB GL EM ZHC EUR C.	EUR	134,484.471	1,089,324.22	0.54
LYXOR CORE MSCI JAPAN DR	EUR	130,600	1,667,631.40	0.84
TOTAL LUXEMBOURG			45,113,255.76	22.59
TOTAL UCITS and AIF for retail investors and equivalents in other countries			185,981,583.13	93.11
Professional general investment funds and equivalents in other EU Member States and listed securitisation vehicles				
IRELAND				
HSBC MSCI PACIFIC EX JAPAN UCITS ETF USD	EUR	70,088	877,641.94	0.44
ISHARES AGRIBUSINESS	USD	42,600	1,996,382.29	1.00
L&G Cyber Security UCITS ETF	USD	93,200	1,498,535.49	0.75
LEGAL AND GENERAL UCITS ETF PLC LG CLEAN WATER UCITS ETF	USD	139,000	1,815,433.12	0.91
VANECK VECTORS UCITS ETFS PLC VANECK VECTORS SEMICONDUCTOR U	USD	71,400	1,279,145.47	0.64
TOTAL IRELAND			7,467,138.31	3.74
TOTAL Professional general investment funds and equivalents in other EU member states and listed securitisation funds			7,467,138.31	3.74
Other non-European vehicles				
UNITED STATES				
ISHARES SP 500 GROWTH INDEX FD	USD	13,900	761,911.45	0.38
ISHS SP LATIN AMERN INDEX FUND	USD	38,200	819,300.07	0.41
TOTAL UNITED STATES			1,581,211.52	0.79
TOTAL Other non-European vehicles			1,581,211.52	0.79
TOTAL Undertakings for collective investment			195,029,932.96	97.64
Financial futures				
Futures, forwards, and swaps				
Futures, forwards, and swaps on regulated or equivalent markets				
AEX FUT 0123	EUR	-8	51,840.00	0.03
CAC 40 FUT 0123	EUR	63	-133,497.00	-0.07
CBOE VIX FUT 0123	USD	18	-32,077.02	-0.02
CONSUMER DISC 0323	USD	-6	59,704.85	0.03
DJE 600 EUROP 0323	EUR	-603	377,620.00	0.19
DJE 600 INDUS 0323	EUR	-55	78,890.00	0.04
DJE 600 INSUR 0323	EUR	127	-36,180.00	-0.02
DJE 600 OIL G 0323	EUR	137	18,130.00	0.01
DJE 600 REAL 0323	EUR	-181	42,535.00	0.02
DJES BANKS 0323	EUR	525	74,047.50	0.04

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3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
DJS 600 MED 0323	EUR	119	-95,795.00	-0.05
DJS BAS R FUT 0323	EUR	148	-138,380.00	-0.07
DJS F&B FUT 0323	EUR	7	-7,245.00	
DJS TELECOM 0323	EUR	-150	68,250.00	0.03
DJ STOXX HC 0323	EUR	30	-43,650.00	-0.02
DJ STX600 AUT 0323	EUR	16	-16,670.00	-0.01
EURO STOXX 50 0323	EUR	-307	444,765.00	0.22
FTSE/MIB 0323	EUR	7	-23,345.00	-0.01
FTSE 100 FUT 0323	GBP	14	-1,065.09	
HHI HANG SENG 0123	HKD	78	52,954.13	0.03
IN NSE SP CN 0123	USD	71	12,039.35	
MEFFIBEX35E0123	EUR	20	-21,260.00	-0.01
MME MSCI EMER 0323	USD	-60	9,763.41	0.01
MSCI CHIN A50 0123	USD	72	-45,612.56	-0.02
NIKKEI 225 0323	JPY	-35	219,946.56	0.11
NQ USA NASDAQ 0323	USD	9	-4,816.12	
OMXS30 FUT 0123	SEK	63	-39,456.85	-0.02
RE SELECT SEC 0323	USD	-41	50,515.34	0.02
SP 500 MINI 0323	USD	-10	35,886.62	0.02
SP E-MINI FIN 0323	USD	8	-5,621.93	-0.01
SP E-MINI HEA 0323	USD	13	-26,432.42	-0.01
SP E-MINI MAT 0323	USD	-11	33,291.17	0.02
SP EMIN UTILI 0323	USD	13	-33,562.90	-0.02
STOXX 600 FIN 0323	EUR	-54	75,060.00	0.03
STOXX 600 P&H 0323	EUR	33	-75,390.00	-0.04
XAE ENERGY SE 0323	USD	22	99,770.44	0.05
XAK TECHNOLOG 0323	USD	12	-74,996.49	-0.03
XAPXAP CONSUM 0323	USD	28	-29,646.29	-0.02
XEUR EUFF AUS 0323	EUR	32	-8,000.00	
XEUR EUFF DAX 0323	EUR	14	-31,560.00	-0.01
XEUR FSMI SWI 0323	CHF	-13	33,834.62	0.02
XEUR FSTN DJ 0323	EUR	-60	69,300.00	0.04
XEUR FSTU DJ 0323	EUR	120	-67,860.00	-0.04
TOTAL Futures, forwards, and swaps on regulated or equivalent markets			916,024.32	0.46
TOTAL Futures, forwards, and swaps			916,024.32	0.46
Options				
TOTAL Options traded on regulated markets				
DJ EURO STOXX 50 01/2023 CALL 4100	EUR	300	5,400.00	
HANG SENG CHINA ENT 02/2023 CALL 7300	HKD	100	-13,493.64	
TOTAL Options traded on a regulated market			-8,093.64	
TOTAL Options			-8,093.64	
TOTAL Financial futures			907,930.68	0.46

FCP HSBC SELECT EQUITY

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS

Name of security	Currency	Qty No. or nominal	Present value	% Net Assets
Margin call				
CACEIS MARGIN CALL	CHF	-33,410	-33,834.62	-0.02
CACEIS MARGIN CALL	HKD	-328,700	-39,460.49	-0.02
CACEIS MARGIN CALL	USD	-51,459.8	-48,217.19	-0.02
CACEIS MARGIN CALL	SEK	438,770	39,456.85	0.02
CACEIS MARGIN CALL	JPY	-30,972,500	-219,946.56	-0.11
CACEIS MARGIN CALL	EUR	-601,605.45	-601,605.45	-0.30
CACEIS MARGIN CALL	GBP	945	1,065.09	
TOTAL Margin call			-902,542.37	-0.45
Receivables			7,586,267.54	3.80
Payables			-4,670,314.65	-2.34
Financial accounts			1,784,080.40	0.89
Net assets			199,735,354.56	100.00
HSBC SELECT EQUITY A unit	EUR	2,044,107.3949	97.56	
HSBC SELECT EQUITY B unit	EUR	2,518.4587	7,119.08	