

HSBC OpenFunds

Annual Report and Accounts

15 April 2019

Company Information

Company

HSBC OpenFunds
Registered in England
with Company Number IC000488

Registered Office

8 Canada Square
London E14 5HQ

Directors

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

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

HSBC Global Asset Management (UK) Limited - Directors

C.A. Berman (resigned 27 September 2018)

C.S. Cheetham

A.S. Clark

A.C. Corfield

P.G.P. Dew (appointed 11 December 2018)

P.J.F. Glaze

M.G. McDonald

J.M. Munro

T.J. Palmer

J.R. Paterson (appointed 27 November 2018)

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Director's Report

We are pleased to present the Annual Report and Financial Statements for HSBC OpenFunds Open-Ended Investment Company (OEIC), ("the Company"), covering the year from 16 April 2018 to 15 April 2019.

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

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

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

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

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

A.C. Corfield

Director



A.S. Clark

Director



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

27 June 2019

Market Review

Welcome to the Annual Report for the HSBC OpenFunds Open-Ended Investment Company (OEIC). The report covers the year 16 April 2018 to 15 April 2019.

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

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

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

Global equities

Global stocks gained over the review period, overcoming severe volatility in late 2018. There were signs of slowing growth in the global economy, with lower GDP in the UK, Europe, Japan and some emerging markets. The US economy was no exception, expanding at an annualised rate of 4.2% in the second quarter of 2018, before the pace of growth eventually slowed to 3.4% in the fourth quarter.

Major central banks continued to 'normalise' monetary policy by raising interest rates and withdrawing asset-purchase schemes. The US Federal Reserve (the Fed) raised rates three times during the review period, with the final hike taking rates to a range of 2.25–2.5%. The Bank of England (BoE) raised rates in August to 0.75%, but noted that concerns over Brexit had stopped it from continuing this trend.

Meanwhile, the European Central Bank (ECB) kept rates unchanged, but stated that it would terminate its asset-purchase programme at the end of 2018. The ECB also indicated that interest rates were unlikely to rise until at least the autumn of 2019. The Bank of Japan (BoJ) began to reduce the scale of its own bond-buying programme, while also announcing that it would defer its 2.0% inflation target.

Concerns over the late stage of the current economic cycle and the effects of tighter monetary policy translated into equity-market weakness on occasion. In particular, global stocks plummeted in the last quarter of 2018, as the prospect of further US interest-rate rises rattled investors. Lingering fears about the US-China trade war, alongside a 35-day shutdown of the US government, contributed to investors' angst. The shutdown was the longest in history and stemmed from a political disagreement over funds for President Trump's border wall.

In early 2019, the Fed took a more reassuring stance towards monetary policy, and essentially disavowed its intention to raise rates in 2019. In addition, President Xi of China and President Trump met in January and agreed to pause plans to impose fresh tariffs. This contributed to a more buoyant environment for global stocks, which recovered the ground lost in the previous quarter.

In the first two weeks of April, global equities continued their ascent, as hopes grew that China and the US would agree on trade. Some encouraging economic data, in the form of positive factory activity in China, also sent stocks higher.

US equities

US equities generated double-digit gains in sterling terms, while also advancing in US dollar terms.

The review period proved volatile for US stocks, which gained over the first six months before sustaining heavy falls in late 2018. Initially, the favourable market conditions created by healthy corporate earnings and President Trump's tax cuts buoyed US stocks. The S&P 500, the Dow Jones and Nasdaq indices all set new all-time highs and, in August, the S&P 500 broke the record for its longest-ever bull-market run.

The trade war between the US and China continued apace, with the scope of the tariffs widening substantially. President Trump targeted a further \$200 billion in Chinese imports in September; China responded with its own measures. In December, the US and China made some headway at the G20 summit, with both parties agreeing to postpone further tariffs. The ongoing dispute led to bouts of volatility but, on the whole, investors appeared to price in a positive resolution of the dispute.

In the final quarter of 2018, however, US equities went into freefall, and the S&P 500 endured its worst December since the Great Depression. With falls of more than 20%, US stocks officially entered a bear market. During the month, the Fed raised interest rates by 25 basis points (bps) to a range of 2.25–2.5% – a move investors were prepared for.

This rate increase provoked ire from President Trump, although the Fed lowered its guidance for 2019, projecting two rates rises, down from the previous three. The prospect of tightening monetary policy unnerved investors and contributed to the fourth-quarter sell-off. The negative mood was exacerbated by the shutdown of large parts of the US government, due to a disagreement over funds for the president's proposed border wall.

Meanwhile, the pace of economic growth slowed. Second-quarter annualised GDP growth was 4.2%, the highest for nearly four years, but third-quarter GDP fell back to 3.4%. Fourth-quarter growth came in at 2.2%, falling short of the market's expectation of 2.6%.

In early 2019, however, US stocks recovered. January proved to be the strongest month for US equities since 1987, as hopes resurfaced that China and the US could reach an accord on trade. In recognition of slowing growth, the Fed's policymakers made some conciliatory comments about monetary policy. This positive sentiment continued in the first two weeks of April, when US non-farm payrolls (a measure of employment) beat expectations.

Europe ex-UK equities

European equities gained over the period but lagged global bourses. Although the European economy expanded, the pace of growth slowed over the year, falling from an annual rate of 2.7% in January 2018 to 1.4% in January 2019. Regional economic health varied. Germany narrowly avoided slipping into recession, after a contraction in the third quarter was followed by a static growth reading in the fourth. Meanwhile, in the fourth quarter of 2018, the Italian economy officially entered recession, having contracted in two consecutive quarters.

The ECB kept interest rates on hold throughout the period, although the bank's president, Mario Draghi, became increasingly gloomy in his public statements. In late 2018, he remarked that economic risks were 'broadly balanced', but in February 2019 he commented that risks were 'to the downside'. The ECB concluded its asset-purchase programme at the end of December 2018, having previously curtailed monthly purchases. Policymakers also cut eurozone growth forecasts for 2018 and 2019.

There was political drama too. A coalition of more populist, anti-establishment parties, the Five Star Movement and the League, gained power in Italy. Bond yields rose materially as the new coalition government spelled out its intentions on tax cuts and higher spending. This caused friction with the EU, especially when the Italian government refused to back down over its budgetary plans. After pressure from the EU, the situation was resolved in December, when the Italian government passed a revised budget. In Germany, meanwhile, Angela Merkel announced that she would be stepping down as party leader at the end of the year, and as chancellor in 2021.

The final quarter of 2018 was challenging for European ex-UK equities, with global trade concerns and political machinations in Europe influencing investor sentiment. European equities fell markedly in October and December, in line with other major markets, as investors eschewed equities for less risky assets. In the first three months of 2019, however, a conciliatory tone from the ECB provided respite to markets, helping European shares to recover. European stocks took their cue from global bourses, which benefited from a widespread revival of risk appetite in the first three months of 2019. This continued in the first two weeks of April, when the MSCI Europe edged slightly higher. Speculation that the US and China were close to a trade deal also pushed stocks higher at this time.

UK equities

The UK market gained over the period, during which UK equities were volatile. In May, the FTSE 100 touched 7,503 and set a new all-time high, driven by strong earnings momentum and sterling weakness. The weak pound benefitted the overseas earnings of a large portion of companies in the index. Stocks subsequently fell back on the prospect of slowing economic growth, triggered by Brexit and wider concerns about the global trade dispute.

Brexit negotiations caused sterling to weaken, especially as the likelihood of a no-deal Brexit rose significantly towards the end of the period. Prime Minister Theresa May's so-called Chequers proposal, released in July, rather than unifying the government, led to high-profile resignations. The draft withdrawal agreement, announced in November, elicited an even worse reaction, with several more resignations and deep divisions exposed in parliament. The deal was voted down in the Commons, in a record defeat for a government motion, and Mrs May faced a 'no confidence' motion, which she survived. A consensus on Brexit arrangements had still not been reached by the planned exit date of 29 March, two days before the end of the review period. However, the EU subsequently permitted an extension until the end of October 2019.

On the economic front, labour data was strong, with unemployment falling to levels not seen since the mid-1970s (4.0% in November). But wage and productivity growth lagged, so that consumer-spending growth and, consequently, GDP growth

were modest. GDP grew 1.2% in the second quarter on an annualised basis, before growing at the faster rate of 1.5% in the third quarter. Fourth-quarter growth of 1.3% fell short of expectations, however. Core consumer prices were down over the period, despite the weakness in sterling, and higher oil and food prices, from 2.1% in April 2018 to 1.8% in March 2019.

The BoE continued to raise interest rates from historic low levels, by a further 0.25% to 0.75% in August. The hike was justified by the BoE on the basis of the tight labour market and rising inflation, not least from higher oil prices. Concerns over the impact of Brexit on the UK economy, alongside signs of economic weakness, helped dissuade policymakers from continuing this trend. Brexit led to bouts of uncertainty, particularly later in the period, when it appeared that a 'no deal' scenario was most likely. Despite this, markets participated in the broad-based rally in global equities in the first three months of the year. The FTSE All Share index climbed higher in the first two weeks of April too, buoyed by some encouraging economic data points and hopes of a resolution to the US-China trade dispute.

Japan equities

The Japanese market was weaker over the period, with much of the damage done in the final few months of 2018. The trade dispute between China and the US, as well as the tariffs imposed by the US administration on Japanese steel, were a particular source of unease for investors in Japanese equities. Slowing global economic growth and monetary tightening (albeit not in Japan) were additional factors clouding the backdrop. The benchmark Nikkei index had risen to a 26-year high early in 2018, on positive sentiment towards the domestic economy. However, a run of eight consecutive quarters of GDP growth, the best for nearly 30 years, came to an end in the first quarter of 2018 when GDP growth contracted by 0.1%. After recovering in the second quarter, to 0.5%, GDP fell by 0.6% in the third, due to the effects of severe flooding and earthquake in the west of Japan. In the last quarter of 2018, the Japanese economy grew by 0.5%. In March 2019, a fall in factory output prompted concerns over inventory levels.

On the political front, Prime Minister Shinzo Abe experienced a torrid time as a scandal concerning allegations of cronyism, and more specifically a favourable land sale to a colleague, weakened his authority and caused his popularity rating to plummet. Despite this, he managed to win a further term as leader of the governing LDP party.

The BoJ kept monetary conditions loose. It maintained its yield-curve control programme and its flat to negative interest rate of -0.1% to hold the 10-year Japanese government bond yield at 0%. The BoJ also lowered its inflation expectations for the 2019 fiscal year from a range of 1.5–1.7% to 1.0–1.3%. This contributed to a weaker yen in the first three months of 2019. Japanese equities rallied over this period, taking their cue from global bourses, which clawed back losses made in the final quarter of 2018. In the first two weeks of April, Japanese stocks (measured by the TOPIX index) traded in a tight range.

Asia ex-Japan equities

Asian equities were under pressure during the period, as sentiment was affected by global trade friction and its potential consequences for Asian manufacturing. Investors in China expressed concern about the trade dispute with the US and the slowdown in the economy. The People's Bank of China (PBoC) took steps to ease liquidity by cutting banks' reserve requirement ratios. Policymakers also flooded the money markets with record amounts of liquidity in early 2019, fearful of banking conditions and the prospect of an economic downturn. Preliminary figures for fourth-quarter GDP in China showed annualised growth of 6.4%, the weakest since the global financial crisis.

The Indian market was one of the best-performing regional markets. The Sensex index achieved a new all-time high in August, before falling back. The Reserve Bank of India began to raise interest rates for the first time in over four years, in response to the strong economy and rising inflation. However, GDP slowed to 7.1% growth (on an annual basis) in the third quarter of 2018, with inflation easing back later in the period. Indonesia also performed well, notching up double-digit gains in sterling terms. By contrast, the Korean market was one of the weakest, down in both sterling and local-currency terms.

Markets in Asia were also unsettled by the potential impact on emerging economies of higher US interest rates. Central banks in Indonesia and the Philippines raised interest rates to stem falls in their respective currencies. The rise in the US dollar threatened higher inflation while fuelling worries about the high aggregate level of US-dollar-denominated debt across the region.

In April, India went to polls to vote in its general election. The voting takes place over some weeks, with the results to be announced on 23 May. Indian equities (measured by the MSCI India) moved a shade higher in the first two weeks of the month, as did wider Asian Pacific stocks.

Emerging market equities

This was a weak period for emerging-market equities. Emerging Asia fared better than emerging Europe, while Latin America lagged both regions. The overall weakness in emerging markets was partly due to the trade dispute between China and the US, and also down to tighter monetary policy in the US, which caused the US dollar to gain against currencies in the region. This in turn created a problem for countries with large outstanding amounts of US-dollar-denominated debt. These factors culminated in the collapse of the Turkish lira and Argentinian peso against the US dollar in late summer. Both the Turkish and Argentinian central banks responded by raising interest rates massively – in the case of Turkey to 24%, and in the case of Argentina to 60%. These actions had some success in stabilising the countries' currencies. However, Argentina ended a tumultuous year with its economy in recession and inflation close to 50%. Investors in Argentine equities had a tough year, with the MSCI Argentina losing 45% in sterling terms (49% in local-currency terms) over the year.

There was geopolitical turmoil in other countries such as Venezuela, where US sanctions added to domestic difficulties and led to social unrest. In Brazil, concerns over the tightly fought presidential election initially kept investors on the sidelines. However, the eventual presidential election victory of reformist Jair Bolsonaro was taken well by the market, with Brazil eking out a gain over the period.

In Asia, the Chinese market was notably weak as growth slowed. The PBoC, faced with falling GDP growth, took measures to boost banking liquidity. Preliminary figures for fourth-quarter GDP in China revealed annualised growth of 6.4%, the weakest since the global financial crisis. India fared better, with its economy growing 6.6% over the same period.

In the first two weeks of April, all eyes were on Argentina, which saw the beginning of a severe sell-off in equities. The possible return of Cristina Fernández de Kirchner, a former president, unnerved foreign investors, who sold their shares in Argentine assets. Argentine stocks underperformed the MSCI Emerging Market index, which rose in the first half of April.

UK bonds

The UK fixed-income market produced positive returns over the period, with a strong final quarter of 2018 boosting returns, as investors favoured the safety of bonds over equities. Sentiment for much of the year had been negatively affected by the global trend towards quantitative tightening and the interest-rate hike carried out by the BoE. Yields rose by more at the shorter end of the yield curve, as interest rates rose and the yield curve subsequently flattened over the period. This flattening partly reflected demand from investors at the long end for higher-yielding bonds.

The BoE raised interest rates by 0.25% in August, for only the second time this cycle, taking the benchmark interest rate to 0.75%. The UK inflation rate was largely subdued, falling back to the 1.8% mark by March 2019, having been above 3.0% in early 2018.

The 10-year government bond yield spiked in early 2018 on the back of fears over rising wage inflation from the US. The backdrop of global trade friction and difficult Brexit negotiations, as well as potentially higher inflation, meant that UK bonds were quite volatile through the remainder of the period. Yields spiked higher again in September and early October, following the August rate hike, and as oil prices rose. However, they sank back significantly in the final months of the period as equity markets experienced marked volatility and turmoil. The increasing possibility of a no-deal Brexit also caused investors to seek the relative security of bonds over equities. Overall, the UK 10-year gilt fell from 1.46% to 1.22% from the year to 15 April 2019.

Global bonds

Global sovereign bonds generally fared well over the review period, with yields falling in key markets. Investors sought safety in perceived 'safe haven' assets due to the equity volatility brought about by the continued US-China trade conflict, fears of a moderation in global growth and corporate earnings, and political uncertainty around the globe.

Ten-year yields on US, UK, German and Japanese government bonds all retreated over the period. The US benchmark 10-year yield fell from 2.83% to 2.59% over the year to 15 April 2019, while the yield curve itself flattened late in the period. In the past, a flattening yield curve has been a reliable indicator of an impending recession. Elsewhere, the yield on the German 10-year bund fell from 0.52% to 0.05% over the year, having turned negative during that time. It was a similar story in Japan, where the 10-year bond ended the period trading at -0.03%. In the UK, fears of a 'no deal' outcome to Brexit negotiations pushed the 10-year bond yield below 1% in the final days of March. The UK benchmark bond had traded above 1% until that point in the review period. In the first two weeks of April, the 10-year yield was again trading above 1%.

Bond investors had been well prepared for the Fed's actions in raising interest rates, and because the hikes were already priced in, the market's reaction was muted. In December, policymakers raised interest rates to a range of 2.25–2.50%, but their accompanying comments suggested a more dovish stance of two rate hikes in 2019. The ECB kept rates on hold, but phased out its asset-purchase scheme, which had included corporate bonds. The scheme was wound up by 31 December 2018.

Meanwhile, ratings agency Fitch sounded a note of caution over the credit quality of global government bonds. Fitch warned that developed markets could be susceptible to the effects of rising interest rates, because credit quality had declined.

Property

Over the 12 months to 15 April 2019, total returns from global listed property equities were 24.0%, according to the FTSE EPRA Nareit Developed Index in sterling terms. The US saw strongest performance (33.3%) although this was boosted by sterling's depreciation against the US dollar. The UK underperformed the global real estate market average with a return of 1.3% over the review period.

Unlisted (physical) property recorded a total return over the 12 months to the end of March 2019 of 5.6% according to the MSCI UK Monthly Property Index. Most of the performance was driven by income (a return of 5.2% points). There was an unusually wide dispersion of performance by sector. Industrials saw a return of 14.5% as performance was boosted by strong demand for logistics space to support e-commerce. By contrast, continuing difficulties in physical retail property resulted in a -2.6% total return for the retail sector as a whole as a fall in capital values (-8.1%) was only partially offset by income. This index does not reflect the costs, fees or the cash drag which dampened the returns of UK daily-dealt direct property funds.

Property figures quoted are sourced from MSCI in respect of the MSCI UK Monthly Property Index in sterling terms and Refinitiv in respect of the FTSE EPRA Nareit Developed Total Return index, HSBC Global Asset Management. Data as at 15 April 2019 unless otherwise stated. All other information is provided by HSBC Global Asset Management (UK) Limited 15 April 2019.

Please note that the above information refers to the past and that past performance is not a reliable indication of future returns. Information provided by HSBC Global Asset Management (UK) Limited 15 April 2019.

Notes to the Company Financial Statements

for the year ended 15 April 2019

Accounting Policies

a. Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in compliance with FRS102 and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Association ("IA") in May 2014. Unless otherwise stated all other accounting policies are consistent with those of the prior year.

b. Revenue

Dividends on investment funds are recognised when the security is quoted ex-dividend and is accounted for on an accrual basis at an estimated rate based on available information. Interest on deposits is accounted for on an accruals basis.

Income on debt securities is recognised on an accruals basis.

Accumulation dividends received from investment funds are recognised as revenue and form part of the distribution. Equalisation received from investment funds is recognised as capital and does not form part of the distribution; with the exception of World Selection - Dividend Distribution Portfolio and World Selection - Interest Income Portfolio, where equalisation is transferred to revenue, and forms part of the distribution.

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

Management fee rebates received from investment funds are recognised on an accruals basis as revenue or capital depending on the policy of the underlying fund in allocating fees in its own accounts. Where fees are recognised as capital they will not form part of the distribution, with the exception of World Selection - Dividend Distribution Portfolio and World Selection - Interest Income Portfolio where the rebates are transferred to revenue to form part of the distribution.

Any reported revenue from an offshore fund in excess of any distributions is recognised as revenue after the end of the reporting period, no later than the date when the reporting fund makes this information available.

c. Expenses

All expenses, other than those relating to the purchase and sale of investments are charged to revenue, with the following exceptions: World Selection - Dividend Distribution Portfolio and World Selection - Interest Income Portfolio, where, for purposes of calculating the distribution the expenses are transferred to capital.

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

d. Taxation

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

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

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

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

e. Investments

Investments are initially recognised at fair value on the date the contract is entered into. The listed investments of the Company have been valued at bid prices at the closing valuation point on 15 April 2019 with the exception of Fund of Fund holdings which are valued on a creation/cancellation price basis. The valuation of unlisted investments is based on the Authorised Corporate Director's assessment of their estimated realisable value. Suspended securities are valued initially at the suspended price but are subject to constant review. Revaluation gains or losses are recognised in the Statement of Total Return. Investments cease to be recognised on the date a contract for sale is entered into or when the Company's interest in the investment is extinguished or terminated.

f. Exchange Rates

All transactions in foreign currencies are converted into sterling at the rates of exchange ruling at the date of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates at the closing valuation point on 15 April 2019. Forward foreign currency contracts held at the end of the accounting year are valued at the price required to close out the contract at the balance sheet date.

Any gains or losses as a result of foreign currency transactions are applied to the capital of the Funds.

g. Distributions

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

For the purpose of calculating the distribution, revenue on debt securities is computed on an accruals basis and is distributed on an effective yield basis across all sub-funds. This is a change from the policy of previous years where revenue on debt securities was computed as the higher of the amount determined on an accrual of coupon basis and an effective yield basis.

The policy of the Funds is to make distributions to shareholders quarterly on 15 June, 15 September, 15 December and 15 March for, World Selection - Dividend Distribution Portfolio (formerly Open Global Distribution) and World Selection - Interest Income Portfolio (formerly World Selection - Income Portfolio) and semi-annually on 15 June and 15 December for all other Funds within this OEIC.

h. Derivatives

Derivatives are initially recognised at fair value on the date the contract is entered into and are subsequently remeasured at fair value at the 15 April 2019. Where the fair value of the derivative is positive, it is carried as a derivative asset and where negative as a derivative liability. The gain or loss on remeasurement to fair value is taken to capital gains or losses.

Financial Instruments

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

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

General Risk Management Process

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

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

Risk Management Meeting (RMM)

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

Pricing Valuation Committee (PVC)

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

Business Risk and Control Committee (BRCC)

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

Product Committee (PC)

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

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

Market Price Risk

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

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

Foreign Currency Risk

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

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

Interest Rate Risk

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

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

Liquidity Risk

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

Credit Risk

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

In current market conditions exposure to cash within the Fund could be at risk if the counter party fails. All cash is held at HSBC (HSBC is rated AA- by Standard and Poor's) and exposure is limited to a maximum 10% of the value of the Fund. All assets held within the Depositary are ring-fenced. The banks and Depositary used by the Company and the ACD are subject to regular revisions.

Global Property Fund

Investment Objective

To provide long-term capital growth.

Investment Policy*

The Fund predominantly invests in property securities and property-related securities and collective investment schemes that, in turn, invest directly or indirectly in property, unlisted property and listed property securities. There are no geographical restrictions.

*The full policy can be found in the prospectus.

Investment Strategy

The strategy for this Fund is to provide long term capital growth by direct investment into property securities, property related securities and in collective investments schemes that, in turn, invest in property. The balance between direct property funds, listed property funds and cash, and the geographic composition of the portfolio, will vary over time depending on our view of prospective risk-adjusted returns.

Portfolio Activity

The manager made significant changes to the composition of the Fund during the review period. The allocation to UK direct property funds was reduced to 14.1% as at 15 April 2019, compared with 31.8% a year earlier. Most of the change occurred in December 2018 and reflected the manager's view that, following changes in relative pricing, listed property equities offered superior long run returns relative to UK direct property funds. The weighting to all seven UK direct property fund investments was reduced.

The allocation to listed property equities rose to 82.2% as at 15 April 2019, compared with 65.3% a year earlier. The biggest change was the introduction of the iShares UK Property UCITS ETF, which accounted for 8.5% of the Fund at the report date. In April 2018, the manager added the Kempen Global Property Fund to the portfolio. The weight to other listed real estate equity holdings also increased over the review period, notably the iShares US Property Yield UCITS ETF, the BMO European Real Estate Securities Fund and the Premier Pan European Property Share Fund. During the review period, the manager exited the Brookfield US Listed Real Estate UCITS Fund, following a reduction in its size, and the HICL Infrastructure Company, following its expansion into regulated utility investments such as water companies.

Investment Performance

During the 12 months to 15 April 2019, the Fund's C and Retail share accumulation shares rose by 13.53% and 12.94% respectively.

(Source: Morningstar, income reinvested, single price.)

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

Fund Particulars

as at 16 April 2019

	Retail Income	Retail Accumulation	Institutional A Income
Price	159.5p xd	186.9p	149.7p xd
Distribution payable (on 15 June 2019) per share net	1.491412p	1.723838p	1.716128p
Current net estimated yield	1.97%	1.94%	2.40%
Annual ACD charge	1.25%	1.25%	0.75%
	Institutional A Accumulation†	Income C	Accumulation C
Price	151.5p	161.4p xd	195.3p
Distribution payable (on 15 June 2019) per share net	1.757191p	1.930259p	2.289713p
Current net estimated yield	1.17%	2.49%	2.43%
Annual ACD charge	0.40%	0.55%	0.55%

†The Institutional A Accumulation share class launched on 15 March 2019.

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Asia-Pacific Equities - 13.74% (13.51%)			
^Ascendas Real Estate Investment Trust	233,405	387	0.10
^CapitaLand Commercial Real Estate Investment Trust	534,002	587	0.15
^CapitaLand Mall Trust	425,838	569	0.15
^Dexus	141,633	984	0.26
^General Property Group	304,632	992	0.26
^GLP J Real Estate Investment Trust	1,367	1,125	0.30
^Hong Kong Land (Singapore registered US\$)	222,235	1,205	0.32
^Hysan Development	259,227	1,070	0.28
^*tiShares Asia Property Yield UCITS ETF	1,617,638	36,486	9.59
^Japan Real Estate Investment Trust	429	1,814	0.48
^Link Real Estate Investment Trust	143,150	1,269	0.33
^Nippon Building Real Estate Investment Trust	374	1,820	0.48
^Scentre Group	368,110	790	0.21
^Swire Properties	352,727	1,115	0.29
^United Urban Investment	1,086	1,315	0.35
^Vicinity Centres Real Estate Investment Trust	522,392	715	0.19
Total Asia-Pacific Equities		52,243	13.74
Direct Property Funds - 14.11% (31.82%)			
Aberdeen UK Property Fund	3,162,383	3,188	0.84
Janus Henderson UK Property PAIF	7,604,201	8,768	2.31
Kames Property Income Fund	11,888,332	12,075	3.17
Legal & General UK Property Fund	19,513,100	11,031	2.90
M&G Property Portfolio	4,880,076	5,575	1.46
Standard Life Investments UK Real Estate Fund	1,859,188	1,868	0.49
Threadneedle UK Property Authorised Investment Fund	14,008,366	11,169	2.94
Total Direct Property Funds		53,674	14.11
European (Including UK) Equities - 28.05% (18.51%)			
^British Land Real Estate Investment Trust	189,124	1,148	0.30
^Derwent London Real Estate Investment Trust	29,824	951	0.25
^Deutsche Wohnen	63,719	2,153	0.57
^F&C Commercial Property Trust	4,670,811	5,512	1.45
*†F&C Real Estate Securities Fund	894,099	21,340	5.61
^Great Portland Real Estate Investment Trust	124,917	926	0.24
^Inmobiliaria Colonial	255,672	2,053	0.54
^*tiShares UK Property UCITS ETF	5,484,724	32,513	8.55
^Klepierre	41,342	1,153	0.30
^Land Securities Real Estate Investment Trust	123,895	1,148	0.30
^LEG Immobilien	11,386	1,002	0.26
Premier Pan European Property Fund	32,206,689	25,653	6.75
^Segro Real Estate Investment Trust	152,059	1,026	0.27
^TR Property Investment Trust	2,053,523	8,050	2.12
^Unibail-Rodamco-Westfield	15,432	2,062	0.54
Total European (Including UK) Equities		106,690	28.05

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Global Property Equities Funds - 17.29% (13.77%)			
*AXA World Framlington Global Flexible Property Fund	318,927	34,409	9.04
*AXA World Framlington Global Real Estate Securities Fund	134,889	20,757	5.46
*Kempen Global Property Fund	10,632	10,617	2.79
Total Global Property Equities Funds		65,783	17.29
Money Markets - 1.60% (0.69%)			
+HSBC Global Sterling Liquidity Fund	6,086,811	6,087	1.60
Total Money Markets		6,087	1.60
North American Equities - 23.12% (19.52%)			
^Alexandria Real Estate Equities	11,388	1,247	0.33
^AvalonBay Communities	10,255	1,596	0.42
^Boston Properties	9,968	1,042	0.27
^Camden Property Trust	20,302	1,587	0.42
^Cousins Properties Real Estate Investment Trust	142,136	1,043	0.27
^CubeSmart	78,523	1,904	0.50
^Douglas Emmett	39,851	1,267	0.33
^Duke Realty	93,267	2,176	0.57
^Equity Residential	27,396	1,621	0.43
^Essex Property Real Estate Investment Trust	7,108	1,564	0.41
^Federal Realty Investment Trust	10,619	1,105	0.29
^HCP	62,311	1,464	0.39
^Healthcare Real Estate Investment Trust	49,902	1,079	0.28
^*iShares US Property Yield UCITS ETF	2,101,475	48,061	12.64
^Kimco Realty	89,456	1,220	0.32
^Macerich	34,995	1,147	0.30
^National Retail Properties	47,210	1,924	0.51
^Prologis	46,809	2,630	0.69
^Public Storage	11,423	1,921	0.51
^Realty Income	35,178	1,914	0.50
^Regency Centers	21,904	1,142	0.30
^RioCan Real Estate Investment Trust	74,566	1,114	0.29
^Simon Property Group	9,334	1,313	0.35
^SL Green Realty	11,772	807	0.21
^Store Capital	76,457	1,945	0.51
^Tanger Factory Outlet Centers	24,942	378	0.10
^Ventas	31,211	1,477	0.39
^Vornado Realty Trust	15,019	777	0.20
^Welltower	25,369	1,478	0.39
Total North American Equities		87,943	23.12

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Forward Foreign Exchange Contracts - 0.05% (0.00%)			
#Sold €18,206,372 for £15,715,613 settled 9/5/2019		3	-
#Sold \$89,547,848 for £68,376,187 settled 9/5/2019		180	0.05
Total Forward Foreign Exchange Contracts		183	0.05
Portfolio of investments		372,603	97.96
Net other assets		7,764	2.04
Net assets		380,367	100.00

*offshore fund

†Dublin ICVC

+related party

^listed

Figures in brackets denote comparative percentage holdings as at 15 April 2018.

All holdings are authorised investment funds, unless otherwise stated.

The counterparty for the Forward Foreign Exchange Contracts is HSBC.

Comparative Tables

for the year ended 15 April 2019

Retail Income			
Change in net assets per share	15.4.19	15.4.18	15.4.17
Opening net asset value per share	143.10p	152.70p	143.80p
Return before operating charges*	20.56p	(4.70p)	12.95p
Operating charges**	(2.03p)	(1.98p)	(1.97p)
Return after operating charges*	18.53p	(6.68p)	10.98p
Distributions on income shares	(3.13p)	(2.92p)	(2.08p)
Closing net asset value per share	158.50p	143.10p	152.70p
*after direct transaction costs of:***	0.03p	0.01p	0.02p
Performance			
Return after charges	12.95%	(4.37%)	7.64%
Other information			
Closing net asset value	£637,048	£560,792	£760,738
Closing number of shares	401,812	391,823	498,128
Operating charges - OCF	1.83%	1.88%	1.87%
Direct transaction costs	0.02%	0.01%	0.01%
Prices			
Highest share price	161.40p	153.50p	157.70p
Lowest share price	144.10p	143.10p	140.20p

Retail Accumulation			
Change in net assets per share	15.4.19	15.4.18	15.4.17
Opening net asset value per share	164.40p	172.00p	159.70p
Return before operating charges*	23.75p	(5.36p)	14.50p
Operating charges**	(2.35p)	(2.24p)	(2.20p)
Return after operating charges*	21.40p	(7.60p)	12.30p
Distributions on accumulation shares	(3.61p)	(3.31p)	(2.33p)
Retained distributions on accumulation shares	3.61p	3.31p	2.33p
Closing net asset value per share	185.80p	164.40p	172.00p
*after direct transaction costs of:***	0.03p	0.01p	0.02p
Performance			
Return after charges	13.02%	(4.42%)	7.70%
Other information			
Closing net asset value	£11,375,980	£13,124,257	£18,281,363
Closing number of shares	6,122,840	7,985,745	10,631,370
Operating charges - OCF	1.83%	1.88%	1.87%
Direct transaction costs	0.02%	0.01%	0.01%
Prices			
Highest share price	187.40p	173.90p	175.20p
Lowest share price	165.50p	162.60p	155.80p

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

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

Comparative Tables

for the year ended 15 April 2019

Institutional A Income	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	134.40p	143.40p	135.00p
Return before operating charges*	19.09p	(4.55p)	12.21p
Operating charges**	(1.11p)	(1.09p)	(1.08p)
Return after operating charges*	17.98p	(5.64p)	11.13p
Distributions on income shares	(3.58p)	(3.36p)	(2.73p)
Closing net asset value per share	148.80p	134.40p	143.40p
*after direct transaction costs of:***	0.02p	0.01p	0.02p
Performance			
Return after charges	13.38%	(3.93%)	8.24%
Other information			
Closing net asset value	£329,071	£430,800	£350,816
Closing number of shares	221,115	320,615	244,644
Operating charges - OCF	1.28%	1.34%	1.32%
Direct transaction costs	0.02%	0.01%	0.01%
Prices			
Highest share price	151.80p	144.30p	148.30p
Lowest share price	135.30p	134.60p	131.70p

Institutional A Accumulation#	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	149.80p	N/A	N/A
Return before operating charges*	0.85p	N/A	N/A
Operating charges**	(0.05p)	N/A	N/A
Return after operating charges*	0.80p	N/A	N/A
Distributions on accumulation shares	(1.76p)	N/A	N/A
Retained distributions on accumulation shares	1.76p	N/A	N/A
Closing net asset value per share	150.60p	N/A	N/A
*after direct transaction costs of:***	0.03p	N/A	N/A
Performance			
Return after charges	0.53%	N/A	N/A
Other information			
Closing net asset value	£40,214	N/A	N/A
Closing number of shares	26,702	N/A	N/A
Operating charges - OCF	0.93%	N/A	N/A
Direct transaction costs	0.02%	N/A	N/A
Prices			
Highest share price	151.90p	N/A	N/A
Lowest share price	149.70p	N/A	N/A

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

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

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

Comparative Tables

for the year ended 15 April 2019

Income C			
	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	144.90p	154.60p	145.50p
Return before operating charges*	20.65p	(4.93p)	13.21p
Operating charges**	(1.05p)	(1.02p)	(1.01p)
Return after operating charges*	19.60p	(5.95p)	12.20p
Distributions on income shares	(4.00p)	(3.75p)	(3.10p)
Closing net asset value per share	160.50p	144.90p	154.60p
*after direct transaction costs of:***	0.03p	0.01p	0.02p
Performance			
Return after charges	13.53%	(3.85%)	8.38%
Other information			
Closing net asset value	£54,826,316	£30,827,080	£36,621,390
Closing number of shares	34,164,966	21,280,150	23,686,951
Operating charges - OCF	1.18%	1.24%	1.22%
Direct transaction costs	0.02%	0.01%	0.01%
Prices			
Highest share price	163.80p	155.60p	159.90p
Lowest share price	145.90p	145.20p	142.00p

Accumulation C			
	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	170.80p	177.80p	164.00p
Return before operating charges*	24.54p	(5.82p)	14.95p
Operating charges**	(1.24p)	(1.18p)	(1.15p)
Return after operating charges*	23.30p	(7.00p)	13.80p
Distributions on accumulation shares	(4.73p)	(4.34p)	(3.51p)
Retained distributions on accumulation shares	4.73p	4.34p	3.51p
Closing net asset value per share	194.10p	170.80p	177.80p
*after direct transaction costs of:***	0.03p	0.01p	0.02p
Performance			
Return after charges	13.64%	(3.94%)	8.41%
Other information			
Closing net asset value	£313,158,627	£256,544,376	£287,557,185
Closing number of shares	161,344,308	150,204,089	161,747,791
Operating charges - OCF	1.18%	1.24%	1.22%
Direct transaction costs	0.02%	0.01%	0.01%
Prices			
Highest share price	195.80p	180.50p	180.20p
Lowest share price	172.00p	169.00p	160.10p

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

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

Statement of Total Return

for the year ended 15 April 2019

	Notes	15.4.19		15.4.18	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		33,086		(20,806)
Revenue	3	11,100		10,463	
Expenses	4	(2,280)		(2,200)	
Net revenue before taxation		8,820		8,263	
Taxation	5	(536)		(596)	
Net revenue after taxation			8,284		7,667
Total return/(deficit) before distributions			41,370		(13,139)
Distributions	6		(8,311)		(7,692)
Change in net assets attributable to shareholders from investment activities			33,059		(20,831)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15 April 2019

	15.4.19		15.4.18	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		301,487		343,571
Amounts receivable on creation of shares	88,866		48,234	
Amounts payable on cancellation of shares	(51,287)		(76,531)	
		37,579		(28,297)
Dilution adjustment		800		302
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		33,059		(20,831)
Retained distribution on accumulation shares		7,442		6,742
Closing net assets attributable to shareholders		380,367		301,487

Balance Sheet

as at 15 April 2019

	Notes	15.4.19		15.4.18	
		£'000	£'000	£'000	£'000
Assets					
Investments			372,603		294,914
Current assets					
Debtors	8	1,196		973	
Cash and bank balances		7,473		6,952	
Total current assets			8,669		7,925
Total assets			381,272		302,839
Liabilities					
Creditors					
Distribution payable on income shares		(669)		(422)	
Other creditors	9	(236)		(930)	
Total liabilities			(905)		(1,352)
Net assets attributable to shareholders			380,367		301,487

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 October 2018				
Group 2: Shares purchased from 16 October 2018 to 15 April 2019				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.6.19</i>	<i>Distribution paid 15.6.18</i>
Retail Income				
Group 1	1.491412	-	1.491412	1.518063
Group 2	0.361937	1.129475	1.491412	1.518063
Retail Accumulation				
Group 1	1.723838	-	1.723838	1.725189
Group 2	0.993426	0.730412	1.723838	1.725189
Institutional A Income				
Group 1	1.716128	-	1.716128	1.732335
Group 2	0.155481	1.560647	1.716128	1.732335
Institutional A Accumulation#				
Group 1	1.757191	-	1.757191	N/A
Group 2	0.119491	1.637700	1.757191	N/A
Income C				
Group 1	1.930259	-	1.930259	1.928467
Group 2	1.274348	0.655911	1.930259	1.928467
Accumulation C				
Group 1	2.289713	-	2.289713	2.246629
Group 2	1.217224	1.072489	2.289713	2.246629
#The Institutional A Accumulation share class launched on 15 March 2019.				

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 April 2018				
Group 2: Shares purchased from 16 April 2018 to 15 October 2018				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.12.18</i>	<i>Distribution paid 15.12.17</i>
Retail Income				
Group 1	1.640000	-	1.640000	1.400000
Group 2	0.410000	1.230000	1.640000	1.400000
Retail Accumulation				
Group 1	1.890000	-	1.890000	1.580000
Group 2	1.060000	0.830000	1.890000	1.580000
Institutional A Income				
Group 1	1.860000	-	1.860000	1.630000
Group 2	1.460000	0.400000	1.860000	1.630000
Income C				
Group 1	2.070000	-	2.070000	1.820000
Group 2	0.890000	1.180000	2.070000	1.820000
Accumulation C				
Group 1	2.440000	-	2.440000	2.090000
Group 2	1.420000	1.020000	2.440000	2.090000

Notes to the Financial Statements

for the year ended 15 April 2019

	15.4.19 £'000	15.4.18 £'000
1. Accounting Policies		
The accounting policies are set out on pages 10 and 11.		
2. Net Capital Gains/(Losses)		
The net capital gains/(losses) during the year comprise:		
Realised gains on currency	11	105
Unrealised gains on currency	4	1
Transaction (charges)/ rebate	(12)	8
Capital US REIT income	108	141
Realised gains on forward foreign currency contracts	2,116	6
Unrealised gains on forward foreign currency contracts	183	-
Realised (losses)/gains on non-derivative securities	(469)	4,119
Unrealised gains/(losses) on non-derivative securities	31,058	(25,311)
Management fee rebate	87	125
Net capital gains/(losses)	33,086	(20,806)
Realised gains/(losses) in the current accounting year include unrealised gains/(losses) arising in previous years. In such circumstances a corresponding loss/gain is included in unrealised gains/(losses) figure.		
3. Revenue		
UK dividends (net)	281	287
Property investment income	152	162
Overseas dividends	2,216	2,547
Unfranked distributions from UK authorised ICVCs and unit trusts	2,888	3,024
Franked distributions from UK authorised ICVCs and unit trusts	5,296	4,206
Interest on bonds and other debt securities	109	57
Bank interest	16	3
Management fee rebates	142	177
Total revenue	11,100	10,463
4. Expenses		
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
Authorised Corporate Director's charge	1,901	1,838
Registration fee	323	306
Safe custody fee	15	14
	2,239	2,158
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	35	34
Other expenses:		
Audit fee	6	7
Report and accounts fee	-	1
	6	8
Total expenses	2,280	2,200

15.4.19 15.4.18
£'000 £'000

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

Corporation tax	496	593
Adjustment in respect of prior years	58	-
Overseas tax	210	174
Double tax relief	(196)	(177)
Total current tax charge for the year (note 5b)	568	590
Deferred tax (note 5c)	(32)	6
Total tax for the year (note 5b)	536	596

b) Factors affecting taxation charge for the year:

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

The differences are explained below:

Net revenue before taxation	8,820	8,263
Corporation tax at 20%	1,764	1,653
Effects of:		
Revenue not subject to taxation	(1,259)	(1,078)
Taxable management fee rebates accounted for as capital	17	25
Overseas tax	200	173
Overseas tax on special dividends in capital	10	-
Double tax relief	(196)	(177)
Current tax charge for the year (note 5a)	536	596

c) Provision for deferred taxation

Provision at start of year	90	84
Deferred tax (credit)/charge in profit and loss account for the year (note 5a)	(32)	6
Provision at end of year (note 5a)	58	90

6. Distributions

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

Interim dividend distribution	4,055	3,626
Final dividend distribution	4,470	3,934
	8,525	7,560
Add: Amounts deducted on cancellation of shares	300	468
Deduct: Amounts received on issue of shares	(514)	(336)
Net distribution for the year	8,311	7,692

7. Movement Between Net Revenue and Distributions

Net revenue after taxation	8,284	7,667
Withholding tax on capital dividends	9	-
Corporation tax on taxable items in capital	18	25
Net distribution for the year	8,311	7,692

8. Debtors

Amounts receivable for creation of shares	457	112
Accrued revenue	611	648
Management fee rebates receivable	41	44
Overseas tax recoverable	20	5
Income tax recoverable	67	164
Total debtors	1,196	973

	15.4.19	15.4.18
	£'000	£'000
9. Other Creditors		
Amounts payable for cancellation of shares	58	162
Accrued expenses	120	433
Corporation tax payable	-	245
Deferred tax (note 5c)	58	90
Total other creditors	236	930

10. Reconciliation of Shares

	<i>Retail Income</i>	<i>Retail Accumulation</i>	<i>Institutional A Income</i>	<i>Institutional A Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>
Opening shares issued at 16.4.18	391,823	7,985,745	320,615	-	21,280,150	150,204,089
Share movements 16.4.18 to 15.4.19						
Shares issued	45,236	923,717	16,441	26,702	16,786,831	33,252,793
Shares cancelled	(31,827)	(2,777,622)	(115,941)	-	(4,137,793)	(21,926,616)
Shares converted	(3,420)	(9,000)	-	-	235,778	(185,958)
Closing shares issued at 15.4.19	401,812	6,122,840	221,115	26,702	34,164,966	161,344,308

11. Ultimate Controlling Party and Transactions

The Authorised Corporate Director (ACD) is regarded as a controlling party of the Fund by virtue of having the ability to act in concert in respect of Fund operations. The ultimate controlling party of the ACD is HSBC Group plc. This entity and its subsidiaries are also related parties of the Fund.

At the year end, the ACD and its associates held the following of the Fund's shares in issue:

	<i>Retail Income</i>	<i>Retail Accumulation</i>	<i>Institutional A Income</i>	<i>Institutional A Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>
	%	%	%	%	%	
As at 15.4.19	-	0.98	-	100.00	1.57	0.58
As at 15.4.18	-	1.01	-	N/A	4.33	0.79

Details of all other material related party transactions during the year and any payment amounts outstanding at the balance sheet date are disclosed in notes 8 and 9 to the financial statements and the Statement of Change in Net Assets Attributable to Shareholders and the Portfolio Statement.

The balance due from/to the ACD (including amounts due to associates and agents) at the year end was £290,110 (15.4.18: £469,869), further details of such amounts can be found in notes 8 and 9.

At the year end, the Fund held £6,086,811 (15.4.18: £2,086,811) in Authorised Investment Funds managed by HSBC or HSBC Holdings, the parent company of the ACD. During the year, transactions in Authorised Investment Funds managed by HSBC or HSBC Holdings totalled £51,000,000 (15.4.18: £19,700,000).

12. Financial Instruments

The financial instrument risks and risk management policies are set out on pages 12 and 13.

Foreign Currency Risk

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

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>		<i>Net other assets</i>		<i>Net assets</i>	
	15.4.19	15.4.18	15.4.19	15.4.18	15.4.19	15.4.18
	£'000	£'000	£'000	£'000	£'000	£'000
Sterling*	297,741	245,133	7,546	6,328	305,287	251,461
Australian dollar	3,480	2,808	-	-	3,480	2,808
Canadian dollar	1,114	813	-	-	1,114	813
Euro	19,043	4,854	20	49	19,063	4,903
Hong Kong dollar	3,454	2,534	20	15	3,474	2,549
Japanese yen	6,074	3,807	43	37	6,117	3,844
Singapore dollar	1,543	1,129	-	-	1,543	1,129
United States dollar	40,154	33,836	135	144	40,289	33,980
Total	372,603	294,914	7,764	6,573	380,367	301,487

*No currency risk as base currency.

Interest Rate Risk

At the year end, 1.96% (15.4.18: 2.31%) of the Fund's assets by value were interest-bearing.

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

13. Shareholders' Funds

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

The annual ACD charge on the retail share class is 1.25%, 0.75% on the institutional income share class, 0.40% on the institutional accumulation class and 0.55% on the C share class.

The net asset value of the share class, the net asset value per share and the number of shares in each class are given in the Comparative Tables on pages 18 to 20.

The distribution per share class is given in the Distribution Tables on pages 22 to 23.

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

14 Financial Derivatives

The Fund has used financial derivatives for hedging and meeting investment objectives including risk reduction and implementation of investment policies.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

The type of derivatives held at the year end was forward currency contracts.

Details of the individual contracts are shown on the Portfolio Statement on pages 15 to 17, and the total position by the counterparty at the year end is summarised below. The underlying exposure for each category of derivatives is as follows:

Counterparty	Forward Currency £'000		Total £'000	
	2019	2018	2019	2018
HSBC Bank	183	-	183	-

Eligible collateral types are approved by the ACD and may consist of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities.

At 15 April 2019, there was no collateral held in respect of the above derivatives (15.4.18: nil).

15 Contingent Liabilities and Commitments

At the year end the Fund had no contingent liabilities or commitments (15.4.18: none).

16. Portfolio Transaction Costs

For the year ended 15 April 2019	Purchases £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%
Analysis of total purchases costs							
Equity transactions	30,567	8	0.03	17	0.06	2	0.01
Pooled investment vehicles	136,235	18	0.01	-	-	-	-
Total purchases before transaction costs	166,802	26		17		2	
Transaction costs	45						
Total purchases after commission, tax and fees	166,847						
	Sales £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%
Analysis of total sales costs							
Equity transactions	28,155	7	0.02	-	-	1	0.00
Pooled investment vehicles	92,179	3	0.00	-	-	-	-
Corporate actions	1	-	-	-	-	-	-
Total sales before transaction costs	120,335	10		-		1	
Transaction costs	(11)						
Total sales after commission, tax and fees	120,324						

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 15.4.19.

Commissions, taxes and fees as % of average Net Assets

Commissions	0.01%
Taxes	0.01%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.86%, being the difference between the respective bid and offer prices for the Fund's investments.

For the year ended 15 April 2018	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Equity transactions	8,236	2	0.02	-	-	7	0.08
Pooled investment vehicles	47,205	4	0.01	-	-	-	-
Total purchases before transaction costs	55,441	6		-		7	
Transaction costs	13						
Total purchases after commission, tax and fees	55,454						

	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Equity transactions	16,025	4	0.02	-	-	2	0.01
Pooled investment vehicles	61,176	6	0.01	-	-	-	-
Corporate actions	172	-	-	-	-	-	-
Total sales before transaction costs	77,373	10		-		2	
Transaction costs	(12)						
Total sales after commission, tax and fees	77,361						

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 15.4.18.

Commissions, taxes and fees as % of average Net Assets

Commissions	0.01 %
Taxes	0.00 %
Other expenses	0.00 %

At the balance sheet date the portfolio dealing spread was 1.68%, being the difference between the respective bid and offer prices for the Fund's investments.

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

17. Fair Value of Investments

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

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

For the year ended 15 April 2019

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	82,823	-	-	82,823
Pooled investment vehicles	117,060	172,537	-	289,597
Derivatives	-	183	-	183
	199,883	172,720	-	372,603

For the year ended 15 April 2018

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	70,908	-	-	70,908
Pooled investment vehicles	54,669	169,337	-	224,006
	125,577	169,337	-	294,914

18. Sensitivity Analysis

Price risk sensitivity:

If the price of investments at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £37,260,311 (15.4.18: £29,491,400).

Currency risk sensitivity:

If the exchange rate at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £7,508,112 (15.4.18: £5,002,773).

Interest rate risk sensitivity:

At the balance sheet date, the Fund did not have a significant exposure to interest rate risk, therefore no sensitivity analysis is disclosed (15.4.18: no significant exposure).

World Selection - Adventurous Portfolio

Investment Objective

To provide capital growth through investment in a range of asset classes across global markets with a bias towards asset classes that focus on equity investment strategies.

Investment Policy*

This is one of a range of actively managed World Selection Portfolios offered at five different risk levels. The asset allocation of each fund in the range reflects the risk level. The Fund is rated as 5, where 1 is a lower level of risk and 5 is a higher level of risk. The Fund is managed with the aim of maximising returns in line with its agreed long term risk profile therefore any potential returns are likely to be limited by the risk profile of the Fund.

To achieve its objective the Fund invests substantially in collective investment schemes that in turn invest in equities, fixed income securities, alternative asset classes and derivatives. Typically the Fund will primarily invest in asset classes that focus on equity investment strategies.

The Fund may, in addition to its other investment powers, use exchange traded and over-the-counter derivatives and forward currency contracts for investment purposes.

Using these investment powers for investment purposes means, in particular, maintaining positions in these investments for the long term rather than just for tactical short-term purposes.

Where the use of derivatives is for investment purposes in addition to hedging it is envisaged that the use of such instruments will not affect the overall risk profile of the Fund.

*The full policy can be found in the prospectus.

Investment Strategy

The starting point for the World Selection Portfolios is the Strategic Asset Allocation (SAA). SAA is the long-term blend of assets for each risk level. Tactical Asset Allocation (TAA) is another layer on top of the SAA and is driven by the investment team's shorter term market outlook. Portfolio Implementation is the final stage in the investment process, where we decide how best to take exposure to each asset class. 98% of the Fund invests in collective investment schemes. This includes 83% in collective investment schemes that aim to track the performance of market indices.

Derivatives may be used with the aim of hedging to reduce market risk and to reduce the impact of currency movements but also with the aim of generating returns to assist the Fund in meeting its investment objective. Exchange traded futures may be used to gain or reduce exposure to certain asset classes. Forward currency contracts may be used to gain exposure to currencies or for hedging to reduce the impact of currency movements for certain asset classes that are not denominated in Sterling.

*The full strategy can be found in the prospectus.

Portfolio Activity

The portfolio maintained overweight exposure to a diversified basket of risk assets, relative to its long term strategic asset allocation, throughout the reporting period. At the start of the period, the portfolio held overweight positions in global equities and emerging market debt in local currency. Underweight positions were held in global government and corporate bonds.

At the end of April, the Portfolio Management team reduced our overweight allocation to Europe equity. This was on the back of softening economic and earnings data. The proceeds were reinvested into the wider global equity asset class, leaving our overall preference for equity unchanged.

In May, the Portfolio Management team closed the US financials position and invested the proceeds into the US more generally, leaving our allocation to the US intact.

In June we reduced our allocation to Russia equity on the back of increased volatility. We retained our preference for the wider emerging markets equity asset class. The position was further trimmed and then closed in July. The proceeds were invested into US equity, reducing our underweight allocation to the US.

In August and September, we altered our fixed income positions to reduce the duration of the portfolio and bring our EMD hard currency allocation back to neutral.

In Q4, we introduced allocations to liquid alternatives through the addition of trend following strategies. These exposures provide exposure to alternative forms of market returns with low correlations to traditional asset classes. This should provide diversification benefits to the portfolios.

February 2019 saw the Portfolio Management team add an allocation to China A shares, funded from the wider EM allocation. Our allocation to Japan equity was also reduced. While we believe in the long term picture for Japan, short term momentum has disappeared.

Chinese equity delivered very strong returns over a short period of time. Therefore, in March, the position was trimmed to take profits.

In April, we introduced a small overweight to UK equity as, despite Brexit uncertainties, UK data remains solid and valuations are attractive.

Major purchases include: HSBC FTSE All World Index Fund, Structured Inv Goldman Sachs Cross Asset USD, AQR Managed Futures UCITS, iShares Core S&P 500 UCITS ETF, HSBC MSCI China A Inclusion ETF, iShares Core MSCI Emerging Markets IMI UCITS ETF, HSBC GIF Global Emerging Markets Bond, HSBC GIF Global Government Bond Fund and HSBC GEM Local Debt Fund.

Major sales included: HSBC Global Government Bond Fund, iShares Fallen Angels High Yield Fund ETF, HSBC Japan Index Fund, HSBC European Index Fund, SPDR S&P US Financials Select Sector ETF, HSBC MSCI Russia Capped ETF, HSBC MSCI China A Inclusion ETF, HSBC GIF Global Corporate Bond Fund and HSBC GIF India Fixed Income Fund.

Investment Performance

During the year under review, the value of the shares in the Fund increased by 10.04%.

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

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

Fund Particulars

as at 16 April 2019

	Retail Income	Retail Accumulation	Institutional Income†
Price	141.9p xd	150.7p	146.5p xd
Distribution payable (on 15 June 2019) per share net	0.000000p	0.000000p	0.493866p
Current net estimated yield	0.97%	0.96%	0.29%
Annual ACD charge	1.25%	1.25%	0.00%

	Institutional Accumulation†	Income C	Accumulation C	Accumulation P
Price	154.7p	146.5p xd	154.4p	156.6p
Distribution payable (on 15 June 2019) per share net	0.520175p	0.141745p	0.141185p	0.380793p
Current net estimated yield	0.29%	1.34%	1.32%	1.63%
Annual ACD charge	0.00%	0.55%	0.55%	0.25%

†The Institutional Income and Institutional Accumulation share class launched on 23 November 2018.

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Asia-Pacific (excluding Japan) Equities - 2.01% (1.95%)			
*iShares Core MSCI Pacific ex Japan UCITS ETF USD	13,479	1,558	1.57
*iShares Core MSCI Pacific ex Japan UCITS ETF GBP	3,796	439	0.44
Total Asia-Pacific (excluding Japan) Equities		1,997	2.01
Chinese Equities - 0.62% (0.00%)			
*+HSBC MSCI China Inclusion ETF	80,158	614	0.62
Total Chinese Equities		614	0.62
European Equities - 7.67% (8.79%)			
+HSBC European Index Fund	796,645	7,620	7.67
Total European Equities		7,620	7.67
Japanese Equities - 4.73% (5.48%)			
+HSBC Japan Index Fund	3,729,541	4,692	4.73
Total Japanese Equities		4,692	4.73
Global Emerging Markets Equities - 10.36% (10.58%)			
*+HSBC GIF Economic Scale Index GEM Equity Fund	271,746	2,377	2.39
*iShares Core MSCI Emerging Markets IMI UCITS ETF USD	324,436	7,147	7.20
*iShares Core MSCI Emerging Markets IMI UCITS ETF GBP	34,683	765	0.77
Total Global Emerging Markets Equities		10,289	10.36
Global Emerging Markets Debt - 5.57% (5.40%)			
*+HSBC GIF Global Emerging Markets Bond Fund	126,239	942	0.95
*+HSBC GIF Global Emerging Markets Local Debt Fund	652,177	4,591	4.62
Total Global Emerging Markets Debt		5,533	5.57
Global Equities - 27.69% (31.77%)			
*+HSBC FTSE All-World Index Fund	10,591,974	18,303	18.43
*+HSBC GIF Economic Scale Index Global Equity Fund	202,419	6,374	6.42
*+HSBC Multi Factor Worldwide Equity ETF	191,854	2,814	2.84
Total Global Equities		27,491	27.69
Global Property Equities Funds - 4.94% (5.09%)			
*+HSBC GIF Global Real Estate Equity Fund	573,734	4,909	4.94
Total Global Property Equities Funds		4,909	4.94
US Equities - 25.46% (25.01%)			
+HSBC American Index Fund	3,346,531	21,357	21.51
*iShares Core S&P 500 UCITS ETF	11,659	2,534	2.55
*Vangaurd S&P 500 UCITS ETF	32,964	1,385	1.40
Total US Equities		25,276	25.46

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
UK Equities - 2.71% (2.92%)			
+HSBC FTSE 100 Index Fund	1,116,433	2,694	2.71
Total UK Equities		2,694	2.71
Global High Yield Bonds - 1.43% (1.90%)			
*+HSBC GIF Global High Yield Bond Fund	123,440	957	0.96
*+HSBC GIF Global Short Duration High Yield Bond Fund	60,288	463	0.47
Total Global High Yield Bonds		1,420	1.43
Money Markets - 0.75% (0.00%)			
*+HSBC Global Liquidity Fund	743,637	744	0.75
Total Money Markets		744	0.75
Liquid Alternatives - 4.85% (0.00%)			
*AQR Managed Future UCITS	23,703	1,857	1.87
*Goldman Sachs Cross Asset Trend Portfolio	381,109	2,962	2.98
Total Liquid Alternatives		4,819	4.85
Forward Foreign Exchange Contracts - 0.20% (0.10%)			
#Sold €4,396,683 for £3,795,709 settled 09/05/2019		1	-
#Sold ¥577,657,968 for £3,971,733 settled 09/05/2019		37	0.04
#Sold \$42,408,426 for £32,458,376 settled 09/05/2019		162	0.16
#Sold £213,875 for ¥31,110,224 settled 09/05/2019		(2)	-
Total Forward Foreign Exchange Contracts		198	0.20
Portfolio of investments		98,296	98.99
Net other assets		998	1.01
Net assets		99,294	100.00
*offshore funds			
+related party			
#unlisted			

Figures in brackets denote comparative percentage holdings at 15 April 2018.

All holdings are authorised investment funds, unless otherwise stated.

The counterparties for the Forward Foreign Exchange Contracts are HSBC, RBS and State Street.

Comparative Tables

for the year ended 15 April 2019

Retail Income			
Change in net assets per share	15.4.19	15.4.18	15.4.17
Opening net asset value per share	130.80p	127.80p	106.00p
Return before operating charges*	14.00p	6.13p	24.73p
Operating charges**	(1.82p)	(1.81p)	(1.56p)
Return after operating charges*	12.18p	4.32p	23.17p
Distributions on income shares	(1.38p)	(1.32p)	(1.37p)
Closing net asset value per share	141.60p	130.80p	127.80p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	9.31 %	3.38%	21.86%
Other information			
Closing net asset value	£205,446	£169,861	£300,990
Closing number of shares	145,120	129,875	235,502
Operating charges - OCF	1.45%	1.44%	1.43%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	144.20p	141.30p	133.60p
Lowest share price	125.70p	125.90p	100.50p

Retail Accumulation			
Change in net assets per share	15.4.19	15.4.18	15.4.17
Opening net asset value per share	137.50p	132.90p	107.10p
Return before operating charges*	14.82p	6.46p	27.41p
Operating charges**	(1.92p)	(1.86p)	(1.61p)
Return after operating charges*	12.90p	4.60p	25.80p
Distributions on accumulation shares	(1.45p)	(1.39p)	(1.39p)
Retained distributions on accumulation shares	1.45p	1.39p	1.39p
Closing net asset value per share	150.40p	137.50p	132.90p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	9.38%	3.46%	24.09%
Other information			
Closing net asset value	£6,562,072	£5,676,980	£6,281,795
Closing number of shares	4,364,241	4,129,226	4,726,021
Operating charges - OCF	1.45%	1.44%	1.43%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	151.60p	148.50p	135.50p
Lowest share price	133.50p	130.90p	101.50p

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

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

Comparative Tables

for the year ended 15 April 2019

Institutional Income#	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	136.20p	N/A	N/A
Return before operating charges*	10.41p	N/A	N/A
Operating charges**	(0.02p)	N/A	N/A
Return after operating charges*	10.39p	N/A	N/A
Distributions on income shares	(0.49p)	N/A	N/A
Closing net asset value per share	146.10p	N/A	N/A
*after direct transaction costs of:***	0.00p	N/A	N/A
Performance			
Return after charges	7.63%	N/A	N/A
Other information			
Closing net asset value	£3,089,860	N/A	N/A
Closing number of shares	2,115,096	N/A	N/A
Operating charges - OCF	0.16%	N/A	N/A
Direct transaction costs	0.00%	N/A	N/A
Prices			
Highest share price	146.70p	N/A	N/A
Lowest share price	129.70p	N/A	N/A

Institutional Accumulation#	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	143.50p	N/A	N/A
Return before operating charges*	10.92p	N/A	N/A
Operating charges**	(0.02p)	N/A	N/A
Return after operating charges*	10.90p	N/A	N/A
Distributions on accumulation shares	(0.52p)	N/A	N/A
Retained distributions on accumulation shares	0.52p	N/A	N/A
Closing net asset value per share	154.40p	N/A	N/A
*after direct transaction costs of:***	0.00p	N/A	N/A
Performance			
Return after charges	7.60%	N/A	N/A
Other information			
Closing net asset value	£11,186,676	N/A	N/A
Closing number of shares	7,245,751	N/A	N/A
Operating charges - OCF	0.16%	N/A	N/A
Direct transaction costs	0.00%	N/A	N/A
Prices			
Highest share price	154.50p	N/A	N/A
Lowest share price	136.60p	N/A	N/A

#The Institutional Income and Accumulation share classes launched on 23 November 2018.

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

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

Comparative Tables

for the year ended 15 April 2019

Income C	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	134.70p	131.10p	106.10p
Return before operating charges*	14.39p	6.35p	27.56p
Operating charges**	(0.96p)	(0.94p)	(0.81p)
Return after operating charges*	13.43p	5.41p	26.75p
Distributions on income shares	(2.03p)	(1.81p)	(1.75p)
Closing net asset value per share	146.10p	134.70p	131.10p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	9.97%	4.13%	25.21%
Other information			
Closing net asset value	£6,887,354	£6,288,676	£6,495,272
Closing number of shares	4,713,940	4,667,654	4,953,276
Operating charges - OCF	0.80%	0.79%	0.78%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	148.80p	145.30p	133.60p
Lowest share price	129.60p	129.20p	100.50p

Accumulation C	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	140.00p	134.50p	107.30p
Return before operating charges*	15.10p	6.47p	28.03p
Operating charges**	(1.00p)	(0.97p)	(0.83p)
Return after operating charges*	14.10p	5.50p	27.20p
Distributions on accumulation shares	(2.11p)	(1.86p)	(1.77p)
Retained distributions on accumulation shares	2.11p	1.86p	1.77p
Closing net asset value per share	154.10p	140.00p	134.50p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	10.07%	4.09%	25.35%
Other information			
Closing net asset value	£55,275,692	£42,254,422	£35,207,756
Closing number of shares	35,879,830	30,183,498	26,181,917
Operating charges - OCF	0.80%	0.79%	0.78%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	154.60p	151.00p	137.00p
Lowest share price	136.60p	132.50p	101.70p

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

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

Comparative Tables

for the year ended 15 April 2019

Accumulation P	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	141.60p	135.50p	107.80p
Return before operating charges*	15.19p	6.58p	28.11p
Operating charges**	(0.49p)	(0.48p)	(0.41p)
Return after operating charges*	14.70p	6.10p	27.70p
Distributions on accumulation shares	(2.63p)	(2.37p)	(2.13p)
Retained distributions on accumulation shares	2.63p	2.37p	2.13p
Closing net asset value per share	156.30p	141.60p	135.50p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	10.38%	4.50%	25.70%
Other information			
Closing net asset value	£16,087,003	£8,189,756	£5,527,483
Closing number of shares	10,291,850	5,784,998	4,078,545
Operating charges - OCF	0.45%	0.44%	0.43%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	156.50p	152.60p	138.10p
Lowest share price	138.40p	133.50p	102.20p
<p>**The operating charges include all costs borne by the Fund, except for direct transaction costs.</p> <p>***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.</p>			

Statement of Total Return

for the year ended 15 April 2019

		15.4.19		15.4.18	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains	2		7,063		1,420
Revenue	3	1,519		1,162	
Expenses	4	(495)		(426)	
Net revenue before taxation		1,024		736	
Taxation	5	-		-	
Net revenue after taxation			1,024		736
Total return before distributions			8,087		2,156
Distributions	6		(1,036)		(757)
Change in net assets attributable to shareholders from investment activities			7,051		1,399

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15 April 2019

		15.4.19		15.4.18	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			62,580		53,813
Amounts receivable on creation of shares		18,852		11,522	
Amounts receivable on in-specie creation of shares		19,519			
Amounts payable on cancellation of shares		(9,693)		(4,862)	
			28,678		6,660
Dilution adjustment			3		2
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)			7,051		1,399
Retained distribution on accumulation shares			982		706
Closing net assets attributable to shareholders			99,294		62,580

Balance Sheet

as at 15 April 2019

		15.4.19		15.4.18	
	Notes	£'000	£'000	£'000	£'000
Assets					
Investments			98,298		61,947
Current assets					
Debtors	8	994		64	
Cash and bank balances		265		718	
Total current assets			1,259		782
Total assets			99,557		62,729
Liabilities					
Investment liabilities			(2)		-
Creditors					
Distribution payable on income shares		(17)		-	
Other creditors	9	(244)		(149)	
Total creditors			(261)		(149)
Total liabilities			(263)		(149)
Net assets attributable to shareholders			99,294		62,580

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 October 2018				
Group 2: Shares purchased from 16 October 2018 to 15 April 2019				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.6.19</i>	<i>Distribution paid 15.6.18</i>
Retail Income				
Group 1	0.000000	-	0.000000	0.000000
Group 2	0.000000	0.000000	0.000000	0.000000
Retail Accumulation				
Group 1	0.000000	-	0.000000	0.000000
Group 2	0.000000	0.000000	0.000000	0.000000
Institutional Income†				
Group 1	0.493866	-	0.493866	N/A
Group 2	0.266090	0.227776	0.493866	N/A
Institutional Accumulation†				
Group 1	0.520175	-	0.520175	N/A
Group 2	0.285390	0.234785	0.520175	N/A
Income C				
Group 1	0.141745	-	0.141745	0.002895
Group 2	0.141173	0.000572	0.141745	0.002895
Accumulation C				
Group 1	0.141185	-	0.141185	0.013542
Group 2	0.136739	0.004446	0.141185	0.013542
Accumulation P				
Group 1	0.380793	-	0.380793	0.265144
Group 2	0.292416	0.088377	0.380793	0.265144
†The Institutional Income and Institutional Accumulation share class launched on 23 November 2018.				

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 April 2018				
Group 2: Shares purchased from 16 April 2018 to 15 October 2018				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.12.18</i>	<i>Distribution paid 15.12.17</i>
Retail Income				
Group 1	1.380000	-	1.380000	1.320000
Group 2	0.000000	1.380000	1.380000	1.320000
Retail Accumulation				
Group 1	1.450000	-	1.450000	1.390000
Group 2	0.000000	1.450000	1.450000	1.390000
Income C				
Group 1	1.890000	-	1.890000	1.810000
Group 2	0.240000	1.650000	1.890000	1.810000
Accumulation C				
Group 1	1.970000	-	1.970000	1.850000
Group 2	0.630000	1.340000	1.970000	1.850000
Accumulation P				
Group 1	2.250000	-	2.250000	2.100000
Group 2	0.580000	1.670000	2.250000	2.100000

Notes to the Financial Statements

for the year ended 15 April 2019

	15.4.19 £'000	15.4.18 £'000
1. Accounting Policies		
The accounting policies are set out on pages 10 and 11.		
2. Net Capital Gains		
The net capital gains during the year comprise:		
Realised losses on currency	-	(10)
Transaction charges	(3)	(4)
Realised (losses)/gains on forward foreign currency contracts	(882)	1,769
Unrealised gains on forward foreign currency contracts	198	60
Realised (losses)/gains on derivative securities	(24)	1
Realised gains on non-derivative securities	2,607	1,893
Unrealised gains/(losses) on non-derivative securities	5,167	(2,289)
Net capital gains	7,063	1,420
Realised gains/(losses) in the current accounting year include unrealised gains/(losses) arising in previous years. In such circumstances a corresponding loss/gain is included in unrealised gains/(losses) figure.		
3. Revenue		
Unfranked distributions from UK authorised ICVCs and unit trusts	13	8
Franked distributions from UK authorised ICVCs and unit trusts	1,218	943
Interest on bonds and other debt securities	286	211
Bank interest	2	-
Total revenue	1,519	1,162
4. Expenses		
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's charge	410	355
Registration fee	64	54
Safe custody fee	3	2
	477	411
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	10	7
Other expenses:		
Audit fee	6	7
Report and accounts fee	2	1
	8	8
Total expenses	495	426

	15.4.19 £'000	15.4.18 £'000
5. Taxation		
a) Analysis of charge in year:		
Corporation tax	-	-
Total tax for the year (note 5b)	-	-
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	1,024	736
Corporation tax at 20%	205	147
Effects of:		
Revenue not subject to taxation	(244)	(189)
Current year expenses not utilised	39	42
Current tax charge for the year (note 5a)	-	-
c) Provision for deferred taxation		
At 15 April 2019, there is a potential deferred tax asset of £115,481 (15.4.18: £76,644) in relation to surplus management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year or prior year.		
6. Distributions		
The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:		
Interim dividend distribution	940	776
Final dividend distribution	145	20
	1,085	796
Add: Amounts deducted on cancellation of shares	48	21
Deduct: Amounts received on issue of shares	(97)	(60)
Net distribution for the year	1,036	757
7. Movement Between Net Revenue and Distributions		
Net revenue after taxation	1,024	736
Revenue deficit transfer to capital	12	21
Net distribution for the year	1,036	757
8. Debtors		
Amounts receivable for creation of shares	40	63
Sales awaiting settlement	810	-
Accrued revenue	141	-
Management fee rebates receivable	-	1
Income tax recoverable	3	-
Total debtors	994	64
9. Other Creditors		
Amounts payable for cancellation of shares	215	55
Accrued expenses	29	94
Total other creditors	244	149

10. Reconciliation of Shares

	<i>Retail Income</i>	<i>Retail Accumulation</i>	<i>Institutional Income</i>	<i>Institutional Accumulation</i>
Opening shares issued at 16.4.18	129,875	4,129,226	-	-
Share movements 16.4.18 to 15.4.19				
Shares issued	27,834	1,508,648	2,598,554	7,420,770
Shares cancelled	(12,589)	(1,237,833)	(483,458)	(175,019)
Shares converted	-	(35,800)	-	-
Closing shares issued at 15.4.19	145,120	4,364,241	2,115,096	7,245,751

	<i>Income C</i>	<i>Accumulation C</i>	<i>Accumulation P</i>
Opening shares issued at 16.4.18	4,667,654	30,183,498	5,784,998
Share movements 16.4.18 to 15.4.19			
Shares issued	920,072	9,412,517	4,682,421
Shares cancelled	(893,028)	(3,732,827)	(175,569)
Shares converted	19,242	16,642	-
Closing shares issued at 15.4.19	4,713,940	35,879,830	10,291,850

11. Ultimate Controlling Party and Transactions

The Authorised Corporate Director (ACD) is regarded as a controlling party of the Fund by virtue of having the ability to act in concert in respect of Fund operations. The ultimate controlling party of the ACD is HSBC Group plc.

This entity and its subsidiaries are also related parties of the Fund.

At the year end, the ACD and its associates held the following of the Fund's shares in issue:

	<i>Retail Income</i>	<i>Retail Accumulation</i>	<i>Institutional Income</i>	<i>Institutional Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>	<i>Accumulation P</i>
	%	%	%	%	%	%	%
As at 15.4.19	-	-	100.00	100.00	4.98	5.82	58.33
As at 15.4.18	-	-	N/A	N/A	3.78	5.83	57.59

Details of all other material related party transactions during the year and any payment amounts outstanding at the balance sheet date are disclosed in notes 8 and 9 to the financial statements and the Statement of Change in Net Assets Attributable to Shareholders and the Portfolio Statement.

The balance due to the ACD & accrued expenses (including amounts due to associates and agents) at the year end was £196,490 (15.4.18: £79,567), further details of such amounts can be found in notes 8 and 9.

At the year end, the Fund held £79,450,886 (15.4.18: £55,076,055) in Authorised Investment Funds managed by HSBC or HSBC Holdings, the parent company of the ACD. During the year, transactions in Authorised Investment Funds managed by HSBC or HSBC Holdings totalled £47,152,905 (15.4.18: £21,910,616).

12. Financial Instruments

The financial instrument risks and risk management policies are set out on pages 12 and 13.

Foreign Currency Risk

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

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>		<i>Net other assets</i>		<i>Net assets</i>	
	15.4.19	15.4.18	15.4.19	15.4.18	15.4.19	15.4.18
	£'000	£'000	£'000	£'000	£'000	£'000
Sterling*	58,611	39,265	815	633	59,426	39,898
Euro	1	21	-	-	1	21
Japanese yen	37	-	-	-	37	-
United States dollar	39,647	22,661	183	-	39,830	22,661
Total	98,296	61,947	998	633	99,294	62,580

*No currency risk as base currency.

Interest Rate Risk

At the year end 0.27% (15.4.18: 1.15%) of the Fund's assets by value were interest-bearing.

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

13. Shareholders' Funds

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

The annual ACD charge on the retail share class is 1.25%, nil on the institutional share class, 0.55% on the C share and 0.25% on the P share class.

The net asset value of the share class, the net asset value per share and the number of shares in each class are given in the Comparative Tables on pages 34 to 37.

The distribution per share class is given in the Distribution Tables on pages 39 and 40.

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

14. Financial Derivatives

The Fund has used financial derivatives for hedging and meeting investment objectives including risk reduction and implementation of investment policies.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

The type of derivatives held at the year end was forward currency contracts.

Details of the individual contracts are shown on the Portfolio Statement on pages 32 to 33, and the total position by the counterparty at the year end is summarised below: The underlying exposure for each category of derivatives is as follows:

Counterparty	<i>Forward Currency</i>		<i>Total</i>	
	2019	2018	2019	2018
	£'000		£'000	
HSBC Bank	162	60	162	60
RBS	1	-	1	-
State Street	37	-	37	-

Eligible collateral types are approved by the ACD and may consist of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities.

At 15 April 2019, there was no collateral held in respect of the above derivatives (15.4.18: nil).

15. Contingent Liabilities and Commitments

At the year end, the Fund had no contingent liabilities or commitments (15.4.18: none).

16. Portfolio Transaction Costs

For the year ended 15 April 2019	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Pooled investment vehicles	27,923	1	-	-	-	-	-
In-specie transactions	19,281	-	-	-	-	-	-
Total purchases before transaction costs	47,204	1		-		-	
Transaction costs	1						
Total purchases after commission, tax and fees	47,205						

	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Pooled investment vehicles	19,661	1	0.01	-	-	-	-
Total sales before transaction costs	19,661	1		-		-	
Transaction costs	(1)						
Total sales after commission, tax and fees	19,660						

The Fund had paid £57 as commission on purchases and sales derivative transactions for the year ended 15.4.19.

Commissions, taxes and fees as % of average Net Assets

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.02%, being the difference between the respective bid and offer prices for the Fund's investments.

For the year ended 15 April 2018	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Pooled investment vehicles	16,791	-	-	-	-	-	-
Total purchases before transaction costs	16,791	-		-		-	
Transaction costs	-						
Total purchases after commission, tax and fees	16,791						

	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Pooled investment vehicles	8,345	-	-	-	-	-	-
Total sales before transaction costs	8,345	-		-		-	
Transaction costs	-						
Total sales after commission, tax and fees	8,345						

The Fund had paid £28 as commission on purchases and sales derivative transactions for the year ended 15.4.18.

Commissions, taxes and fees as % of average Net Assets

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

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

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

17. Fair Value of Investments

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

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

For the year ended 15 April 2019

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Pooled investment vehicles	17,256	80,842	-	98,098
Derivatives	-	200	-	200
	17,256	81,042	-	98,298
Investment Liabilities	£'000	£'000	£'000	£'000
Derivatives	-	(2)	-	(2)
	-	(2)	-	(2)

For the year ended 15 April 2018

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Pooled investment vehicles	9,845	52,042	-	61,887
Derivatives	-	60	-	60
	9,845	52,102	-	61,947
Investment Liabilities	£'000	£'000	£'000	£'000
Derivatives	-	-	-	-
	-	-	-	-

18. Sensitivity Analysis**Price risk sensitivity:**

If the price of investments at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £9,829,567 (15.4.18: £6,194,655).

Currency risk sensitivity:

If the exchange rate at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £3,986,828 (15.4.18: £2,268,134).

Interest rate risk sensitivity:

At the balance sheet date, the Fund did not have a significant exposure to interest rate risk, therefore no sensitivity analysis is disclosed (15.4.18: no significant exposure).

World Selection - Balanced Portfolio

Investment Objective

To provide capital growth through balanced investment in a broad range of asset classes across global markets.

Investment Policy*

This is one of a range of actively managed World Selection Portfolios offered at five different risk levels. The asset allocation of each fund in the range reflects the risk level. The Fund is rated as 3, where 1 is a lower level of risk and 5 is a higher level of risk. The Fund is managed with the aim of maximising returns in line with its agreed long term risk profile therefore any potential returns are likely to be limited by the risk profile of the Fund.

To achieve its objective the Fund invests primarily in collective investment schemes that in turn invest in equities, fixed income securities, alternative asset classes and derivatives.

The Fund may, in addition to its other investment powers, use exchange traded and over-the-counter derivatives and forward currency contracts for investment purposes.

Using these investment powers for investment purposes means, in particular, maintaining positions in these investments for the long term rather than just for tactical short-term purposes.

Where the use of derivatives is for investment purposes in addition to hedging it is envisaged that the use of such instruments will not affect the overall risk profile of the Fund.

*The full policy can be found in the prospectus.

Investment Strategy

The starting point for the World Selection Portfolios is the Strategic Asset Allocation (SAA). SAA is the long-term blend of assets for each risk level. Tactical Asset Allocation (TAA) is another layer on top of the SAA and is driven by the investment team's shorter term market outlook.

Portfolio Implementation is the final stage in the investment process, where we decide how best to take exposure to each asset class. 97% of the Fund invests in collective investment schemes. This includes 50% in collective investment schemes that aim to track the performance of market indices.

Portfolio Activity

The portfolio maintained an overweight to risk assets, relative to the strategic asset allocation, throughout the reporting period. At the start of the period, the portfolio was overweight global equities and emerging market debt in local currency. It was underweight global government and corporate bonds.

At the end of April, the overweight allocation to Europe equity was reduced. This was on the back of softening economic and earnings data. The proceeds were reinvested into the wider global equity asset class.

May saw the implementation of a credit barbell strategy. Corporate bonds (both investment grade and high yield) were offering low returns for taking credit risk. We therefore reduced our allocation to IG bonds and reinvested the proceeds into global government bonds and global equity. The Portfolio Management team also closed the US financials position and invested the proceeds into the US more generally, leaving our allocation to the US intact.

In June we reduced our allocation to Russia equity. We retained our preference for the wider emerging markets equity asset class. The position was closed in July. The proceeds were invested into US equity.

In August and September, we altered our fixed income positions to reduce the duration of the portfolio and bring our EMD hard currency allocation back to neutral.

In Q4, we introduced allocations to liquid alternatives through the additional of a style factor exposure and trend following strategies. These exposures provide exposure to alternative forms of market returns with low correlations to traditional asset classes. This should provide diversification benefits to the portfolios.

February 2019 saw the Portfolio Management team add an allocation to China A shares, funded from the wider EM allocation. Our allocation to Japan equity was also reduced. While we believe in the long term picture for Japan, short term momentum has disappeared.

Chinese equity delivered very strong returns over a short period of time. Therefore, in March, the position was trimmed to take profits.

In April, we introduced a short position in 10 year Treasuries to reduce the duration of the portfolios and introduced a small overweight to UK equity as, despite Brexit uncertainties, UK data remains solid and valuations are attractive.

Major purchases include: HSBC FTSE All World Index Fund, Structured Inv Goldman Sachs Cross Asset USD, AQR Managed Futures UCITS, Lyxor Core US TIPS, HSBC GIF Multi-Asset Style Factors, iShares Core S&P 500 UCITS ETF, HSBC MSCI China A Inclusion ETF, iShares Core MSCI Emerging Markets IMI UCITS ETF, HSBC GIF Global Emerging Markets Bond Fund, HSBC GIF Global Government Bond Fund and HSBC GEM Local Debt Fund.

Major sales included: HSBC Global Government Bond Fund, iShares Fallen Angels High Yield Fund ETF, HSBC Japan Index Fund, HSBC European Index Fund, SPDR S&P US Financials Select Sector ETF, HSBC MSCI Russia Capped ETF, HSBC MSCI China A Inclusion ETF, HSBC GIF Global Corporate Bond Fund and HSBC GIF India Fixed Income Fund.

Investment Performance

During the year under review, the value of the shares in the Fund increased by 7.56%.

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

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

Fund Particulars

as at 16 April 2019

	Retail Income	Retail Accumulation	Institutional Income†
Price	195.2p xd	213.8p	235.2p xd
Distribution payable (on 15 June 2019) per share net	0.470400p	0.517448p	0.871101p
Current net estimated yield	1.22%	1.21%	0.35%
Annual ACD charge	1.25%	1.25%	0.00%

	Institutional Accumulation	Income C	Accumulation C	Income P	Accumulation P
Price	236.0p	195.9p xd	221.2p	195.9p xd	223.9p
Distribution payable (on 15 June 2019) per share net	1.737847p	0.964329p	1.088584p	1.226229p	1.407199p
Current net estimated yield	2.20%	1.73%	1.70%	2.00%	1.97%
Annual ACD charge	0.00%	0.55%	0.55%	0.25%	0.25%

†The Institutional Income share class launched on 8 February 2019.

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Asia-Pacific (excluding Japan) Equities - 0.93% (0.94%)			
^*iShares Core MSCI Pacific ex-Japan UCITS ETF	263,192	30,427	0.93
Total Asia-Pacific (excluding Japan) Equities		30,427	0.93
European (excluding UK) Equities - 3.56% (4.56%)			
+HSBC European Index Fund	12,218,029	116,866	3.56
Total European (excluding UK) Equities		116,866	3.56
Japanese Equities - 2.59% (3.30%)			
+HSBC Japan Index Fund	67,504,988	84,921	2.59
Total Japanese Equities		84,921	2.59
Chinese Equities - 0.63% (0.00%)			
^+HSBC MSCI China Inclusion ETF	2,688,195	20,581	0.63
Total Chinese Equities		20,581	0.63
Global Emerging Markets Equities - 4.77% (4.93%)			
^*iShares Core MSCI Emerging Markets IMI UCITS ETF	7,110,290	156,627	4.77
Total Global Emerging Markets Equities		156,627	4.77
Global Property Equities Funds - 4.97% (4.87%)			
*+HSBC GIF Global Real Estate Equity Fund	19,082,927	163,285	4.97
Total Global Property Equities Funds		163,285	4.97
US Equities - 12.19% (11.58%)			
+HSBC American Index Fund	52,723,479	336,481	10.25
^*iShares VII Core S&P 500 UCITS ETF	275,688	59,920	1.82
^*Vanguard S&P 500 UCITS ETF	95,438	4,010	0.12
Total US Equities		400,411	12.19
UK Equities - 1.34% (1.33%)			
+HSBC FTSE 100 Index Fund	10,866,054	26,220	0.80
+HSBC FTSE All-Share Index Fund	2,795,321	17,630	0.54
Total UK Equities		43,850	1.34
Global Equities - 25.63% (28.05%)			
^*+HSBC ESI Worldwide Equity UCITS ETF	9,929,315	129,580	3.95
+HSBC FTSE All-World Index Fund	363,988,453	628,972	19.15
^*+HSBC Multi Factor Worldwide Equity ETF	5,666,560	83,108	2.53
Total Global Equities		841,660	25.63
Global Government Bonds - 2.70% (1.09%)			
*+HSBC GIF Global Government Bond Fund	4,773,633	38,433	1.17
^*Lyxor Core US TIPS UCITS ETF	658,666	50,338	1.53
Total Global Government Bonds		88,771	2.70

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Global Assets-Backed Bonds - 2.90% (2.86%)			
*+HSBC GIF Global Asset-Backed Bond Fund	849,905	95,395	2.90
Total Global Assets-Backed Bonds		95,395	2.90
Global Corporate Bonds - 9.46% (11.97%)			
*+HSBC GIF Corporate Bond Fund	37,906,245	310,707	9.46
Total Global Corporate Bonds		310,707	9.46
Global High Yield Bonds - 6.38% (6.94%)			
*+HSBC GIF Global High Yield Bond Fund	22,833,703	177,046	5.39
*+HSBC GIF Global Short Duration High Yield Bond Fund	4,208,445	32,346	0.99
Total Global High Yield Bonds		209,392	6.38
Global Emerging Markets Debt - 13.32% (13.45%)			
*+HSBC GIF Global Emerging Markets Bond Fund	21,350,130	159,259	4.85
*+HSBC GIF Global Emerging Markets Local Debt Fund	39,494,736	278,044	8.47
Total Global Emerging Markets Debt		437,303	13.32
Liquid Alternatives - 4.97% (0.00%)			
*AQR Managed Futures UCITS Fund	698,310	54,699	1.67
*Goldman Sachs Cross Asset Trend Portfolio	9,972,230	77,511	2.36
*+HSBC Multi-Asset Style Factor Fund	3,400,669	30,964	0.94
Total Liquid Alternatives		163,174	4.97
Money Market - 2.39% (2.68%)			
+HSBC Global Sterling Liquidity Fund	78,517,747	78,518	2.39
Total Money Market		78,518	2.39
Forward Foreign Exchange Contracts - 0.26% (0.14%)			
#Sold €122,197,440 for £105,494,516 settled 9/5/2019		34	-
#Sold ¥10,809,276,482 for £74,320,033 settled 9/5/2019		684	0.02
#Sold \$2,104,441,958 for £1,610,688,592 settled 9/5/2019		8,042	0.24
#Sold £7,418,618 for \$9,711,483 settled 9/5/2019		(23)	-
#Sold £6,302,209 for ¥916,719,936 settled 9/5/2019		(57)	-
#Sold £16,181,604 for €18,781,069 settled 9/5/2019		27	-
Total Forward Foreign Exchange Contracts		8,707	0.26
Futures - 0.01% (-0.01%)			
CBT US 2Yr Note Future June 2019	344	51	-
CBT US 10Yr Ultra Future June 2019	635	333	0.01
ICF FTSE 100 IDX Future June 2019	332	(3)	-
Total Futures		381	0.01

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Portfolio of investments		3,250,976	99.00
Net other assets		32,903	1.00
Net assets		3,283,879	100.00
*offshore fund			
+related party			
^listed			
#unlisted			

Figures in brackets denote comparative percentage holdings as at 15 April 2018.

All holdings are Authorised Investment Funds, unless otherwise stated.

The counterparty for the Futures is HSBC.

The counterparties for the Forward Foreign Exchange Contracts are HSBC, Goldman Sachs, Royal Bank of Scotland, State Street and UBS.

Comparative Tables

for the year ended 15 April 2019

Retail Income			
Change in net assets per share	15.4.19	15.4.18	15.4.17
Opening net asset value per share	184.50p	184.80p	162.30p
Return before operating charges*	15.21p	4.26p	27.69p
Operating charges**	(2.49p)	(2.47p)	(2.30p)
Return after operating charges*	12.72p	1.79p	25.39p
Distributions on income shares	(2.42p)	(2.09p)	(2.89p)
Closing net asset value per share	194.80p	184.50p	184.80p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	6.89%	0.97%	15.64%
Other information			
Closing net asset value	£1,210,447	£1,142,942	£3,596,178
Closing number of shares	621,260	619,519	1,946,075
Operating charges - OCF	1.46%	1.45%	1.46%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	197.10p	194.90p	187.00p
Lowest share price	178.60p	182.90p	158.10p

Retail Accumulation			
Change in net assets per share	15.4.19	15.4.18	15.4.17
Opening net asset value per share	199.50p	197.60p	170.80p
Return before operating charges*	16.71p	4.54p	29.24p
Operating charges**	(2.71p)	(2.64p)	(2.44p)
Return after operating charges*	14.00p	1.90p	26.80p
Distributions on accumulation shares	(2.63p)	(2.08p)	(3.07p)
Retained distributions on accumulation shares	2.63p	2.08p	3.07p
Closing net asset value per share	213.50p	199.50p	197.60p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	7.02%	0.96%	15.69%
Other information			
Closing net asset value	£35,409,569	£36,718,487	£275,381,565
Closing number of shares	16,586,936	18,401,329	139,338,686
Operating charges - OCF	1.46%	1.45%	1.46%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	213.60p	210.40p	199.50p
Lowest share price	195.20p	195.60p	166.40p

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

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

Comparative Tables

for the year ended 15 April 2019

Institutional Income#	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	226.40p	N/A	N/A
Return before operating charges*	9.18p	N/A	N/A
Operating charges**	(0.01p)	N/A	N/A
Return after operating charges*	9.17p	N/A	N/A
Distributions on income shares	(0.87p)	N/A	N/A
Closing net asset value per share	234.70p	N/A	N/A
*after direct transaction costs of:***	0.00p	N/A	N/A
Performance			
Return after charges	4.05%	N/A	N/A
Other information			
Closing net asset value	£47,418,845	N/A	N/A
Closing number of shares	20,201,034	N/A	N/A
Operating charges - OCF	0.16%	N/A	N/A
Direct transaction costs	0.00%	N/A	N/A
Prices			
Highest share price	235.80p	N/A	N/A
Lowest share price	226.40p	N/A	N/A

Institutional Accumulation	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	217.90p	213.70p	182.80p
Return before operating charges*	17.73p	4.23p	30.93p
Operating charges**	(0.03p)	(0.03p)	(0.03p)
Return after operating charges*	17.70p	4.20p	30.90p
Distributions on accumulation shares	(5.24p)	(4.79p)	(5.38p)
Retained distributions on accumulation shares	5.24p	4.79p	5.38p
Closing net asset value per share	235.60p	217.90p	213.70p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	8.12%	1.97%	16.90%
Other information			
Closing net asset value	£154,592,371	£97,437,929	£100,029,227
Closing number of shares	65,614,728	44,707,121	46,805,307
Operating charges - OCF	0.16%	0.15%	0.16%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	235.80p	229.20p	215.50p
Lowest share price	214.80p	211.60p	178.30p

#The Institutional Income share class launched on 8 February 2019.

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

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

Comparative Tables

for the year ended 15 April 2019

Income C			
	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	185.10p	185.50p	162.90p
Return before operating charges*	15.08p	4.01p	27.60p
Operating charges**	(1.26p)	(1.26p)	(1.18p)
Return after operating charges*	13.82p	2.75p	26.42p
Distributions on income shares	(3.42p)	(3.15p)	(3.82p)
Closing net asset value per share	195.50p	185.10p	185.50p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	7.47%	1.48%	16.22%
Other information			
Closing net asset value	£29,427,185	£26,852,182	£22,058,102
Closing number of shares	15,051,675	14,504,816	11,892,014
Operating charges - OCF	0.81%	0.80%	0.81%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	198.10p	195.90p	188.10p
Lowest share price	179.40p	183.60p	158.80p

Accumulation C			
	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	205.30p	202.40p	174.00p
Return before operating charges*	16.91p	4.28p	29.66p
Operating charges**	(1.41p)	(1.38p)	(1.26p)
Return after operating charges*	15.50p	2.90p	28.40p
Distributions on accumulation shares	(3.82p)	(3.44p)	(4.12p)
Retained distributions on accumulation shares	3.82p	3.44p	4.12p
Closing net asset value per share	220.80p	205.30p	202.40p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	7.55%	1.43%	16.32%
Other information			
Closing net asset value	£2,621,918,547	£2,358,349,794	£1,957,376,660
Closing number of shares	1,187,414,405	1,148,603,186	967,211,324
Operating charges - OCF	0.81%	0.80%	0.81%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	221.00p	216.20p	204.20p
Lowest share price	201.60p	200.30p	169.70p

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

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

Comparative Tables

for the year ended 15 April 2019

Income P	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	185.20p	185.60p	162.90p
Return before operating charges*	14.87p	3.87p	27.58p
Operating charges**	(0.60p)	(0.59p)	(0.55p)
Return after operating charges*	14.27p	3.28p	27.03p
Distributions on income shares	(3.97p)	(3.68p)	(4.33p)
Closing net asset value per share	195.50p	185.20p	185.60p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	7.71%	1.77%	16.59%
Other information			
Closing net asset value	£7,299,532	£6,396,161	£5,509,827
Closing number of shares	3,732,996	3,454,422	2,969,281
Operating charges - OCF	0.46%	0.45%	0.46%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	198.30p	196.00p	188.40p
Lowest share price	179.50p	183.70p	158.90p

Accumulation P	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	207.20p	203.70p	174.70p
Return before operating charges*	16.97p	4.16p	29.60p
Operating charges**	(0.67p)	(0.66p)	(0.60p)
Return after operating charges*	16.30p	3.50p	29.00p
Distributions on accumulation shares	(4.47p)	(4.06p)	(4.69p)
Retained distributions on accumulation shares	4.47p	4.06p	4.69p
Closing net asset value per share	223.50p	207.20p	203.70p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	7.87%	1.72%	16.60%
Other information			
Closing net asset value	£386,602,118	£226,078,886	£136,826,236
Closing number of shares	172,992,159	109,098,876	67,179,147
Operating charges - OCF	0.46%	0.45%	0.46%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	223.60p	218.10p	205.50p
Lowest share price	203.90p	201.60p	170.30p

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

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

Statement of Total Return

for the year ended 15 April 2019

	Notes	15.4.19		15.4.18	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		165,713		(9,849)
Revenue	3	77,188		66,222	
Expenses	4	(18,086)		(17,447)	
Interest payable and similar charges		(3)		(8)	
Net revenue before taxation		59,099		48,767	
Taxation	5	(4,950)		(4,700)	
Net revenue after taxation			54,149		44,067
Total return before distributions			219,862		34,218
Distributions	6		(54,151)		(44,079)
Change in net assets attributable to shareholders from investment activities			165,711		(9,861)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15 April 2019

	15.4.19		15.4.18	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		2,752,976		2,500,778
Amount receivable on creation of shares	244,027		253,599	
Amount receivable on in specie creation of shares	119,349		-	
Amount payable on cancellation of shares	(52,877)		(36,064)	
		310,499		217,535
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		165,711		(9,861)
Retained distribution on accumulation shares		54,693		44,524
Closing net assets attributable to shareholders		3,283,879		2,752,976

Balance Sheet

as at 15 April 2019

	Notes	15.4.19		15.4.18	
		£'000	£'000	£'000	£'000
Assets					
Investments			3,251,059		2,716,954
Current assets					
Debtors	8	41,582		3,421	
Cash and bank balances		19,079		48,359	
Total current assets			60,661		51,780
Total assets			3,311,720		2,768,734
Liabilities					
Investment liabilities			(83)		(183)
Creditors					
Distribution payable on income shares		(370)		(165)	
Other creditors	9	(27,388)		(15,410)	
Total creditors			(27,758)		(15,575)
Total liabilities			(27,841)		(15,758)
Net assets attributable to shareholders			3,283,879		2,752,976

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 October 2018				
Group 2: Shares purchased from 16 October 2018 to 15 April 2019				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.6.19</i>	<i>Distribution paid 15.6.18</i>
Retail Income				
Group 1	0.470400	-	0.470400	0.300100
Group 2	0.413148	0.057252	0.470400	0.300100
Retail Accumulation				
Group 1	0.517448	-	0.517448	0.163999
Group 2	0.360581	0.156867	0.517448	0.163999
Institutional Income†				
Group 1	0.871101	-	0.871101	N/A
Group 2	0.862069	0.009032	0.871101	N/A
Institutional Accumulation				
Group 1	1.737847	-	1.737847	1.575845
Group 2	0.933891	0.803956	1.737847	1.575845
Income C				
Group 1	0.964329	-	0.964329	0.856299
Group 2	0.602740	0.361589	0.964329	0.856299
Accumulation C				
Group 1	1.088584	-	1.088584	0.943164
Group 2	0.701191	0.387393	1.088584	0.943164
Income P				
Group 1	1.226229	-	1.226229	1.118759
Group 2	0.762788	0.463441	1.226229	1.118759
Accumulation P				
Group 1	1.407199	-	1.407199	1.246345
Group 2	0.843760	0.563439	1.407199	1.246345
†The Institutional Income share class launched on 8 February 2019.				

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 April 2018				
Group 2: Shares purchased from 16 April 2018 to 15 October 2018				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.12.18</i>	<i>Distribution paid 15.12.17</i>
Retail Income				
Group 1	1.950000	-	1.950000	1.790000
Group 2	0.720000	1.230000	1.950000	1.790000
Retail Accumulation				
Group 1	2.110000	-	2.110000	1.920000
Group 2	1.280000	0.830000	2.110000	1.920000
Institutional Accumulation				
Group 1	3.500000	-	3.500000	3.210000
Group 2	0.870000	2.630000	3.500000	3.210000
Income C				
Group 1	2.460000	-	2.460000	2.290000
Group 2	1.220000	1.240000	2.460000	2.290000
Accumulation C				
Group 1	2.730000	-	2.730000	2.500000
Group 2	1.240000	1.490000	2.730000	2.500000
Income P				
Group 1	2.740000	-	2.740000	2.560000
Group 2	2.080000	0.660000	2.740000	2.560000
Accumulation P				
Group 1	3.060000	-	3.060000	2.810000
Group 2	1.260000	1.800000	3.060000	2.810000

Notes to the Financial Statements

for the year ended 15 April 2019

	15.4.19 £'000	15.4.18 £'000
1. Accounting Policies		
The accounting policies are set out on pages 10 and 11.		
2. Net Capital Gains/(Losses)		
The net capital gains/(losses) during the year comprise:		
Realised losses on currency	(17)	(334)
Unrealised gains/(losses) on currency	240	(114)
Transaction (charges)/rebate	(9)	135
Realised (losses)/gains on forward foreign currency contracts	(93,952)	117,774
Unrealised gains on forward foreign currency contracts	8,707	3,853
Realised (losses)/gains on derivative securities	(1,016)	1,138
Unrealised gains/(losses) on derivative securities	382	(183)
Realised gains on non-derivative securities	86,975	49,443
Unrealised gains/(losses) on non-derivative securities	164,402	(181,576)
Management fee rebate	1	15
Net capital gains/(losses)	165,713	(9,849)
Realised gains/(losses) in the current accounting year include unrealised gains/(losses) arising in previous years. In such circumstances a corresponding loss/gain is included in unrealised gains/(losses) figure.		
3. Revenue		
Unfranked distributions from UK authorised ICVCs and unit trusts	512	390
Franked distributions from UK authorised ICVCs and unit trusts	34,365	25,266
Interest on bonds and other debt securities	42,218	40,534
Deposit interest	26	6
Bank interest	67	25
Income tax recovered	-	1
Total revenue	77,188	66,222
4. Expenses		
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
Authorised Corporate Director's charge	15,030	14,708
Registration fee	2,681	2,405
Safe custody fee	104	94
	17,815	17,207
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	258	233
Other expenses:		
Audit fee	6	6
Report and accounts fee	7	1
	13	7
Total expenses	18,086	17,447

	15.4.19 £'000	15.4.18 £'000
5. Taxation		
a) Analysis of charge in year:		
Corporation tax	4,947	4,700
Overseas tax	-	78
Double tax relief	-	(78)
Adjustments in respect of prior years	3	-
Total tax for the year (note 5b)	4,950	4,700
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	59,099	48,767
Corporation tax at 20%	11,820	9,753
Effects of:		
Revenue not subject to taxation	(6,873)	(5,053)
Irrecoverable overseas tax	-	78
Double tax relief	-	(78)
Adjustments in respect of prior years	3	-
Current tax charge for the year (note 5a)	4,950	4,700
c) Provision for deferred taxation		
At 15 April 2019, there is no potential deferred tax asset (15.4.18: £nil) in relation to surplus management expenses.		
6. Distributions		
The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:		
Interim dividend distribution	38,577	32,012
Final dividend distribution	16,956	13,092
	55,533	45,104
Add: Amounts deducted on cancellation of shares	182	150
Deduct: Amounts received on issue of shares	(1,564)	(1,175)
Net distribution for the year	54,151	44,079
7. Movement Between Net Revenue and Distributions		
Net revenue after taxation	54,149	44,067
Equalisation on conversions	2	12
Net distribution for the year	54,151	44,079
8. Debtors		
Amounts receivable for creation of shares	6,018	3,191
Sales awaiting settlement	34,456	-
Accrued revenue	924	48
Management fee rebates receivable	114	112
Overseas tax recoverable	3	3
Amount receivable on merger	67	67
Total debtors	41,582	3,421

15.4.19 15.4.18
£'000 £'000

9. Other Creditors

Amounts payable for cancellation of shares	1,254	774
Purchases awaiting settlement	22,908	9,329
Accrued expenses	837	3,460
Corporation tax payable	2,389	1,847
Total other creditors	27,388	15,410

10. Reconciliation of Shares

	<i>Retail Income</i>	<i>Retail Accumulation</i>	<i>Institutional Income</i>	<i>Institutional Accumulation</i>
Opening shares issued at 16.4.18	619,519	18,401,329	-	44,707,121
Share movements 16.4.18 to 15.4.19				
Shares issued	3,084	728,300	20,633,397	23,268,935
Shares cancelled	(19,581)	(2,317,825)	(432,363)	(2,565,877)
Shares converted	18,238	(224,868)	-	204,549
Closing shares issued at 15.4.19	621,260	16,586,936	20,201,034	65,614,728

	<i>Income C</i>	<i>Accumulation C</i>	<i>Income P</i>	<i>Accumulation P</i>
Opening shares issued at 16.4.18	14,504,816	1,148,603,186	3,454,422	109,098,876
Share movements 16.4.18 to 15.4.19				
Shares issued	2,702,487	54,253,594	916,650	65,562,246
Shares cancelled	(2,368,186)	(15,233,195)	(638,076)	(1,668,963)
Shares converted	212,558	(209,180)	-	-
Closing shares issued at 15.4.19	15,051,675	1,187,414,405	3,732,996	172,992,159

11. Ultimate Controlling Party and Transactions

The Authorised Corporate Director (ACD) is regarded as a controlling party of the Fund by virtue of having the ability to act in concert in respect of Fund operations. The ultimate controlling party of the ACD is HSBC Group plc. This entity and its subsidiaries are also related parties of the Fund.

At the year end, the ACD and its associates held the following of the Fund's shares in issue:

	<i>Retail Income</i>	<i>Retail Accumulation</i>	<i>Institutional Income</i>	<i>Institutional Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>	<i>Income P</i>	<i>Accumulation P</i>
	%	%	%	%	%	%	%	%
As at 15.4.19	-	0.71	99.47	100.00	2.50	0.58	-	57.10
As at 15.4.18	-	0.84	-	100.00	5.30	0.67	-	51.61

Details of all other material related party transactions during the year and any payment amounts outstanding at the balance sheet date are disclosed in notes 8 and 9 to the financial statements and the Statement of Change in Net Assets Attributable to Shareholders and the Portfolio Statement.

The balance due from the ACD (including amounts due to associates and agents) at the year end was £3,969,099 (15.4.18: due to ACD £988,386). Further details of such amounts can be found in notes 8 and 9.

At the year end, the Fund held £2,808,355,724 (15.4.18: £2,507,933,016) in Authorised Investment Funds managed by HSBC or HSBC Holdings, the parent company of the ACD.

During the year, transactions in Authorised Investment Funds managed by HSBC and/or HSBC Holdings totalled £1,513,066,243 (15.4.18: £1,209,297,216).

12. Financial Instruments

The financial instrument risks and risk management policies are set out on pages 12 and 13.

Foreign Currency Risk

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

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>		<i>Net other assets/(liabilities)</i>		<i>Net assets</i>	
	15.4.19	15.4.18	15.4.19	15.4.18	15.4.19	15.4.18
	£'000	£'000	£'000	£'000	£'000	£'000
Sterling*	1,314,143	1,199,053	46,080	43,745	1,360,223	1,242,798
Euro	30,998	465	3	3	31,001	468
Japanese yen	684	-	-	-	684	-
United States dollar	1,905,151	1,517,253	(13,180)	(7,543)	1,891,971	1,509,710
Total	3,250,976	2,716,771	32,903	36,205	3,283,879	2,752,976

*No currency risk as base currency.

Interest Rate Risk

At the year end, 0.58% (15.4.18: 1.76%) of the Fund's assets by value were interest-bearing.

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

13. Shareholders' Funds

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

The annual ACD charge on the retail share class is 1.25%, nil on the institutional share class, 0.55% on the C share class and 0.25% on the P share class. The net asset value of the share class, the net asset value per share and the number of shares in each class are given in the Comparative Tables on pages 52 to 55.

The distribution per share class is given in the Distribution Tables on pages 57 and 58. All share classes within the OEIC have the same rights on winding up.

14. Financial Derivatives

The Fund has used financial derivatives for hedging and meeting investment objectives including risk reduction and implementation of investment policies.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

The types of derivatives held at the year end were index futures and forward currency contracts.

Details of the individual contracts are shown on the Portfolio Statement on pages 49 to 51, and the total position by the counterparty at the year end is summarised below.

The underlying exposure for each category of derivatives is as follows:

Counterparty	Forward Currency £'000		Total £'000	
	2019	2018	2019	2018
Goldman Sachs	27	-	27	-
HSBC Bank	8,042	3,853	8,042	3,853
Royal Bank of Scotland	34	-	34	-
State Street	684	-	684	-

The economic exposure of future derivative contracts is equal to the market value. The value of exposure and the related counterparty are disclosed in the Portfolio Statement.

Eligible collateral types are approved by the ACD and may consist of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities.

At 15 April 2019, there was no collateral held in respect of the above derivatives (15.4.18: £nil).

15. Contingent Liabilities and Commitments

At the year end the Fund had no contingent liabilities or commitments (15.4.18: none).

16. Portfolio Transaction Costs

For the year ended 15 April 2019	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Pooled investment vehicles	1,029,976	42	0.00	-	-	-	-
In-specie transactions	118,226	-	-	-	-	-	-
Corporate actions	453	-	-	-	-	-	-
Total purchases before transaction costs	1,148,655	42		-		-	
Transaction costs	42						
Total purchases after commission, tax and fees	1,148,697						
	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Pooled investment vehicles	898,297	15	0.00	-	-	-	-
Total sales before transaction costs	898,297	15		-		-	
Transaction costs	(15)						
Total sales after commission, tax and fees	898,282						

The Fund had paid £7,551 as commission on purchases and sale derivative transactions for the year ended 15.4.19.

Commissions, taxes and fees as % of average Net Assets

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.02%, being the difference between the respective bid and offer prices for the Fund's investments.

For the year ended 15 April 2018	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Bond transactions	13,560	-	-	-	-	-	-
Pooled investment vehicles	862,597	8	0.00	-	-	-	-
Total purchases before transaction costs	876,157	8		-		-	
Transaction costs	8						
Total purchases after commission, tax and fees	876,165						
	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Bond transactions	57,064	-	-	-	-	-	-
Pooled investment vehicles	452,988	1	0.00	-	-	-	-
Total sales before transaction costs	510,052	1		-		-	
Transaction costs	(1)						
Total sales after commission, tax and fees	510,051						

The Fund had paid £7,512 as commission on purchases and sales derivative transactions for the year ended 15.4.18.

Commissions, taxes and fees as % of average Net Assets

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

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

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

17. Fair Value of Investments

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

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

For the year ended 15 April 2019

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Pooled investment vehicles	534,591	2,707,297	-	3,241,888
Derivatives	384	8,787	-	9,171
	534,975	2,716,084	-	3,251,059
Investment Liabilities				
Derivatives	(3)	(80)	-	(83)
	(3)	(80)	-	(83)

For the year ended 15 April 2018

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Pooled investment vehicles	414,847	2,298,254	-	2,713,101
Derivatives	-	3,853	-	3,853
	414,847	2,302,107	-	2,716,954
Investment Liabilities				
Derivatives	(183)	-	-	(183)
	(183)	-	-	(183)

18. Sensitivity Analysis

Price risk sensitivity:

If the price of investments at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £325,097,636 (15.4.18: £271,677,134).

Currency risk sensitivity:

If the exchange rate at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £192,365,498 (15.4.18: £151,017,920).

Interest rate risk sensitivity:

At the balance sheet date, the Fund did not have a significant exposure to interest rate risk, therefore no sensitivity analysis is disclosed (15.4.18: no significant exposure).

World Selection - Cautious Portfolio

Investment Objective

To provide capital growth through cautious investment in a broad range of asset classes across global markets.

Investment Policy*

To invest primarily in collective investment schemes that in turn invest in fixed income securities, equities, property and derivatives. Typically the Fund will have a bias towards asset classes that focus on fixed interest strategies. The ACD may also invest at its discretion in other transferable securities, money market instruments, deposits, cash and near cash.

On giving 60 days' notice to Shareholders, the Fund may, in addition to its other investment powers, use exchange traded and over-the-counter derivatives and forward currency contracts for investment purposes. Using these investment powers for investment purposes means, in particular, maintaining positions in these investments for the long term rather than just for tactical short-term purposes.

Where the use of derivatives is for investment purposes in addition to hedging it is envisaged that the use of such instruments will not affect the overall risk profile of the Fund.

*The full policy can be found in the prospectus.

Investment Strategy

The Fund follows a broadly diversified investment approach by investing primarily in other collective investment schemes that, in turn, invest across various different asset classes. Such asset classes shall include traditional asset classes, such as equities and fixed income, but also alternative asset classes, for example property. The Manager uses a complex quantitative investment process with a qualitative overlay to identify the optimal portfolio construction.

Portfolio Activity

The portfolio maintained an overweight to risk assets, relative to the strategic asset allocation, throughout the reporting period. At the start of the period, the portfolio was overweight global equities and emerging market debt in local currency. It was underweight global government and corporate bonds.

At the end of April, the overweight allocation to Europe equity was reduced. This was on the back of softening economic and earnings data. The proceeds were reinvested into the wider global equity asset class.

May saw the implementation of a credit barbell strategy. Corporate bonds (both investment grade and high yield) were offering low returns for taking credit risk. We therefore reduced our allocation to IG bonds and reinvested the proceeds into global government bonds and global equity.

In June we reduced our allocation to Russia equity. We retained our preference for the wider emerging markets equity asset class. The position was closed in July. The proceeds were invested into US equity.

In August and September, we altered our fixed income positions to reduce the duration of the portfolio and bring our EMD hard currency allocation back to neutral.

In Q4, we introduced allocations to liquid alternatives through the addition of a style factor exposure and trend following strategies. These exposures provide exposure to alternative forms of market returns with low correlations to traditional asset classes. This should provide diversification benefits to the portfolios.

February 2019 saw the Portfolio Management team add an allocation to China A shares, funded from the wider EM allocation. Our allocation to Japan equity was also reduced. While we believe in the long term picture for Japan, short term momentum has disappeared.

Chinese equity delivered very strong returns over a short period of time. Therefore, in March, the position was trimmed to take profits.

In April, we introduced a short position in 10 year Treasuries to reduce the duration of the portfolios and introduced a small overweight to UK equity as, despite Brexit uncertainties, UK data remains solid and valuations are attractive.

Major purchases include: HSBC FTSE All World Index Fund, Structured Inv Goldman Sachs Cross Asset USD, AQR Managed Futures UCITS, Lyxor Core US TIPS, HSBC GIF Multi-Asset Style Factors, iShares Core S&P 500 UCITS ETF, HSBC MSCI China A Inclusion ETF, iShares Core MSCI Emerging Markets IMI UCITS ETF, HSBC GIF Global Emerging Markets Bond Fund, HSBC GIF Global Government Bond Fund and HSBC GEM Local Debt Fund.

Major sales included: HSBC Global Government Bond Fund, iShares Fallen Angels High Yield Fund ETF, HSBC Japan Index Fund, HSBC European Index Fund, SPDR S&P US Financials Select Sector ETF, HSBC MSCI Russia Capped ETF, HSBC MSCI China A Inclusion ETF, HSBC GIF Global Corporate Bond Fund and HSBC GIF India Fixed Income Fund.

Investment Performance

During the year under review, the value of the shares in the Fund increased by 4.50%.

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

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

Fund Particulars

as at 16 April 2019

	Retail Income	Retail Accumulation	Institutional Income†
Price	135.7p xd	149.6p	163.3p xd
Distribution payable (on 15 June 2019) per share net	0.302736p	0.328417p	1.109976p
Current net estimated yield	0.83%	0.82%	0.68%
Annual ACD charge	1.25%	1.25%	0.00%

	Institutional Accumulation	Income C	Accumulation C	Income P	Accumulation P
Price	164.4p	136.3p xd	154.1p	136.2p xd	155.8p
Distribution payable (on 15 June 2019) per share net	1.219383p	0.642667p	0.728606p	0.820044p	0.964155p
Current net estimated yield	1.84%	1.34%	1.32%	1.60%	1.60%
Annual ACD charge	0.00%	0.55%	0.55%	0.25%	0.25%

†The Institutional Income share class launched 23 November 2018.

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
European Equities - 0.00% (1.46%)			
Liquid Alternatives - 4.95% (0.00%)			
*AQR Managed Future UCITS	79,837	6,254	0.80
*Goldman Sachs Cross Asset Trend Portfolio	1,198,702	9,317	1.19
*+HSBC GIF Multi-Asset Style Factors Fund	2,540,428	23,132	2.96
Total Liquid Alternatives		38,703	4.95
Global Assets-Backed Bonds - 5.01% (5.07%)			
*+HSBC GIF Global Asset-Backed Bond	348,742	39,143	5.01
Total Global Assets-Backed Bonds		39,143	5.01
Global Corporate Bonds - 11.96% (14.45%)			
*+HSBC GIF Corporate Bond Fund	11,389,818	93,359	11.96
Total Global Corporate Bonds		93,359	11.96
Global Emerging Markets Debt - 9.90% (11.79%)			
*+HSBC GIF Global Emerging Markets Bond Fund	3,614,886	26,965	3.45
*+HSBC GIF Global Emerging Markets Local Debt Fund	7,150,912	50,343	6.45
Total Global Emerging Markets Debt		77,308	9.90
Global Emerging Markets Equities - 1.92% (2.20%)			
*iShares Core MSCI Emerging Markets IMI UCITS ETF	680,353	14,987	1.92
Total Global Emerging Markets Equities		14,987	1.92
Global Equities - 14.55% (14.44%)			
^+HSBC Economic Scale Worldwide Equity UCITS ETF	1,041,818	13,596	1.74
^+HSBC ESI Worldwide ETF	435,833	6,392	0.82
*+HSBC FTSE All-World Index Fund	54,160,594	93,589	11.99
Total Global Equities		113,577	14.55
Global Government Bonds - 14.41% (14.22%)			
*+HSBC GIF Government Bond Fund	13,973,210	112,500	14.41
Total Global Government Bonds		112,500	14.41
Global High Yield Bonds - 4.25% (5.42%)			
*+HSBC GIF Global High Yield Bond Fund	3,023,533	23,444	3.00
*+HSBC GIF Global Short Duration High Yield Bond Fund	1,265,245	9,724	1.25
Total Global High Yield Bonds		33,168	4.25
Global Property Equities Funds - 3.51% (3.47%)			
*+HSBC GIF Global Real Estate Equity Fund	3,199,599	27,378	3.51
Total Global Property Equities Funds		27,378	3.51

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Chinese Equities - 0.43% (0.00%)			
*+HSBC MSCI China A Inclusion UCITS ETF	435,453	3,334	0.43
Total Chinese Equities		3,334	0.43
Japanese Equities - 0.50% (1.48%)			
*+HSBC Japan Index Fund	3,088,414	3,885	0.50
Total Japanese Equities		3,885	0.50
US Equities - 0.80% (0.00%)			
*iShares Core S&P 500 UCITS ETF	28,667	6,231	0.80
Total US Equities		6,231	0.80
Money Markets - 3.63% (4.35%)			
*+HSBC Global Liquidity Fund	28,345,566	28,346	3.63
Total Money Markets		28,346	3.63
UK Government Bonds - 1.73% (1.14%)			
Treasury 0.5% 22/7/2022	£275,000	272	0.04
Treasury 1.625% 22/10/2071	£120,000	122	0.02
Treasury 1.75% 7/9/2022	£700,000	721	0.09
Treasury 2.25% 7/9/2023	£511,300	541	0.07
Treasury 2.5% 22/7/2065	£75,000	97	0.01
Treasury 3.5% 22/1/2045	£800,000	1,093	0.14
Treasury 4% 7/3/2022	£1,065,000	1,163	0.15
Treasury 4% 22/1/2060	£702,900	1,204	0.15
Treasury 4.25% 7/12/2027	£837,700	1,055	0.14
Treasury 4.25% 7/6/2032	£1,000,000	1,339	0.17
Treasury 4.25% 7/12/2049	£500,000	804	0.10
Treasury 4.25% 7/12/2055	£475,000	818	0.10
Treasury 4.5% 7/12/2042	£700,000	1,083	0.14
Treasury 4.75% 7/12/2038	£600,000	915	0.12
Treasury 5% 7/3/2025	£1,000,000	1,231	0.16
Treasury 6% 7/12/2028	£725,000	1,042	0.13
Total UK Government Bonds		13,500	1.73
US Government Bonds - 8.31% (6.25%)			
Lyxor Core US TIPS UCITS ETF	149,788	11,447	1.47
US Treasury 1.375% 31/5/2020	\$2,050,000	1,545	0.20
US Treasury 1.625% 15/5/2026	\$1,730,000	1,247	0.16
US Treasury 1.75% 31/5/2022	\$2,000,000	1,497	0.19
US Treasury 1.75% 15/5/2023	\$2,000,000	1,488	0.19
US Treasury 1.875% 30/9/2022	\$2,000,000	1,501	0.19
US Treasury 2% 31/10/2021	\$2,390,000	1,806	0.23
US Treasury 2% 15/2/2023	\$1,670,000	1,256	0.16
US Treasury 2.125% 15/5/2025	\$2,250,000	1,686	0.22
US Treasury 2.25% 15/11/2024	\$2,250,000	1,701	0.22
US Treasury 2.25% 15/11/2025	\$2,250,000	1,694	0.22

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
US Treasury 2.25% 15/2/2027	\$2,600,000	1,948	0.25
US Treasury 2.375% 15/3/2021	\$1,500,000	1,143	0.15
US Treasury 2.375% 15/8/2024	\$2,000,000	1,523	0.19
US Treasury 2.5% 30/6/2020	\$2,000,000	1,526	0.20
US Treasury 2.5% 31/1/2021	\$2,500,000	1,909	0.24
US Treasury 2.5% 15/1/2022	\$2,000,000	1,530	0.20
US Treasury 2.5% 15/8/2023	\$2,000,000	1,533	0.20
US Treasury 2.5% 15/5/2024	\$3,010,000	2,308	0.30
US Treasury 2.625% 31/7/2020	\$2,500,000	1,910	0.24
US Treasury 2.625% 15/11/2020	\$2,500,000	1,911	0.24
US Treasury 2.625% 15/5/2021	\$2,500,000	1,915	0.24
US Treasury 2.625% 15/7/2021	\$2,000,000	1,533	0.20
US Treasury 2.625% 31/12/2023	\$200,000	154	0.02
US Treasury 2.75% 30/9/2020	\$2,500,000	1,914	0.24
US Treasury 2.75% 15/11/2023	\$1,700,000	1,317	0.17
US Treasury 2.75% 15/2/2024	\$1,850,000	1,435	0.18
US Treasury 2.875% 15/8/2028	\$1,000,000	783	0.10
US Treasury 2.875% 15/5/2043	\$1,000,000	756	0.10
US Treasury 3% 15/5/2045	\$150,000	116	0.01
US Treasury 3% 15/11/2045	\$1,500,000	1,156	0.15
US Treasury 3% 15/2/2047	\$1,600,000	1,232	0.16
US Treasury 3% 15/2/2048	\$2,100,000	1,611	0.21
US Treasury 3.125% 15/11/2028	\$350,000	280	0.04
US Treasury 3.125% 15/2/2042	\$1,500,000	1,187	0.15
US Treasury 3.375% 15/5/2044	\$2,040,000	1,677	0.21
US Treasury 3.5% 15/2/2039	\$700,000	593	0.08
US Treasury 4.25% 15/11/2040	\$750,000	701	0.09
US Treasury 5.375% 15/2/2031	\$1,000,000	978	0.12
US Treasury 6.125% 15/11/2027	\$1,410,000	1,372	0.18
Total US Government Bonds		64,819	8.31
Australian Government Bonds - 0.77% (0.50%)			
Government of Australia 2.25% 21/5/2028	A\$1,500,000	842	0.11
Government of Australia 2.75% 21/10/2019	A\$880,000	485	0.06
Government of Australia 2.75% 21/4/2024	A\$1,000,000	578	0.07
Government of Australia 2.75% 21/11/2029	A\$1,200,000	705	0.09
Government of Australia 3.25% 21/4/2029	A\$590,000	361	0.05
Government of Australia 3.25% 21/6/2039	A\$750,000	467	0.06
Government of Australia 4.25% 21/4/2026	A\$1,600,000	1,018	0.13
Government of Australia 4.5% 21/4/2033	A\$480,000	338	0.04
Government of Australia 5.75% 15/5/2021	A\$1,040,000	618	0.08
Government of Australia 5.75% 15/7/2022	A\$1,000,000	621	0.08
Total Australian Government Bonds		6,033	0.77

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Belgian Government Bonds - 0.30% (0.21%)			
Government of Belgium 1% 22/6/2031	€600,000	534	0.07
Government of Belgium 2.25% 22/6/2023	€150,000	143	0.02
Government of Belgium 2.25% 22/6/2057	€100,000	97	0.01
Government of Belgium 2.6% 22/6/2024	€500,000	493	0.06
Government of Belgium 3.75% 28/9/2020	€120,000	110	0.01
Government of Belgium 3.75% 22/6/2045	€298,000	388	0.05
Government of Belgium 4% 28/3/2022	€150,000	146	0.02
Government of Belgium 4.25% 28/9/2022	€300,000	300	0.04
Government of Belgium 5.5% 28/3/2028	€100,000	125	0.02
Total Belgian Government Bonds		2,336	0.30
Canadian Government Bonds - 1.04% (1.26%)			
Government of Canada 0.75% 1/9/2020	C\$1,500,000	845	0.11
Government of Canada 0.75% 1/3/2021	C\$1,500,000	842	0.11
Government of Canada 0.75% 1/9/2021	C\$1,200,000	671	0.08
Government of Canada 1.5% 1/6/2023	C\$1,000,000	568	0.07
Government of Canada 1.5% 1/6/2026	C\$550,000	309	0.04
Government of Canada 1.75% 1/3/2023	C\$800,000	459	0.06
Government of Canada 2% 1/9/2023	C\$800,000	464	0.06
Government of Canada 2% 1/6/2028	C\$1,100,000	641	0.08
Government of Canada 2.25% 1/6/2025	C\$500,000	295	0.04
Government of Canada 2.5% 1/6/2024	C\$500,000	297	0.04
Government of Canada 2.75% 1/6/2022	C\$900,000	531	0.07
Government of Canada 2.75% 1/12/2048	C\$450,000	297	0.04
Government of Canada 2.75% 1/12/2064	C\$300,000	209	0.03
Government of Canada 3.5% 1/12/2045	C\$500,000	369	0.05
Government of Canada 4% 1/6/2041	C\$500,000	384	0.05
Government of Canada 5.75% 1/6/2029	C\$300,000	234	0.03
Government of Canada 5.75% 1/6/2033	C\$800,000	673	0.08
Total Canadian Government Bonds		8,088	1.04
Danish Government Bonds - 0.17% (0.21%)			
Government of Denmark 1.5% 15/11/2023	DKK5,900,000	741	0.10
Government of Denmark 4.5% 15/11/2039	DKK2,800,000	577	0.07
Total Danish Government Bonds		1,318	0.17
Dutch Government Bonds - 0.53% (0.35%)			
Government of Netherlands 0.25% 15/1/2020	€100,000	87	0.01
Government of Netherlands 2% 15/7/2024	€710,000	686	0.09
Government of Netherlands 2.25% 15/7/2022	€200,000	188	0.02
Government of Netherlands 2.5% 15/1/2033	€500,000	550	0.07
Government of Netherlands 2.75% 15/1/2047	€425,000	549	0.07
Government of Netherlands 3.25% 15/7/2021	€400,000	375	0.05
Government of Netherlands 3.75% 15/1/2023	€550,000	550	0.07
Government of Netherlands 5.5% 15/01/2028	€900,000	1,146	0.15
Total Dutch Government Bonds		4,131	0.53

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
French Government Bonds - 1.55% (0.58%)			
Government of France 0.75% 25/11/2028	€1,200,000	1,073	0.14
Government of France 1% 25/5/2019	€900,400	778	0.10
Government of France 1.25% 25/5/2034	€150,000	137	0.02
Government of France 2% 25/5/2048	€750,000	738	0.09
Government of France 2.25% 25/5/2024	€1,500,400	1,457	0.19
Government of France 2.5% 25/5/2030	€1,300,000	1,363	0.17
Government of France 3% 25/4/2022	€750,000	714	0.09
Government of France 3.25% 25/5/2045	€50,000	62	0.01
Government of France 3.75% 25/4/2021	€1,400,000	1,311	0.17
Government of France 4% 25/10/2038	€800,000	1,055	0.14
Government of France 4.25% 25/10/2023	€1,300,000	1,353	0.17
Government of France 4.5% 25/4/2041	€750,000	1,073	0.14
Government of France 6% 25/10/2025	€800,000	962	0.12
Total French Government Bonds		12,076	1.55
German Government Bonds - 2.27% (0.82%)			
Government of Germany 0% 11/9/2020	€1,100,000	956	0.12
Government of Germany 0% 9/4/2021	€1,000,000	872	0.11
Government of Germany 0% 7/10/2022	€600,000	527	0.07
Government of Germany 0.25% 15/2/2027	€200,000	178	0.02
Government of Germany 0.5% 15/2/2025	€1,000,000	904	0.12
Government of Germany 0.5% 15/2/2026	€1,000,000	906	0.12
Government of Germany 0.5% 15/8/2027	€1,100,000	996	0.13
Government of Germany 0.5% 15/2/2028	€700,000	633	0.08
Government of Germany 1.25% 15/8/2048	€300,000	295	0.04
Government of Germany 1.5% 4/9/2022	€700,000	645	0.08
Government of Germany 1.5% 15/5/2024	€600,000	568	0.07
Government of Germany 1.75% 4/7/2022	€1,000,000	926	0.12
Government of Germany 1.75% 15/2/2024	€800,000	763	0.10
Government of Germany 2% 4/1/2022	€1,000,000	923	0.12
Government of Germany 2% 15/8/2023	€600,000	573	0.07
Government of Germany 2.5% 4/1/2021	€1,000,000	909	0.12
Government of Germany 2.5% 4/7/2044	€800,000	986	0.13
Government of Germany 2.5% 15/8/2046	€470,000	588	0.07
Government of Germany 3% 4/7/2020	€1,000,000	900	0.11
Government of Germany 4% 4/1/2037	€800,000	1,111	0.14
Government of Germany 4.75% 4/7/2028	€300,000	373	0.05
Government of Germany 4.75% 4/7/2040	€600,000	957	0.12
Government of Germany 5.5% 4/1/2031	€900,000	1,264	0.16
Total German Government Bonds		17,753	2.27

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Italian Government Bonds - 1.28% (1.39%)			
Government of Italy 1.25% 1/12/2026	€900,000	736	0.10
Government of Italy 3.35% 1/3/2035	€250,000	225	0.03
Government of Italy 3.75% 1/9/2024	€1,400,000	1,333	0.17
Government of Italy 4% 1/2/2037	€750,000	729	0.09
Government of Italy 4.25% 1/3/2020	€1,200,000	1,072	0.14
Government of Italy 4.5% 1/3/2026	€875,000	876	0.11
Government of Italy 4.75% 1/9/2028	€920,000	955	0.12
Government of Italy 4.75% 1/9/2044	€710,000	753	0.10
Government of Italy 5% 1/3/2022	€1,900,000	1,827	0.23
Government of Italy 5% 1/3/2025	€700,000	711	0.09
Government of Italy 5% 1/8/2034	€750,000	808	0.10
Total Italian Government Bonds		10,025	1.28
Japanese Government Bonds - 3.30% (4.95%)			
Government of Japan 0.1% 20/6/2020	¥260,000,000	1,776	0.23
Government of Japan 0.1% 20/3/2021	¥150,000,000	1,026	0.13
Government of Japan 0.1% 20/12/2021	¥175,000,000	1,200	0.15
Government of Japan 0.1% 20/6/2026	¥290,000,000	2,010	0.26
Government of Japan 0.2% 20/6/2036	¥20,000,000	134	0.02
Government of Japan 0.4% 20/6/2025	¥200,000,000	1,408	0.18
Government of Japan 0.4% 20/3/2036	¥135,000,000	938	0.12
Government of Japan 0.5% 20/9/2024	¥180,000,000	1,269	0.16
Government of Japan 0.5% 20/3/2038	¥135,000,000	944	0.12
Government of Japan 0.6% 20/3/2023	¥60,000,000	421	0.05
Government of Japan 0.8% 20/3/2046	¥100,000,000	731	0.09
Government of Japan 0.8% 20/3/2058	¥35,000,000	256	0.03
Government of Japan 0.9% 20/3/2022	¥380,700,000	2,672	0.34
Government of Japan 0.9% 20/9/2048	¥115,000,000	860	0.11
Government of Japan 1.4% 20/9/2034	¥150,000,000	1,205	0.15
Government of Japan 1.7% 20/6/2033	¥25,000,000	207	0.03
Government of Japan 1.7% 20/3/2044	¥121,000,000	1,059	0.14
Government of Japan 1.8% 20/3/2032	¥225,000,000	1,864	0.24
Government of Japan 1.9% 20/9/2023	¥260,000,000	1,932	0.25
Government of Japan 1.9% 20/9/2030	¥100,000,000	825	0.11
Government of Japan 2% 20/9/2040	¥100,000,000	900	0.12
Government of Japan 2.2% 20/9/2028	¥260,000,000	2,148	0.27
Total Japanese Government Bonds		25,785	3.30
Mexican Government Bonds - 0.00% (0.31%)			

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Spanish Government Bonds - 0.99% (1.72%)			
Government of Spain 1.45% 31/10/2027	€1,100,000	996	0.13
Government of Spain 1.85% 30/7/2035	€190,000	167	0.02
Government of Spain 2.75% 31/10/2024	€1,990,000	1,949	0.25
Government of Spain 4.4% 31/10/2023	€800,000	824	0.11
Government of Spain 5.15% 31/10/2028	€790,000	939	0.12
Government of Spain 5.15% 31/10/2044	€622,000	862	0.11
Government of Spain 5.5% 30/4/2021	€990,000	954	0.12
Government of Spain 5.75% 30/7/2032	€800,000	1,057	0.13
Total Spanish Government Bonds		7,748	0.99
Swedish Government Bonds - 0.25% (0.23%)			
Government of Sweden 0.75% 12/5/2028	SEK2,300,000	197	0.03
Government of Sweden 2.5% 12/5/2025	SEK5,300,000	504	0.06
Government of Sweden 3.5% 1/6/2022	SEK5,500,000	508	0.06
Government of Sweden 3.5% 30/3/2039	SEK3,100,000	376	0.05
Government of Sweden 5% 1/12/2020	SEK4,500,000	404	0.05
Total Swedish Government Bonds		1,989	0.25
Futures - 0.00% (-0.01%)			
ICF Long Gilt Future June 2019	1	1	-
CBT US 2Yr Note Future June 2019	105	16	-
EUX Euro Schatz Future June 2019	2	-	-
Eux Euro Buxl 30Year Bond Future June 2019	1	3	-
ICF FTSE 100 Index Future June 2019	53	-	-
OSE JPN 10Y BOND(OSE) June 2019	1	(1)	-
Total Futures		19	-
Forward Foreign Exchange Contracts - 0.26% (0.38%)			
#Sold A\$11,021,000 for £5,969,268 settled 3/5/2019		(59)	(0.01)
#Sold €61,997,000 for £53,197,952 settled 3/5/2019		(297)	(0.04)
#Sold DKK11,819,000 for £1,358,196 settled 3/5/2019		(8)	-
#Sold JPY3,740,418,000 for £25,779,523 settled 26/4/2019		308	0.04
#Sold SEK24,589,000 for £2,028,967 settled 3/5/2019		1	-
#Sold \$69,906,000 for £53,296,961 settled 3/5/2019		44	0.01
#Sold C\$14,223,000 for £8,132,410 settled 3/5/2019		25	-
#Sold \$1,777,000 for £1,361,542 settled 3/5/2019		8	-
#Sold €2,207,000 for £1,903,716 settled 3/5/2019		-	-
#Sold JPY80,208,000 for £556,267 settled 26/4/2019		10	-
#Sold C\$519,000 for £297,894 settled 3/5/2019		2	-
#Sold A\$238,000 for £129,580 settled 3/5/2019		(1)	-
#Sold DKK186,000 for £21,494 settled 3/5/2019		-	-
#Sold €26,762,214 for £23,104,140 settled 9/5/2019		7	-
#Sold JPY568,242,954 for £3,906,999 settled 9/5/2019		36	0.01
#Sold \$518,372,023 for £396,749,314 settled 9/5/2019		1,981	0.25
Total Forward Foreign Exchange Contracts		2,057	0.26

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Portfolio of investments		769,596	98.57
Net other assets		11,180	1.43
Net assets		780,776	100.00

*offshore fund

+related party

#unlisted

Figures in brackets denote comparative percentage holdings as at 15 April 2018.

All holdings are Authorised Investment Funds, unless otherwise stated.

The counterparty for the Futures is HSBC.

The counterparties for the Forward Foreign Exchange contracts are Citibank, HSBC Bank, Goldman Sachs, UBS, Royal Bank of Scotland and State Street.

Comparative Tables

for the year ended 15 April 2019

Retail Income			
Change in net assets per share	15.4.19	15.4.18	15.4.17
Opening net asset value per share	131.70p	135.20p	129.40p
Return before operating charges*	6.77p	(0.72p)	9.48p
Operating charges**	(1.75p)	(1.78p)	(1.75p)
Return after operating charges*	5.02p	(2.50p)	7.73p
Distributions on income shares	(1.12p)	(1.00p)	(1.93p)
Closing net asset value per share	135.60p	131.70p	135.20p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	3.81 %	(1.85%)	5.97%
Other information			
Closing net asset value	£147,262	£142,942	£2,779,074
Closing number of shares	108,570	108,570	2,056,037
Operating charges - OCF	1.45%	1.46%	1.46%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	136.20p	137.00p	137.00p
Lowest share price	130.00p	131.70p	128.00p

Retail Accumulation			
Change in net assets per share	15.4.19	15.4.18	15.4.17
Opening net asset value per share	143.90p	145.80p	137.50p
Return before operating charges*	7.52p	0.02p	10.17p
Operating charges**	(1.92p)	(1.92p)	(1.87p)
Return after operating charges*	5.60p	(1.90p)	8.30p
Distributions on accumulation shares	(1.23p)	(0.63p)	(2.08p)
Retained distributions on accumulation shares	1.23p	0.63p	2.08p
Closing net asset value per share	149.50p	143.90p	145.80p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	3.89%	(1.30%)	6.04%
Other information			
Closing net asset value	£4,362,118	£4,646,251	£153,230,782
Closing number of shares	2,917,478	3,228,678	105,090,394
Operating charges - OCF	1.45%	1.46%	1.46%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	149.80p	148.20p	145.80p
Lowest share price	142.70p	143.50p	135.90p

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

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

Comparative Tables

for the year ended 15 April 2019

Institutional Income#	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	157.20p	N/A	N/A
Return before operating charges*	7.02p	N/A	N/A
Operating charges**	(0.01p)	N/A	N/A
Return after operating charges*	7.01p	N/A	N/A
Distributions on income shares	(1.11p)	N/A	N/A
Closing net asset value per share	163.10p	N/A	N/A
*after direct transaction costs of:***	0.00p	N/A	N/A
Performance			
Return after charges	4.46%	N/A	N/A
Other information			
Closing net asset value	£2,077,194	N/A	N/A
Closing number of shares	1,273,222	N/A	N/A
Operating charges - OCF	0.15%	N/A	N/A
Direct transaction costs	0.00%	N/A	N/A
Prices			
Highest share price	164.50p	N/A	N/A
Lowest share price	156.60p	N/A	N/A

Institutional Accumulation	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	156.40p	156.80p	146.80p
Return before operating charges*	7.93p	(0.37p)	10.02p
Operating charges**	(0.03p)	(0.03p)	(0.02p)
Return after operating charges*	7.90p	(0.40p)	10.00p
Distributions on accumulation shares	(3.03p)	(3.11p)	(3.83p)
Retained distributions on accumulation shares	3.03p	3.11p	3.83p
Closing net asset value per share	164.30p	156.40p	156.80p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	5.05%	(0.26%)	6.81%
Other information			
Closing net asset value	£14,096,885	£14,392,626	£15,644,546
Closing number of shares	8,582,106	9,200,267	9,975,352
Operating charges - OCF	0.15%	0.15%	0.16%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	164.50p	160.70p	156.90p
Lowest share price	156.00p	155.90p	145.30p

#The Institutional Income share class launched on 23 Nov 2018.

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

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

Comparative Tables

for the year ended 15 April 2019

Income C	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	132.20p	135.20p	129.80p
Return before operating charges*	6.71p	(0.14p)	8.95p
Operating charges**	(0.89p)	(0.90p)	(0.89p)
Return after operating charges*	5.82p	(1.04p)	8.06p
Distributions on income shares	(1.82p)	(1.96p)	(2.66p)
Closing net asset value per share	136.20p	132.20p	135.20p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	4.40%	(0.77%)	6.21%
Other information			
Closing net asset value	£9,097,246	£9,348,869	£7,856,350
Closing number of shares	6,679,228	7,071,521	5,811,919
Operating charges - OCF	0.80%	0.80%	0.81%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	137.10p	137.40p	137.70p
Lowest share price	130.60p	132.80p	128.40p

Accumulation C	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	147.40p	148.60p	139.90p
Return before operating charges*	7.60p	(0.20p)	9.67p
Operating charges**	(1.00p)	(1.00p)	(0.97p)
Return after operating charges*	6.60p	(1.20p)	8.70p
Distributions on accumulation shares	(2.04p)	(2.17p)	(2.90p)
Retained distributions on accumulation shares	2.04p	2.17p	2.90p
Closing net asset value per share	154.00p	147.40p	148.60p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	4.48%	(0.81%)	6.22%
Other information			
Closing net asset value	£727,900,879	£748,630,898	£629,012,674
Closing number of shares	472,771,248	507,826,828	423,411,746
Operating charges - OCF	0.80%	0.80%	0.81%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	154.20p	151.70p	148.80p
Lowest share price	146.60p	147.00p	138.40p

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

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

Comparative Tables

for the year ended 15 April 2019

Income P	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	132.10p	135.10p	129.70p
Return before operating charges*	6.60p	(0.23p)	8.84p
Operating charges**	(0.42p)	(0.43p)	(0.42p)
Return after operating charges*	6.18p	(0.66p)	8.42p
Distributions on income shares	(2.18p)	(2.34p)	(3.02p)
Closing net asset value per share	136.10p	132.10p	135.10p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	4.68%	(0.49%)	6.49%
Other information			
Closing net asset value	£1,227,408	£1,578,173	£1,717,215
Closing number of shares	901,997	1,194,838	1,271,413
Operating charges - OCF	0.45%	0.45%	0.46%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	137.10p	137.40p	137.80p
Lowest share price	130.50p	132.90p	128.40p

Accumulation P	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	148.70p	149.50p	140.30p
Return before operating charges*	7.48p	(0.32p)	9.66p
Operating charges**	(0.48p)	(0.48p)	(0.46p)
Return after operating charges*	7.00p	(0.80p)	9.20p
Distributions on accumulation shares	(2.49p)	(2.60p)	(3.34p)
Retained distributions on accumulation shares	2.49p	2.60p	3.34p
Closing net asset value per share	155.70p	148.70p	149.50p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	4.71%	(0.54%)	6.56%
Other information			
Closing net asset value	£21,867,319	£18,571,798	£15,843,472
Closing number of shares	14,042,240	12,489,565	10,600,952
Operating charges - OCF	0.45%	0.45%	0.46%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	156.00p	152.90p	149.70p
Lowest share price	148.00p	148.20p	138.90p

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

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

Statement of Total Return

for the year ended 15 April 2019

	Notes	15.4.19		15.4.18	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		23,254		(15,497)
Revenue	3	17,728		16,533	
Expenses	4	(5,074)		(5,810)	
Interest payable and similar charges		(5)		-	
Net revenue before taxation		12,649		10,723	
Taxation	5	(1,824)		(1,536)	
Net revenue after taxation			10,825		9,187
Total return/(deficit) before distributions			34,079		(6,310)
Distributions	6		(10,825)		(11,598)
Change in net assets attributable to shareholders from investment activities			23,254		(17,908)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15 April 2019

	15.4.19		15.4.18	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		797,312		826,084
Amounts receivable on creation of shares	8,870		16,799	
Amounts receivable on in-specie	4,919		-	
Amounts payable on cancellation of shares	(64,079)		(39,074)	
		(50,290)		(22,275)
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		23,254		(17,908)
Retained distribution on accumulation shares		10,500		11,411
Closing net assets attributable to shareholders		780,776		797,312

Balance Sheet

as at 15 April 2019

	Notes	15.4.19		15.4.18	
		£'000	£'000	£'000	£'000
Assets					
Investments			769,962		786,754
Current assets					
Debtors	8	6,126		1,400	
Cash and bank balances		6,614		11,863	
Total current assets			12,740		13,263
Total assets			782,702		800,017
Liabilities					
Investment liabilities			(366)		(257)
Creditors					
Distribution payable on income shares		(65)		(87)	
Other creditors	9	(1,495)		(2,361)	
Total creditors			(1,560)		(2,448)
Total liabilities			(1,926)		(2,705)
Net assets attributable to shareholders			780,776		797,312

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 October 2018				
Group 2: Shares purchased from 16 October 2018 to 15 April 2019				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.6.19</i>	<i>Distribution paid 15.6.18</i>
Retail Income				
Group 1	0.302736	-	0.302736	0.421562
Group 2	0.302736	0.000000	0.302736	0.421562
Retail Accumulation				
Group 1	0.328417	-	0.328417	0.000000
Group 2	0.247360	0.081057	0.328417	0.000000
Institutional Income#				
Group 1	1.109976	-	1.109976	N/A
Group 2	0.531550	0.578426	1.109976	N/A
Institutional Accumulation				
Group 1	1.219383	-	1.219383	1.597721
Group 2	0.547783	0.671600	1.219383	1.597721
Income C				
Group 1	0.642667	-	0.642667	1.021315
Group 2	0.373512	0.269155	0.642667	1.021315
Accumulation C				
Group 1	0.728606	-	0.728606	1.142883
Group 2	0.372333	0.356273	0.728606	1.142883
Income P				
Group 1	0.820044	-	0.820044	1.205588
Group 2	0.820044	0.000000	0.820044	1.205588
Accumulation P				
Group 1	0.964155	-	0.964155	1.346643
Group 2	0.541600	0.422555	0.964155	1.346643
#The Institutional Income share class launched on 23 November 2018.				

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 April 2018				
Group 2: Shares purchased from 16 April 2018 to 15 October 2018				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.12.18</i>	<i>Distribution paid 15.12.17</i>
Retail Income				
Group 1	0.820000	-	0.820000	0.580000
Group 2	0.820000	0.000000	0.820000	0.580000
Retail Accumulation				
Group 1	0.900000	-	0.900000	0.630000
Group 2	0.500000	0.400000	0.900000	0.630000
Institutional Accumulation				
Group 1	1.810000	-	1.810000	1.510000
Group 2	1.810000	0.000000	1.810000	1.510000
Income C				
Group 1	1.180000	-	1.180000	0.940000
Group 2	0.680000	0.500000	1.180000	0.940000
Accumulation C				
Group 1	1.310000	-	1.310000	1.030000
Group 2	0.800000	0.510000	1.310000	1.030000
Income P				
Group 1	1.360000	-	1.360000	1.130000
Group 2	1.360000	0.000000	1.360000	1.130000
Accumulation P				
Group 1	1.530000	-	1.530000	1.250000
Group 2	0.930000	0.600000	1.530000	1.250000

Notes to the Financial Statements

for the year ended 15 April 2019

	15.4.19 £'000	15.4.18 £'000
1. Accounting Policies		
The accounting policies are set out on pages 10 and 11.		
2. Net Capital Gains/(Losses)		
The net capital gains/(losses) during the year comprise:		
Realised gains/(losses) on currency	1,073	(3,090)
Unrealised gains on currency	66	2,924
Transaction (charges)/rebate	(9)	68
Realised (losses)/gains on forward foreign currency contracts	(38,547)	47,989
Unrealised gains on forward foreign currency contracts	2,057	3,016
Realised (losses)/gains on derivative securities	(100)	370
Unrealised gains/(losses) on derivative securities	20	(51)
Realised gains on non-derivative securities	19,731	13,445
Unrealised gains/(losses) on non-derivative securities	38,963	(80,172)
Management fee rebate	-	4
Net capital gains/(losses)	23,254	(15,497)
Realised gains/(losses) in the current accounting year include unrealised gains/(losses) arising in previous years. In such circumstances a corresponding loss/gain is included in unrealised gains/(losses) figure.		
3. Revenue		
Unfranked distributions from UK authorised ICVCs and unit trusts	79	43
Franked distributions from UK authorised ICVCs and unit trusts	3,532	3,044
Interest on bonds and other debt securities	14,090	13,432
Deposit interest	10	2
Bank interest	17	11
Inland Revenue interest received	-	1
Total revenue	17,728	16,533
4. Expenses		
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
Authorised Corporate Director's charge	4,201	4,929
Registration fee	757	758
Safe custody fee	35	40
	4,993	5,727
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	73	76
Other expenses:		
Audit fee	6	6
Report and accounts fee	2	1
	8	7
Total expenses	5,074	5,810

	15.4.19 £'000	15.4.18 £'000
5. Taxation		
a) Analysis of charge in year:		
Corporation tax	1,823	1,536
Overseas tax	-	9
Double tax relief	-	(9)
Adjustments in respect of prior years	1	-
Total tax for the year (note 5b)	1,824	1,536
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	12,649	10,723
Corporation tax at 20%	2,530	2,145
Effects of:		
Revenue not subject to taxation	(707)	(609)
Overseas tax	-	9
Double tax relief	-	(9)
Adjustments in respect of prior years	1	-
Current tax charge for the year (note 5a)	1,824	1,536
c) Provision for deferred taxation		
At 15 April 2019, there is no potential deferred tax asset (15.4.18: £nil) in relation to surplus management expenses.		
6. Distributions		
The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:		
Interim dividend distribution	6,901	5,371
Final dividend distribution	3,759	6,206
	10,660	11,577
Add: Amounts deducted on cancellation of shares	197	55
Deduct: Amounts received on issue of shares	(32)	(34)
Net distribution for the year	10,825	11,598
7. Movement Between Net Revenue and Distributions		
Net revenue after taxation	10,825	9,187
Equalisation on conversions	-	4
Effective yield transferred from capital	-	2,927
Corporation tax on taxable items in capital	-	(586)
Income deficit transfer to capital	-	66
Net distribution for the year	10,825	11,598
8. Debtors		
Amounts receivable for creation of shares	503	21
Sales awaiting settlement	4,172	-
Accrued revenue	1,420	1,347
Management fee rebates receivable/Monies due from ACD	31	32
Total debtors	6,126	1,400

	15.4.19	15.4.18
	£'000	£'000
9. Other Creditors		
Amounts payable for cancellation of shares	473	598
Accrued expenses	224	1,061
Corporation tax payable	798	702
Total other creditors	1,495	2,361

10. Reconciliation of Shares

	<i>Retail Income</i>	<i>Retail Accumulation</i>	<i>Institutional Income</i>	<i>Institutional Accumulation</i>
Opening shares issued at 16.4.18	108,570	3,228,678	-	9,200,267
Share movements 16.4.18 to 15.4.19				
Shares issued	-	425	1,307,160	1,740,270
Shares cancelled	-	(311,625)	(33,938)	(2,358,431)
Shares converted	-	-	-	-
Closing shares issued at 15.4.19	108,570	2,917,478	1,273,222	8,582,106

	<i>Income C</i>	<i>Accumulation C</i>	<i>Income P</i>	<i>Accumulation P</i>
Opening shares issued at 16.4.18	7,071,521	507,826,828	1,194,838	12,489,565
Share movements 16.4.18 to 15.4.19				
Shares issued	244,116	3,217,168	-	2,720,449
Shares cancelled	(1,064,297)	(37,890,962)	(292,841)	(1,167,774)
Shares converted	427,888	(381,786)	-	-
Closing shares issued at 15.4.19	6,679,228	472,771,248	901,997	14,042,240

11. Ultimate Controlling Party and Transactions

The Authorised Corporate Director (ACD) is regarded as a controlling party of the Fund by virtue of having the ability to act in concert in respect of Fund operations. The ultimate controlling party of the ACD is HSBC Group plc. This entity and its subsidiaries are also related parties of the Fund.

At the year end, the ACD and its associates held the following of the Fund's shares in issue:

	<i>Retail Income</i>	<i>Retail Accumulation</i>	<i>Institutional Income</i>	<i>Institutional Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>	<i>Income P</i>	<i>Accumulation P</i>
	%	%	%	%	%	%	%	%
As at 15.4.19	-	-	100.00	100.00	0.91	0.26	-	42.10
As at 15.4.18	-	-	-	100.00	0.73	0.28	-	32.28

Details of all other material related party transactions during the year and any payment amounts outstanding at the balance sheet date are disclosed in notes 8 and 9 to the financial statements and the Statement of Change in Net Assets Attributable to Shareholders and the Portfolio Statement.

The balance due to the ACD (including amounts due to associates and agents) at the year end was £178,622 (15.4.18: £1,616,135), further details of such amounts can be found in notes 8 and 9.

At the year end, the Fund held £555,129,204 (15.4.18: £603,185,802) in Authorised Investment Funds managed by HSBC or HSBC Holdings, the parent company of the ACD. During the year, transactions in Authorised Investment Funds managed by HSBC or HSBC Holdings totalled £391,216,527 (15.4.18: £301,911,119).

12. Financial Instruments

The financial instrument risks and risk management policies are set out on pages 12 and 13.

Foreign Currency Risk

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

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>		<i>Net other assets</i>		<i>Net assets/(liabilities)</i>	
	15.4.19	15.4.18	15.4.19	15.4.18	15.4.19	15.4.18
	£'000	£'000	£'000	£'000	£'000	£'000
Sterling*	142,655	163,156	8,220	8,913	150,875	172,069
Australian dollar	5,973	3,966	85	58	6,058	4,024
Canadian dollar	8,113	10,029	262	65	8,375	10,094
Chilean peso	-	(33)	-	-	-	(33)
Danish krone	1,310	1,710	50	15	1,360	1,725
Euro	76,915	40,731	996	559	77,911	41,290
Japanese yen	26,140	40,319	69	32	26,209	40,351
Mexican peso	-	2,380	11	59	11	2,439
Swedish krona	1,991	1,914	35	32	2,026	1,946
United States dollar	506,499	522,325	1,452	1,082	507,951	523,407
Total	769,596	786,497	11,180	10,815	780,776	797,312

*No currency risk as base currency.

Interest Rate Risk

The interest rate profile of the Fund's financial assets and liabilities at 15 April 2019:

	<i>Floating rate financial assets/(liabilities)**</i>		<i>Fixed rate financial assets</i>		<i>Financial assets/(liabilities) not carrying interest</i>		<i>Total</i>	
	15.4.19	15.4.18	15.4.19	15.4.18	15.4.19	15.4.18	15.4.19	15.4.18
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Sterling	4,955	11,234	13,500	9,119	132,420	151,716	150,875	172,069
Australian dollar	2	-	6,033	3,960	23	64	6,058	4,024
Canadian dollar	212	-	8,086	10,051	77	43	8,375	10,094
Chilean peso	-	-	-	-	-	(33)	-	(33)
Danish krone	40	-	1,318	1,688	2	37	1,360	1,725
Euro	364	(1)	54,070	40,495	23,477	796	77,911	41,290
Japanese yen	50	-	25,786	39,424	373	927	26,209	40,351
Mexican peso	11	-	-	2,439	-	-	11	2,439
Swedish krona	2	-	1,989	1,825	35	121	2,026	1,946
United States dollar	978	630	53,372	49,795	453,601	472,982	507,951	523,407
Total	6,614	11,863	164,154	158,796	610,008	626,653	780,776	797,312

**Floating rate interest was earned at rates based on LIBOR (London Interbank Offered Rate) or international equivalent.

The bond ratings for the portfolio at 15 April 2019 were:

Securities

	<i>Bid value £'000</i>	<i>Total net assets %</i>
Bond credit ratings		
AAA	51,179	6.57
AA+	41,505	5.30
AA	25,576	3.28
AA-	2,336	0.30
A+	25,785	3.30
BBB+	7,748	0.99
BBB	1,333	0.17
BBB-	8,692	1.11
Total bonds	164,154	21.02

13. Shareholders' Funds

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

The annual ACD charge on the retail share class is 1.25%, nil on the institutional share class, 0.55% on the C share class and 0.25% on the P share class. The net asset value of the share class, the net asset value per share and the number of shares in each class are given in the Comparative Tables on pages 76 to 79.

The distribution per share class is given in the Distribution Tables on pages 81 and 82. All share classes within the OEIC have the same rights on winding up.

14. Financial Derivatives

The Fund has used financial derivatives for hedging and meeting investment objectives including risk reduction and implementation of investment policies.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

The type of derivatives held at the year end was forward currency contracts.

Details of the individual contracts are shown on the Portfolio Statement on pages 68 to 75, and the total position by the counterparty at the year end is summarised below. The underlying exposure for each category of derivatives is as follows:

Counterparty	Forward Currency £'000		Total £'000	
	2019	2018	2019	2018
Citi Bank	2	-	2	-
HSBC Bank	1,982	2,080	1,982	2,080
JP Morgan Securities	-	2	-	2
Royal Bank of Scotland	402	934	402	934
State Street	36	-	36	-

The economic exposure of future derivative contracts is equal to the market value. The value of exposure and the related counterparty are disclosed in the Portfolio Statement.

Eligible collateral types are approved by the ACD and may consist of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities.

At 15 April 2019, there was no collateral held in respect of the above derivatives (15.4.18: £nil).

15. Contingent Liabilities and Commitments

At the year end the Fund had no contingent liabilities or commitments (15.4.18: none).

16. Portfolio Transaction Costs

For the year ended 15 April 2019	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Bond transactions	106,982	-	-	-	-	-	-
Pooled investment vehicles	184,556	6	0.00	-	-	-	-
In-specie transactions	4,637	-	-	-	-	-	-
Corporate actions	209	-	-	-	-	-	-
Total purchases before transaction costs	296,384	6		-		-	
Transaction costs	6						
Total purchases after commission, tax and fees	296,390						
	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Bond transactions	107,601	-	-	-	-	-	-
Pooled investment vehicles	264,565	2	0.00	-	-	-	-
Corporate actions	685	-	-	-	-	-	-
Total sales before transaction costs	372,851	2		-		-	
Transaction costs	(2)						
Total sales after commission, tax and fees	372,849						

The Fund had paid £3,904 as commission on purchases and sales derivative transactions for the year ended 15.4.19.

Commissions, taxes and fees as % of average Net Assets:

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.02%, being the difference between the respective bid and offer prices for the Fund's investments.

For the year ended 15 April 2018	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Bond transactions	102,193	-	-	-	-	-	-
Pooled investment vehicles	186,473	1	0.00	-	-	-	-
Corporate actions	21	-	-	-	-	-	-
Total purchases before transaction costs	288,687	1		-		-	
Transaction costs	1						
Total purchases after commission, tax and fees	288,688						
	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Bond transactions	105,635	-	-	-	-	-	-
Pooled investment vehicles	128,478	-	-	-	-	-	-
Total sales before transaction costs	234,113	-		-		-	
Transaction costs	-						
Total sales after commission, tax and fees	234,113						

The Fund had paid £2,282 as commission on purchases and sales derivative transactions for the year ended 15.4.18.

Commissions, taxes and fees as % of average Net Assets

Commissions 0.00%

Taxes 0.00%

Other expenses 0.00%

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

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

17. Fair Value of Investments

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

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

For the year ended 15 April 2019

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Bonds	140,599	23,555	-	164,154
Pooled investment vehicles	55,987	547,379	-	603,366
Derivatives	20	2,422	-	2,442
	196,606	573,356	-	769,962
Investment Liabilities				
Derivatives	(1)	(365)	-	(366)
	(1)	(365)	-	(366)

For the year ended 15 April 2018

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Bonds	130,674	28,123	-	158,797
Pooled investment vehicles	46,218	578,517	-	624,735
Derivatives	-	3,222	-	3,222
	176,892	609,862	-	786,754
Investment Liabilities				
Derivatives	(51)	(206)	-	(257)
	(51)	(206)	-	(257)

18. Sensitivity Analysis**Price risk sensitivity:**

If the price of investments at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £76,959,625 (15.4.18: £78,649,685).

Currency risk sensitivity:

If the exchange rate at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £62,990,094 (15.4.18: £62,524,358).

Interest rate risk sensitivity:

If the interest rate at 15 April 2019 had increased or decreased by 1 basis point with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £122,494 (15.4.18: £120,386).

World Selection - Conservative Portfolio

Investment Objective

To provide capital growth through investment in a broad range of asset classes across global markets with a bias towards asset classes that focus on fixed interest strategies.

Investment Policy*

To invest primarily in collective investment schemes that in turn invest in fixed income securities, equities, property and derivatives. This may include other funds or collective investment schemes managed or operated by the ACD or an associate of the ACD. Typically the Fund will have a bias towards asset classes that focus on fixed interest strategies. The ACD may also invest at its discretion in other transferable securities, money market instruments, deposits, cash and near cash.

*The full policy can be found in the prospectus.

Investment Strategy

This is one of a range of actively managed World Selection Portfolios offered at five different risk levels. The asset allocation of each fund in the range reflects the risk level. The Fund is rated as 2, where 1 is a lower level of risk and 5 is a higher level of risk. The Fund is managed with the aim of maximising returns in line with its agreed long term risk profile therefore any potential returns are likely to be limited by the risk profile of the Fund.

To achieve its objective the Fund invests primarily in collective investment schemes that in turn invest in fixed income securities, equities, alternative asset classes and derivatives. Typically the Fund will have a bias towards asset classes that focus on fixed interest strategies. The Fund may, in addition to its other investment powers, use exchange traded and over-the-counter derivatives and forward currency contracts for investment purposes.

Using these investment powers for investment purposes means, in particular, maintaining positions in these investments for the long term rather than just for tactical short-term purposes. Where the use of derivatives is for investment purposes in addition to hedging it is envisaged that the use of such instruments will not affect the overall risk profile of the Fund.

*The full policy can be found in the prospectus.

Portfolio Activity

The portfolio maintained an overweight to risk assets, relative to the strategic asset allocation, throughout the reporting period. At the start of the period, the portfolio was overweight global equities and emerging market debt in local currency. It was underweight global government and corporate bonds.

At the end of April, the overweight allocation to Europe equity was reduced. This was on the back of softening economic and earnings data. The proceeds were reinvested into the wider global equity asset class.

May saw the implementation of a credit barbell strategy. Corporate bonds (both investment grade and high yield) were offering low returns for taking credit risk. We therefore reduced our allocation to IG bonds and reinvested the proceeds into global government bonds and global equity.

In June we reduced our allocation to Russia equity. We retained our preference for the wider emerging markets equity asset class. The position was closed in July. The proceeds were invested into US equity.

In August and September, we altered our fixed income positions to reduce the duration of the portfolio and bring our EMD hard currency allocation back to neutral.

In Q4, we introduced allocations to liquid alternatives through the addition of a style factor exposure and trend following strategies. These exposures provide exposure to alternative forms of market returns with low correlations to traditional asset classes. This should provide diversification benefits to the portfolios.

February 2019 saw the Portfolio Management team add an allocation to China A shares, funded from the wider EM allocation. Our allocation to Japan equity was also reduced. While we believe in the long term picture for Japan, short term momentum has disappeared.

Chinese equity delivered very strong returns over a short period of time. Therefore, in March, the position was trimmed to take profits.

In April, we introduced a short position in 10 year Treasuries to reduce the duration of the portfolios and introduced a small overweight to UK equity as, despite Brexit uncertainties, UK data remains solid and valuations are attractive.

Major purchases include: HSBC FTSE All World Index Fund, Structured Inv Goldman Sachs Cross Asset USD, AQR Managed Futures UCITS, Lyxor Core US TIPS, HSBC GIF Multi-Asset Style Factors, iShares Core S&P 500 UCITS ETF, HSBC MSCI China A Inclusion ETF, iShares Core MSCI Emerging Markets IMI UCITS ETF, HSBC GIF Global Emerging Markets Bond Fund, HSBC GIF Global Government Bond Fund and HSBC GEM Local Debt Fund.

Major sales included: HSBC Global Government Bond Fund, iShares Fallen Angels High Yield Fund ETF, HSBC Japan Index Fund, HSBC European Index Fund, SPDR S&P US Financials Select Sector ETF, HSBC MSCI Russia Capped ETF, HSBC MSCI China A Inclusion ETF, HSBC GIF Global Corporate Bond Fund and HSBC GIF India Fixed Income Fund.

Investment Performance

During the year under review, the value of shares in the Fund increased by 6.15%.

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

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

Fund Particulars

as at 16 April 2019

	Institutional Income†	Institutional Accumulation†	Income C	Accumulation C	Accumulation P
Price	111.9p xd	120.5p	111.6p xd	120.3p	121.8p
Distribution payable (on 15 June 2019) per share net	0.455157p	0.487686p	0.626610p	0.671301p	0.841030p
Current net estimated yield	0.42%	0.42%	1.66%	1.63%	1.90%
Annual ACD charge	0.00%	0.00%	0.55%	0.55%	0.25%

†The Institutional Income and Institutional Accumulation share classes launched on 25 January 2019.

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Liquid Alternatives - 4.88% (0.00%)			
*+HSBC GIF Multi Asset Style Factors Fund	2,022,569	18,416	1.98
*^AQR Managed Future UCITS	135,493	10,613	1.14
*Goldman Sachs Cross Asset Trend Portfolio	2,109,821	16,399	1.76
Total Liquid Alternatives		45,428	4.88
Chinese Equities Funds - 0.42% (0.00%)			
*^+HSBC MSCI China Inclusion ETF	510,734	3,910	0.42
Total Chinese Equities		3,910	0.42
European Equities - 0.00% (1.54%)			
Global Assets-Backed Bonds - 4.96% (4.82%)			
*+HSBC GIF Global Asset-Backed Bond Z Accumulation	410,939	46,124	4.96
Total Global Assets-Backed Bonds		46,124	4.96
Global Corporate Bonds - 27.75% (31.03%)			
*+HSBC GIF Global Corporate Bond Fund	27,629,122	226,468	24.33
^*iShares Euro Corporate Bond Large Cap UCITS ETF	112,553	13,272	1.43
^*iShares \$ Corporate Bond UCITS ETF	213,127	18,560	1.99
Total Global Corporate Bonds		258,300	27.75
Global Emerging Markets Debt - 11.81% (12.97%)			
*+HSBC GIF Global Emerging Markets Bond Fund	5,455,153	40,692	4.37
*+HSBC GIF Global Emerging Markets Local Debt Fund	9,836,392	69,249	7.44
Total Global Emerging Markets Debt		109,941	11.81
Global Emerging Markets Equities - 2.54% (2.91%)			
*+HSBC GIF Economic Scale Index GEM Equity Fund	696,651	6,094	0.66
^*iShares Core MSCI Emerging Markets IMI UCITS ETF	795,908	17,532	1.88
Total Global Emerging Markets Equities		23,626	2.54
Global Equities - 23.73% (22.38%)			
+HSBC FTSE All-World Index Fund	111,055,309	191,904	20.62
*+HSBC GIF Economic Scale Index Global Equity Fund	540,427	17,017	1.83
^*+HSBC Multi Factor Worldwide Equity ETF	577,700	8,473	0.91
*^iShares Core MSCI ETF	611,622	3,440	0.37
Total Global Equities		220,834	23.73
Global Government Bonds - 9.11% (5.37%)			
*+HSBC GIF Global Government Bond Fund	8,764,008	70,560	7.58
*^Lyxor Core US Tips ETF	186,000	14,215	1.53
Total Global Government Bonds		84,775	9.11

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Global High Yield Bonds - 4.41% (5.47%)			
*+HSBC GIF Global High Yield Bond Fund	4,111,720	31,881	3.42
*+HSBC GIF Global Short Duration High Yield Bond Fund	1,193,520	9,173	0.99
Total Global High Yield Bonds		41,054	4.41
Global Property Equities Funds - 4.90% (4.89%)			
*+HSBC GIF Global Real Estate Equity Fund	5,332,309	45,627	4.90
Total Global Property Equities Funds		45,627	4.90
Japanese Equities Funds - 0.49% (1.53%)			
+HSBC Japan Index Fund	3,659,465	4,604	0.49
Total Japanese Equities		4,604	0.49
Money Markets - 2.46% (4.61%)			
*+HSBC Global Liquidity	22,911,954	22,912	2.46
Total Money Market		22,912	2.46
UK Corporate Bonds - 0.00% (0.79%)			
US Equities Funds - 0.39% (0.00%)			
*^iShares Core S&P 500 UCITS ETF	15,751	3,423	0.37
*^Vanguard S&P 500 UCITS ETF	4,491	189	0.02
Total US Equities		3,612	0.39
Futures - 0.01% (-0.01%)			
CBT US 2Yr Note June 2019	116	18	0.00
CBT US 10Yr Ultra June 2019	(158)	83	0.01
ICF FTSE 100 Index Jun 2019	63	(1)	0.00
Total Futures		100	0.01
Forward Foreign Exchange Contracts - 0.33% (0.19%)			
#Sold €36,707,279 for £31,689,834 settled 9/5/2019		10	0.00
#Sold JPY672,835,340 for £4,626,132 settled 9/5/2019		43	0.01
#Sold \$778,898,491 for £596,149,924 settled 9/5/2019		2,976	0.32
Total Forward Foreign Exchange Contracts		3,029	0.33

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Portfolio of investments		913,876	98.19
Net other assets		16,838	1.81
Net assets		930,714	100.00
*offshore fund			
+related party			
^listed			
#unlisted			

Figures in brackets denote comparative percentage holdings as at 15 April 2018.

All holdings are Authorised Investment Funds, unless otherwise stated.

The counterparty for the Futures is HSBC.

The counterparties for the Forward Foreign Exchange Contracts are HSBC, State Street and Royal Bank of Scotland.

Comparative Tables

for the year ended 15 April 2019

Institutional Income#	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	107.70p	N/A	N/A
Return before operating charges*	4.56p	N/A	N/A
Operating charges**	0.00p	N/A	N/A
Return after operating charges*	4.56p	N/A	N/A
Distributions on income shares	(0.46p)	N/A	N/A
Closing net asset value per share	111.80p	N/A	N/A
*after direct transaction costs of:***	0.00p	N/A	N/A
Performance			
Return after charges	4.23%	N/A	N/A
Other information			
Closing net asset value	£12,324,061	N/A	N/A
Closing number of shares	11,019,583	N/A	N/A
Operating charges - OCF	0.19%	N/A	N/A
Direct transaction costs	0.00%	N/A	N/A
Prices			
Highest share price	112.30p	N/A	N/A
Lowest share price	107.00p	N/A	N/A

Institutional Accumulation##	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	115.30p	N/A	N/A
Return before operating charges*	5.00p	N/A	N/A
Operating charges**	0.00p	N/A	N/A
Return after operating charges*	5.00p	N/A	N/A
Distributions on accumulation shares	(0.49p)	N/A	N/A
Retained distributions on accumulation shares	0.49p	N/A	N/A
Closing net asset value per share	120.30p	N/A	N/A
*after direct transaction costs of:***	0.00p	N/A	N/A
Performance			
Return after charges	4.34%	N/A	N/A
Other information			
Closing net asset value	£11,221,575	N/A	N/A
Closing number of shares	9,326,620	N/A	N/A
Operating charges - OCF	0.19%	N/A	N/A
Direct transaction costs	0.00%	N/A	N/A
Prices			
Highest share price	120.40p	N/A	N/A
Lowest share price	115.00p	N/A	N/A

#The Institutional Income share class launched on 25 January 2019.

##The Institutional Accumulation share class launched on 25 January 2019.

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

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

Comparative Tables

for the year ended 15 April 2019

Income C			
Change in net assets per share	15.4.19	15.4.18	15.4.17
Opening net asset value per share	106.90p	109.60p	102.10p
Return before operating charges*	7.16p	(0.17p)	10.39p
Operating charges**	(0.72p)	(0.73p)	(0.71p)
Return after operating charges*	6.44p	(0.90p)	9.68p
Distributions on income shares	(1.84p)	(1.80p)	(2.18p)
Closing net asset value per share	111.50p	106.90p	109.60p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	6.02%	(0.82%)	9.48%
Other information			
Closing net asset value	£3,506,163	£2,021,156	£1,253,496
Closing number of shares	3,143,458	1,890,125	1,144,161
Operating charges - OCF	0.84%	0.84%	0.83%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	112.20p	112.00p	110.50p
Lowest share price	105.20p	106.90p	100.20p

Accumulation C			
Change in net assets per share	15.4.19	15.4.18	15.4.17
Opening net asset value per share	113.30p	114.20p	104.30p
Return before operating charges*	7.67p	(0.13p)	10.64p
Operating charges**	(0.77p)	(0.77p)	(0.74p)
Return after operating charges*	6.90p	(0.90p)	9.90p
Distributions on accumulation shares	(1.95p)	(1.88p)	(2.26p)
Retained distributions on accumulation shares	1.95p	1.88p	2.26p
Closing net asset value per share	120.20p	113.30p	114.20p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	6.09%	(0.79%)	9.49%
Other information			
Closing net asset value	£775,762,227	£644,195,509	£507,190,417
Closing number of shares	645,503,179	568,616,257	444,172,769
Operating charges - OCF	0.84%	0.84%	0.83%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	120.20p	117.90p	114.50p
Lowest share price	112.70p	112.60p	102.40p

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

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

Comparative Tables

for the year ended 15 April 2019

Accumulation P			
Change in net assets per share	15.4.19	15.4.18	15.4.17
Opening net asset value per share	114.40p	114.90p	104.70p
Return before operating charges*	7.57p	(0.13p)	10.55p
Operating charges**	(0.37p)	(0.37p)	(0.35p)
Return after operating charges*	7.20p	(0.50p)	10.20p
Distributions on accumulation shares	(2.30p)	(2.22p)	(2.60p)
Retained distributions on accumulation shares	2.30p	2.22p	2.60p
Closing net asset value per share	121.60p	114.40p	114.90p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	6.29%	(0.44%)	9.74%
Other information			
Closing net asset value	£127,900,108	£89,694,504	£52,608,091
Closing number of shares	105,142,606	78,437,791	45,772,738
Operating charges - OCF	0.49%	0.49%	0.48%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	121.70p	118.90p	115.30p
Lowest share price	114.00p	113.70p	102.80p
**The operating charges include all costs borne by the Fund, except for direct transaction costs.			
***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.			

Statement of Total Return

for the year ended 15 April 2019

	Notes	15.4.19		15.4.18	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		35,909		(18,351)
Revenue	3	21,266		17,033	
Expenses	4	(5,012)		(4,156)	
Interest payable and similar charges		(1)		-	
Net revenue before taxation		16,253		12,877	
Taxation	5	(2,307)		(1,983)	
Net revenue after taxation			13,946		10,894
Total return/(deficit) before distributions			49,855		(7,457)
Distributions	6		(13,946)		(10,894)
Change in net assets attributable to shareholders from investment activities			35,909		(18,351)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15 April 2019

	15.4.19		15.4.18	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		735,911		561,052
Amounts receivable on creation of shares	130,046		183,187	
Amounts receivable on in-specie creation of shares	24,053		-	
Amounts payable on cancellation of shares	(9,567)		(1,494)	
		144,532		181,693
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		35,909		(18,351)
Retained distribution on accumulation shares		14,362		11,517
Closing net assets attributable to shareholders		930,714		735,911

Balance Sheet

as at 15 April 2019

	Notes	15.4.19		15.4.18	
		£'000	£'000	£'000	£'000
Assets					
Investments			913,877		724,823
Current assets					
Debtors	7	11,661		1,345	
Cash and bank balances		9,147		15,819	
Total current assets			20,808		17,164
Total assets			934,685		741,987
Liabilities					
Investment liabilities			(1)		(60)
Creditors					
Distribution payable on income shares		(70)		(12)	
Other creditors	8	(3,900)		(6,004)	
Total creditors			(3,970)		(6,016)
Total liabilities			(3,971)		(6,076)
Net assets attributable to shareholders			930,714		735,911

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 October 2018				
Group 2: Shares purchased from 16 October 2018 to 15 April 2019				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.6.19</i>	<i>Distribution paid 15.6.18</i>
Institutional Income†				
Group 1	0.455157	-	0.455157	N/A
Group 2	0.441352	0.013805	0.455157	N/A
Institutional Accumulation†				
Group 1	0.487686	-	0.487686	N/A
Group 2	0.464284	0.023402	0.487686	N/A
Income C				
Group 1	0.626610	-	0.626610	0.638528
Group 2	0.515018	0.111592	0.626610	0.638528
Accumulation C				
Group 1	0.671301	-	0.671301	0.667708
Group 2	0.396116	0.275185	0.671301	0.667708
Accumulation P				
Group 1	0.841030	-	0.841030	0.838440
Group 2	0.519810	0.321220	0.841030	0.838440

†The Institutional Income and Institutional Accumulation share class launched on 25 January 2019.

Group 1: Shares purchased prior to 16 April 2018				
Group 2: Shares purchased from 16 April 2018 to 15 October 2018				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.12.18</i>	<i>Distribution paid 15.12.17</i>
Income C				
Group 1	1.210000	-	1.210000	1.160000
Group 2	0.480000	0.730000	1.210000	1.160000
Accumulation C				
Group 1	1.280000	-	1.280000	1.210000
Group 2	0.710000	0.570000	1.280000	1.210000
Accumulation P				
Group 1	1.460000	-	1.460000	1.380000
Group 2	0.740000	0.720000	1.460000	1.380000

Notes to the Financial Statements

for the year ended 15 April 2019

	15.4.19 £'000	15.4.18 £'000
1. Accounting Policies		
The accounting policies are set out on pages 10 and 11.		
2. Net Capital Gains/(Losses)		
The net capital gains/(losses) during the year comprise:		
Realised losses on currency	(2)	(5,253)
Unrealised gains on currency	51	5,072
Transaction charges	(10)	(7)
Realised (losses)/gains on forward foreign currency contracts	(36,323)	34,962
Unrealised gains on forward foreign currency contracts	3,029	1,375
Realised (losses)/gains on derivative securities	(259)	264
Unrealised gains/(losses) on derivative securities	100	(60)
Realised gains on non-derivative securities	11,641	5,331
Unrealised gains/(losses) on non-derivative securities	57,682	(60,038)
Management fee rebate	-	3
Net capital gains/(losses)	35,909	(18,351)
Realised gains/(losses) in the current accounting year include unrealised gains/(losses) arising in previous years. In such circumstances a corresponding loss/gain is included in unrealised gains/(losses) figure.		
3. Revenue		
Unfranked distributions from UK authorised ICVCs and unit trusts	111	57
Franked distributions from UK authorised ICVCs and unit trusts	4,723	2,960
Interest on bonds and other debt securities	16,406	14,003
Deposit interest	4	2
Bank interest	22	11
Total revenue	21,266	17,033
4. Expenses		
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
Authorised Corporate Director's charge	4,140	3,432
Registration fee	758	627
Safe custody fee	30	25
	4,928	4,084
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	76	63
Other expenses:		
Audit fee	6	7
Report and accounts fee	2	2
	8	9
Total expenses	5,012	4,156

15.4.19 15.4.18
£'000 £'000

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

Corporation tax	2,306	1,983
Overseas tax	-	11
Deferred tax	-	(11)
Adjustment in respect of prior years	1	-
Total tax for the year (note 5b)	2,307	1,983

b) Factors affecting taxation charge for the year:

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

The differences are explained below:

Net revenue before taxation	16,253	12,877
Corporation tax at 20%	3,251	2,575
Effects of:		
Revenue not subject to taxation	(945)	(592)
Irrecoverable overseas tax	-	11
Double tax relief	-	(11)
Adjustments in respect of prior years	1	-
Current tax charge for the year (note 5a)	2,307	1,983

c) Provision for deferred taxation

At 15 April 2019, there is no potential deferred tax asset (15.4.18: £nil) in relation to surplus management expenses.

6. Distributions

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

Interim dividend distribution	9,128	7,077
Final dividend distribution	5,333	4,467
	14,461	11,544
Add: Amounts deducted on cancellation of shares	25	4
Deduct: Amounts received on issue of shares	(540)	(654)
Net distribution for the year	13,946	10,894

7. Debtors

Amounts receivable for creation of shares	2,697	1,331
Sales awaiting settlement	4,520	-
Accrued revenue	4,444	14
Total debtors	11,661	1,345

8. Other Creditors

Amounts payable for cancellation of shares	3	15
Purchases awaiting settlement	2,537	4,164
Accrued expenses	246	918
Corporation tax payable	1,114	907
Total other creditors	3,900	6,004

9. Reconciliation of Shares

	<i>Institutional Income</i>	<i>Institutional Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>	<i>Accumulation P</i>
Opening shares issued at 16.4.18	-	-	1,890,125	568,616,257	78,437,791
Share movements 16.4.18 to 15.4.19					
Shares issued	11,377,826	9,423,143	1,074,833	81,087,585	30,511,560
Shares cancelled	(358,243)	(96,523)	(236,032)	(3,810,895)	(3,806,745)
Shares converted	-	-	414,532	(389,768)	-
Closing shares issued at 15.4.19	11,019,583	9,326,620	3,143,458	645,503,179	105,142,606

10. Ultimate Controlling Party and Transactions

The Authorised Corporate Director (ACD) is regarded as a controlling party of the Fund by virtue of having the ability to act in concert in respect of Fund operations. The ultimate controlling party of the ACD is HSBC Group plc.

This entity and its subsidiaries are also related parties of the Fund.

At the year end, the ACD and its associates held the following of the Fund's shares in issue:

	<i>Institutional Income</i>	<i>Institutional Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>	<i>Accumulation P</i>
	%	%	%	%	%
As at 15.4.19	90.26	99.42	2.03	0.78	53.86
As at 15.4.18	-	-	2.13	0.93	50.34

Details of all other material related party transactions during the year and any payment amounts outstanding at the balance sheet date are disclosed in notes 7 and 8 to the financial statements and the Statement of Change in Net Assets Attributable to Shareholders and the Portfolio Statement. The balance due from the ACD (including amounts due to associates and agents) at the year end was £2,465,620 (15.4.18: £419,384), further details of such amounts can be found in notes 7 and 8.

At the year end, the Fund held £813,103,357 (15.4.18: £626,579,025) in Authorised Investment Funds managed by HSBC and/or HSBC Holdings, the parent company of the ACD. During the year, transactions in Authorised Investment Funds managed by HSBC and/or HSBC Holdings totalled £486,365,100 (15.4.18: £379,065,476).

11. Financial Instruments

The financial instrument risks and risk management policies are set out on pages 12 and 13.

Foreign Currency Risk

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

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>		<i>Net other assets/(liabilities)</i>		<i>Net assets</i>	
	15.4.19	15.4.18	15.4.19	15.4.18	15.4.19	15.4.18
	£'000	£'000	£'000	£'000	£'000	£'000
Sterling*	226,958	205,231	14,785	14,875	241,743	220,106
Euro	31,698	18,225	-	-	31,698	18,225
Japanese yen	43	-	-	-	43	-
United States dollar	655,177	501,307	2,053	(3,727)	657,230	497,580
Total	913,876	724,763	16,838	11,148	930,714	735,911

*No currency risk as base currency.

Interest Rate Risk

At the year end, 0.98% (15.4.18: 2.15%) of the Fund's assets by value were interest-bearing.

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

12. Shareholders' Funds

This Fund has an institutional share class, a C share class and a P share class.

The annual ACD charge on the C share class is 0.55% and 0.25% on the P share class.

The net asset value of the share class, the net asset value per share and the number of shares in each class are given in the Comparative Tables on pages 96 to 98. The distribution per share class is given in the Distribution Tables on page 100. All share classes within the OEIC have the same rights on winding up.

13. Financial Derivatives

The Fund has used financial derivatives for hedging and meeting investment objectives including risk reduction and implementation of investment policies.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

The type of derivatives held at the year end were index futures and forward currency contracts.

Details of the individual contracts are shown on the Portfolio Statement on pages 93 to 95, and the total position by the counterparty at the year end is summarised below. The underlying exposure for each category of derivatives is as follows:

Counterparty	<i>Forward Currency</i>		<i>Total</i>	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
HSBC Bank	2,976	1,375	2,976	1,375
Royal Bank of Scotland	10	-	10	-
State Street	43	-	43	-

The economic exposure of future derivative contracts is equal to the market value. The value of exposure and the related counterparty are disclosed in the Portfolio Statement.

Eligible collateral types are approved by the ACD and may consist of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities.

At 15 April 2019, there was no collateral held in respect of the above derivatives (15.4.18: £nil).

14. Contingent Liabilities and Commitments

At the year end the Fund had no contingent liabilities or commitments (15.4.18: none).

15. Portfolio Transaction Costs

For the year ended 15 April 2019	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Pooled investment vehicles	335,665	10	0.00	-	-	-	-
In-specie transactions	23,531	-	-	-	-	-	-
Total purchases before transaction costs	359,196	10		-		-	
Transaction costs	10						
Total purchases after commission, tax and fees	359,206						

	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Pooled investment vehicles	245,119	9	0.00	-	-	-	-
Total sales before transaction costs	245,119	9		-		-	
Transaction costs	(9)						
Total sales after commission, tax and fees	245,110						

The Fund had paid £2,320 as commission on purchases and sales derivative transactions for the year ended 15.4.19.

Commissions, taxes and fees as % of average Net Assets

Commissions 0.00%

Taxes 0.00%

Other expenses 0.00%

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

For the year ended 15 April 2018	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Bond transactions	5,634	-	-	-	-	-	-
Pooled investment vehicles	351,571	10	0.00	-	-	-	-
Total purchases before transaction costs	357,205	10		-		-	
Transaction costs	10						
Total purchases after commission, tax and fees	357,215						

	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Bond transactions	15,201	-	-	-	-	-	-
Pooled investment vehicles	105,640	13	0.01	-	-	-	-
Total sales before transaction costs	120,841	13		-		-	
Transaction costs	(13)						
Total sales after commission, tax and fees	120,828						

The Fund had paid £1,797 as commission on purchases and sales derivative transactions for the year ended 15.4.18.

Commissions, taxes and fees as % of average Net Assets

Commissions 0.00%

Taxes 0.00%

Other expenses 0.00%

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

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

16. Fair Value of Investments

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

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

For the year ended 15 April 2019

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Pooled investment vehicles	83,014	827,733	-	910,747
Derivatives	101	3,029	-	3,130
	83,115	830,762	-	913,877
Investment Liabilities	£'000	£'000	£'000	£'000
Derivatives	(1)	-	-	(1)
	(1)	-	-	(1)

For the year ended 15 April 2018

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Pooled investment vehicles	80,341	643,107	-	723,448
Derivatives	-	1,375	-	1,375
	80,341	644,482	-	724,823
Investment Liabilities	£'000	£'000	£'000	£'000
Derivatives	(60)	-	-	(60)
	(60)	-	-	(60)

17. Sensitivity Analysis**Price risk sensitivity:**

If the price of investments at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £91,387,597 (15.4.18: £72,476,252).

Currency risk sensitivity:

If the exchange rate at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £68,897,051 (15.4.18: £51,580,389).

Interest rate risk sensitivity:

At the balance sheet date, the Fund did not have a significant exposure to interest rate risk, therefore no sensitivity analysis is disclosed (15.4.18: no significant exposure).

World Selection - Dividend Distribution Portfolio

Investment Objective

To provide a high level of income by investing in a broad range of asset classes across global markets.

Investment Policy*

To invest primarily in collective investment schemes that in turn invest in fixed income securities, higher-yielding equities, property, commodities and derivatives.

*The full policy can be found in the prospectus.

Investment Strategy

The Fund's strategy is to provide a high level of income for investors by maintaining exposure consistently to a diverse set of asset classes including, global or regional equities, sovereign developed markets, corporate, high yield and emerging market bonds, property, commodities and cash.

Portfolio Activity

During the period, the portfolio was renamed from Open Global Distribution to World Selection - Dividend Distribution.

The portfolio maintained overweight exposure to a diversified basket of risk assets through the period. At the start of the period the portfolio held overweight positions in global equities, with a tilt to Asian emerging markets, Japan and Europe.

Initially, we reduced our allocation to the Schroder Income Maximiser Fund since the Fund has underperformed and we are aiming to reduce costs across the portfolio through structural adjustments. The proceeds were allocated to the HSBC GIF Global Emerging Markets Local Debt Fund.

As the Fund transitioned, we disposed of all external actively managed funds (apart from the Fidelity Moneybuilder fund) to move away from 3rd party active fulfilment and towards lower cost in house funds where appropriate.

Major purchases include: HSBC Global Emerging Markets Local Debt Fund, Fidelity Global Quality Income UCITS ETF, HSBC GIF Global High Yield Bond Fund, HSBC Global Short Duration High Yield Bond, Fidelity Emerging Markets Quality Income UCITS ETF, Vanguard FTSE 100 UCITS ETF, HSBC UCITS Common Contractual Fund and HSBC Corporate Bond Fund.

Major sales included: Artemis Global Income Fund, J.P. Morgan High Yield Bond Fund, NB Global Floating Rate Income Fund, Stone Harbour Emerging Markets Local Currency, Prusik Asian Equity Fund, Ashmore SICAV Emerging Markets Local Currency Bond Fund, Schroder Income Maximiser Fund, Wellington Opportunistic Emerging Markets Debt Fund, Goldman Sachs Emmkt Debt Fund, HSBC Global Real Estate Equity Fund, Fidelity ICVC Moneybuilder Dividend Fund, Polar Capital FD Emerging Markets Income Fund.

Investment Performance

During the year under review, the value of the shares in the Fund increased by 7.02%.

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

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

Fund Particulars

as at 16 April 2019

	Retail Income	Retail Accumulation	Income C	Accumulation C
Price	112.4p xd	186.2p	116.6p xd	192.5p
Distribution payable (on 15 June 2019) per share net	1.180856p	1.927277p	1.217858p	1.995390p
Current net estimated yield	4.00%	3.90%	3.99%	3.89%
Annual ACD charge	1.25%	1.25%	0.55%	0.55%

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Asia-Pacific (excluding Japan) Equities - 0.00% (2.93%)			
Global Assets-Backed Bonds - 6.69% (5.07%)			
+HSBC GIF Global Asset-Backed Bond Z Acc	80,663	9,054	1.96
*+HSBC GIF Global Asset -Backed Crossover Bond	2,862,853	21,818	4.73
Total Global Equities		30,872	6.69
Global Emerging Markets Debt - 17.69% (17.60%)			
*+HSBC GIF Global Emerging Markets Bond Fund	3,024,779	22,563	4.89
*+HSBC GIF Global Emerging Markets Local Debt Fund	8,390,034	59,066	12.80
Total Global Emerging Markets Debt		81,629	17.69
Global Emerging Markets Equities - 4.77% (1.71%)			
Fidelity Emerging Markets Quality Income UCITS ETF	5,609,580	22,006	4.77
Total Global Emerging Markets Equities		22,006	4.77
Global Equities - 25.73% (25.01%)			
Fidelity Global Quality Income UCITS ETF	5,995,587	26,995	5.85
+HSBC UCITS Common Contractual Fund	1,049,583	91,725	19.88
Total Global Equities		118,720	25.73
Global High Yield Bonds - 9.97% (11.81%)			
*+HSBC GIF Global High Yield Bond Fund	3,003,428	23,288	5.05
*+HSBC Global Short Duration High Yield Bond Fund	2,956,001	22,719	4.92
Total Global High Yield Bonds		46,007	9.97
Global Property Equities Funds - 4.90% (4.98%)			
*+HSBC GIF Global Real Estate Equity Fund	2,674,982	22,621	4.90
Total Global Property Equities Funds		22,621	4.90
Infrastructure - 5.51% (5.17%)			
^Bilfinger Berger Global Infrastructure SICAV	8,692,537	13,778	2.98
*+HICL Infrastructure	7,114,201	11,662	2.53
Total Infrastructure		25,440	5.51
Money Market - 3.42% (0.00%)			
*+HSBC Global Sterling Liquidity Fund	15,785,602	15,786	3.42
Total Money Market		15,786	3.42
UK Corporate Bonds - 9.86% (9.90%)			
+HSBC Corporate Bond Fund	20,188,327	45,484	9.86
Total UK Corporate Bonds		45,484	9.86

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
UK Equities - 10.25% (14.27%)			
Fidelity MoneyBuilder Dividend Fund	25,757,825	32,429	7.03
^*Vanguard FTSE 100 UCITS ETF	452,604	14,875	3.22
Total UK Equities		47,304	10.25
Futures - 0.05% (0.00%)			
ICF FTSE 100 Index FUT June 2019	212	242	0.05
Total Futures		242	0.05
Forward Foreign Exchange Contracts - 0.17% (0.04%)			
#Sold \$201,010,578 for £153,848,598 settled 9/5/2019		768	0.17
#Sold \$8,140,618 for £10,664,070 settled 9/5/2019		(19)	-
Total Forward Foreign Exchange Contracts		749	0.17
Portfolio of investments		456,860	99.01
Net other assets		4,581	0.99
Net assets		461,441	100.00

*offshore funds

+related party

^listed

#unlisted

Figures in brackets denote comparative percentage holdings as at 15 April 2018.

All holdings are Authorised Investment Funds, unless otherwise stated.

The counterparty for the Futures is HSBC.

The counterparties for Forward Foreign Exchange Contracts are HSBC and Goldman Sachs.

Comparative Tables

for the year ended 15 April 2019

Retail Income			
Change in net assets per share	15.4.19	15.4.18	15.4.17
Opening net asset value per share	109.90p	116.50p	105.90p
Return before operating charges*	8.26p	(0.79p)	16.39p
Operating charges**	(1.47p)	(1.52p)	(1.48p)
Return after operating charges*	6.79p	(2.31p)	14.91p
Distributions on income shares	(4.49p)	(4.29p)	(4.31p)
Closing net asset value per share	112.20p	109.90p	116.50p
*after direct transaction costs of:***	0.00p	0.02p	0.05p
Performance			
Return after charges	6.18%	(1.98%)	14.08%
Other information			
Closing net asset value	£3,923,951	£4,453,901	£93,005,504
Closing number of shares	3,497,799	4,053,281	79,813,019
Operating charges - OCF	1.70%	1.91%	1.88%
Direct transaction costs	0.00%	0.02%	0.05%
Prices			
Highest share price	115.80p	119.40p	118.20p
Lowest share price	106.50p	109.90p	103.00p

Retail Accumulation			
Change in net assets per share	15.4.19	15.4.18	15.4.17
Opening net asset value per share	174.90p	178.30p	156.10p
Return before operating charges*	13.37p	(1.05p)	24.40p
Operating charges**	(2.37p)	(2.35p)	(2.20p)
Return after operating charges*	11.00p	(3.40p)	22.20p
Distributions on accumulation shares	(7.26p)	(6.90p)	(6.46p)
Retained distributions on accumulation shares	7.26p	6.90p	6.46p
Closing net asset value per share	185.90p	174.90p	178.30p
*after direct transaction costs of:***	0.01p	0.03p	0.08p
Performance			
Return after charges	6.29%	(1.91%)	14.22%
Other information			
Closing net asset value	£14,546,877	£15,023,844	£51,601,862
Closing number of shares	7,825,026	8,591,247	28,941,411
Operating charges - OCF	1.70%	1.91%	1.88%
Direct transaction costs	0.00%	0.02%	0.05%
Prices			
Highest share price	186.40p	184.40p	179.00p
Lowest share price	172.90p	173.30p	151.90p

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

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

Comparative Tables

for the year ended 15 April 2019

Income C	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	113.40p	119.60p	108.20p
Return before operating charges*	8.42p	(0.80p)	16.58p
Operating charges**	(0.77p)	(0.79p)	(0.77p)
Return after operating charges*	7.65p	(1.59p)	15.81p
Distributions on income shares	(4.65p)	(4.61p)	(4.41p)
Closing net asset value per share	116.40p	113.40p	119.60p
*after direct transaction costs of:***	0.00p	0.02p	0.05p
Performance			
Return after charges	6.75%	(1.33%)	14.61%
Other information			
Closing net asset value	£231,082,240	£230,197,695	£158,752,617
Closing number of shares	198,553,248	202,983,692	132,710,417
Operating charges - OCF	1.05%	1.27%	1.23%
Direct transaction costs	0.00%	0.02%	0.05%
Prices			
Highest share price	119.70p	122.70p	121.30p
Lowest share price	110.40p	113.40p	105.20p

Accumulation C	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	179.90p	182.50p	159.00p
Return before operating charges*	13.54p	(1.37p)	24.64p
Operating charges**	(1.24p)	(1.23p)	(1.14p)
Return after operating charges*	12.30p	(2.60p)	23.50p
Distributions on accumulation shares	(7.49p)	(7.10p)	(6.58p)
Retained distributions on accumulation shares	7.49p	7.10p	6.58p
Closing net asset value per share	192.20p	179.90p	182.50p
*after direct transaction costs of:***	0.01p	0.04p	0.08p
Performance			
Return after charges	6.84%	(1.42%)	14.78%
Other information			
Closing net asset value	£211,887,848	£227,338,308	£213,077,010
Closing number of shares	110,232,147	126,381,783	116,742,415
Operating charges - OCF	1.05%	1.27%	1.23%
Direct transaction costs	0.00%	0.02%	0.05%
Prices			
Highest share price	192.70p	189.40p	183.20p
Lowest share price	178.40p	178.20p	154.70p

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

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

Statement of Total Return

for the year ended 15 April 2019

		15.4.19		15.4.18	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		14,688		(23,529)
Revenue	3	20,991		21,767	
Expenses	4	(3,256)		(3,887)	
Interest payable and similar charges		(3)		(3)	
Net revenue before taxation		17,732		17,877	
Taxation	5	(1,491)		(1,498)	
Net revenue after taxation			16,241		16,379
Total return/(deficit) before distributions			30,929		(7,150)
Distributions	6		(18,909)		(19,487)
Change in net assets attributable to shareholders from investment activities			12,020		(26,637)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15 April 2019

		15.4.19		15.4.18	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			477,014		516,437
Amounts receivable on creation of shares		13,922		15,434	
Amounts payable on cancellation of shares		(50,876)		(38,191)	
			(36,954)		(22,757)
Dilution adjustment			97		74
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)			12,020		(26,637)
Retained distribution on accumulation shares			9,264		9,897
Closing net assets attributable to shareholders			461,441		477,014

Balance Sheet

as at 15 April 2019

		15.4.19		15.4.18	
	Notes	£'000	£'000	£'000	£'000
Assets					
Investments			456,879		469,807
Current assets					
Debtors	8	18,575		1,228	
Cash and bank balances		490		10,412	
Total current assets			19,065		11,640
Total assets			475,944		481,447
Liabilities					
Investment liabilities			(19)		-
Creditors					
Bank overdrafts		(10,752)		-	
Distribution payable on income shares		(2,459)		(2,250)	
Other creditors	9	(1,273)		(2,183)	
Total creditors			(14,484)		(4,433)
Total liabilities			(14,503)		(4,433)
Net assets attributable to shareholders			461,441		477,014

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 January 2019				
Group 2: Shares purchased from 16 January 2019 to 15 April 2019				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.6.19</i>	<i>Distribution paid 15.6.18</i>
Retail Income				
Group 1	1.180856	-	1.180856	1.052611
Group 2	0.397203	0.783653	1.180856	1.052611
Retail Accumulation				
Group 1	1.927277	-	1.927277	1.661662
Group 2	1.159474	0.767803	1.927277	1.661662
Income C				
Group 1	1.217858	-	1.217858	1.087140
Group 2	0.786135	0.431723	1.217858	1.087140
Accumulation C				
Group 1	1.995390	-	1.995390	1.713603
Group 2	1.273927	0.721463	1.995390	1.713603

Group 1: Shares purchased prior to 16 October 2018				
Group 2: Shares purchased from 16 October 2018 to 15 January 2019				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.3.19</i>	<i>Distribution paid 15.3.18</i>
Retail Income				
Group 1	1.140000	-	1.140000	0.880000
Group 2	0.360000	0.780000	1.140000	0.880000
Retail Accumulation				
Group 1	1.860000	-	1.860000	1.610000
Group 2	1.250000	0.610000	1.860000	1.610000
Income C				
Group 1	1.190000	-	1.190000	1.080000
Group 2	0.690000	0.500000	1.190000	1.080000
Accumulation C				
Group 1	1.920000	-	1.920000	1.670000
Group 2	1.150000	0.770000	1.920000	1.670000

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 July 2018 Group 2: Shares purchased from 16 July 2018 to 15 October 2018				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.12.18</i>	<i>Distribution paid 15.12.17</i>
Retail Income				
Group 1	1.040000	-	1.040000	0.970000
Group 2	0.460000	0.580000	1.040000	0.970000
Retail Accumulation				
Group 1	1.680000	-	1.680000	1.500000
Group 2	0.600000	1.080000	1.680000	1.500000
Income C				
Group 1	1.080000	-	1.080000	1.000000
Group 2	0.650000	0.430000	1.080000	1.000000
Accumulation C				
Group 1	1.720000	-	1.720000	1.540000
Group 2	0.890000	0.830000	1.720000	1.540000

Group 1: Shares purchased prior to 16 April 2018 Group 2: Shares purchased from 16 April 2018 to 15 July 2018				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.9.18</i>	<i>Distribution paid 15.9.17</i>
Retail Income				
Group 1	1.130000	-	1.130000	1.390000
Group 2	0.570000	0.560000	1.130000	1.390000
Retail Accumulation				
Group 1	1.790000	-	1.790000	2.130000
Group 2	0.810000	0.980000	1.790000	2.130000
Income C				
Group 1	1.160000	-	1.160000	1.440000
Group 2	0.770000	0.390000	1.160000	1.440000
Accumulation C				
Group 1	1.850000	-	1.850000	2.180000
Group 2	1.280000	0.570000	1.850000	2.180000

Notes to the Financial Statements

for the year ended 15 April 2019

	15.4.19	<i>15.4.18</i>
	£'000	<i>£'000</i>
1. Accounting Policies		
The accounting policies are set out on pages 10 and 11.		
2. Net Capital Gains		
The net capital (losses)/gains during the year comprise:		
Realised (losses)/gains on currency	31	(4)
Transaction (charges)/rebate	(2)	23
Realised (losses)/gains on forward foreign currency contracts	(5,155)	3,526
Unrealised gains on forward foreign currency contracts	749	188
Realised gains on derivative securities	216	-
Unrealised gains on derivative securities	242	-
Realised gains on non-derivative securities	17,048	27,931
Unrealised gains/(losses) on non-derivative securities	1,559	(55,249)
Management fee rebate	-	56
Net capital gains/(losses)	14,688	(23,529)
3. Revenue		
Overseas dividends	2,319	1,696
Unfranked distributions from UK authorised ICVCs and unit trusts	452	620
Franked distributions from UK authorised ICVCs and unit trusts	8,014	8,689
Interest on bonds and other debt securities	10,139	10,344
Bank interest	16	7
Management fee rebates	51	411
Total revenue	20,991	21,767
4. Expenses		
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's charge	2,726	3,348
Registration fee	462	465
Safe custody fee	14	15
	3,202	3,828
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	47	49
Other expenses:		
Audit fee	6	7
Interest paid	-	2
Report and accounts fee	1	1
	7	10
Total expenses	3,256	3,887

15.4.19 15.4.18
£'000 £'000

5. Taxation

a) Analysis of charge in year:

Corporation tax	1,480	1,498
Adjustments in respect of prior years	11	-
Total tax for the year (note 5b)	1,491	1,498

b) Factors affecting taxation charge for the year:

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

The differences are explained below:

Net revenue before taxation	17,732	17,877
Corporation tax at 20%	3,546	3,575
Effects of:		
Revenue not subject to taxation	(2,066)	(2,077)
Adjustments in respect of prior years	11	-
Current tax charge for the year (note 5a)	1,491	1,498

c) Provision for deferred taxation

At 15 April 2019, there is no potential deferred tax asset (15.4.18 : £nil) in relation to surplus management expenses.

6. Distributions

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

Interim dividend distribution	13,933	14,844
Final dividend distribution	4,810	4,558
	18,743	19,402
Add: Amounts deducted on cancellation of shares	235	180
Deduct: Amounts received on issue of shares	(69)	(95)
Net distribution for the year	18,909	19,487

7. Movement Between Net Revenue and Distributions

Net revenue after taxation	16,241	16,379
Authorised Corporate Director's charge charged to capital		
Expenses charged to capital	3,256	3,885
Corporation tax on taxable items in capital	(651)	(777)
Equalisation received transferred from capital	63	-
Net distribution for the year	18,909	19,487

8. Debtors

Amounts receivable for creation of shares	30	48
Sales awaiting settlement	16,414	-
Accrued revenue	2,081	1,118
Management fee rebates receivable	50	62
Total debtors	18,575	1,228

	15.4.19	15.4.18
	£'000	£'000
9. Other Creditors		
Amounts payable for cancellation of shares	460	663
Accrued expenses	143	686
Corporation tax payable	670	834
Total other creditors	1,273	2,183

10. Reconciliation of Shares

	<i>Retail Income</i>	<i>Retail Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>
Opening shares issued at 16.4.18	4,053,281	8,591,247	202,983,692	126,381,783
Share movements 16.4.18 to 15.4.19				
Shares issued	29,071	1,195,544	8,907,760	771,615
Shares cancelled	(578,606)	(1,920,490)	(13,823,266)	(16,661,521)
Shares converted	(5,947)	(41,275)	485,062	(259,730)
Closing shares issued at 15.4.19	3,497,799	7,825,026	198,553,248	110,232,147

11. Ultimate Controlling Party and Transactions

The Authorised Corporate Director (ACD) is regarded as a controlling party of the Fund by virtue of having the ability to act in concert in respect of Fund operations. The ultimate controlling party of the ACD is HSBC Group plc. This entity and its subsidiaries are also related parties of the Fund.

At the year end, the ACD and its associates held the following of the Fund's shares in issue:

	<i>Retail Income</i>	<i>Retail Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>
	%	%	%	%
As at 15.4.19	-	-	0.33	0.54
As at 15.4.18	-	-	0.28	0.64

Details of all other material related party transactions during the year and any payment amounts outstanding at the balance sheet date are disclosed in notes 8 and 9 to the financial statements and the Statement of Change in Net Assets Attributable to Shareholders and the Portfolio Statement.

The balance due to the ACD (including amounts due to associates and agents) at the year end was £561,400 (15.5.18: £1,284,682), further details of such amounts can be found in notes 8 and 9.

At the year end, the Fund held £345,786,585 (15.4.18: £230,073,747) in Authorised Investment Funds managed by HSBC Holdings, the parent company of the ACD. During the year, transactions in Authorised Investment Funds managed by HSBC Holdings totalled £173,572,391 (15.4.18: £169,950,169).

12. Financial Instruments

The financial instrument risks and risk management policies are set out on pages 12 and 13.

Foreign Currency Risk

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

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>		<i>Net other assets</i>		<i>Net assets</i>	
	15.4.19	15.4.18	15.4.19	15.4.18	15.4.19	15.4.18
	£'000	£'000	£'000	£'000	£'000	£'000
Sterling*	134,236	254,566	4,581	7,159	138,817	261,725
United States dollar	322,624	215,241	-	48	322,624	215,289
Total	456,860	469,807	4,581	7,207	461,441	477,014

*No currency risk as base currency.

Interest Rate Risk

At the year end, 0.11% (15.4.18: 2.18%) of the Fund's assets by value were interest-bearing.

At the year end, 2.33% (15.4.18: nil) of the Fund's assets by value were interest-paying.

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

13. Shareholders' Funds

This Fund has a retail share class and a C share class.

The annual ACD charge on the retail share class is 1.25% and 0.55% on the C share class.

The net asset value of the share class, the net asset value per share and the number of shares in each class are given in the Comparative Tables on pages 111 and 112.

The distribution per share class is given in the Distribution Tables on page 114.

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

14 Financial Derivatives

The Fund has used financial derivatives for hedging and meeting investment objectives including risk reduction and implementation of investment policies.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

The type of derivatives held at the year end was forward currency contracts.

Details of the individual contracts are shown on the Portfolio Statement on pages 109 and 110, and the total position by the counterparty at the year end is summarised below. The underlying exposure for each category of derivatives is as follows:

Counterparty	<i>Forward Currency</i>		<i>Total</i>	
	2019	2018	2019	2018
	£'000		£'000	
HSBC Bank	768	188	768	188
Goldman Sachs	(19)	-	(19)	-

The economic exposure of future derivative contracts is equal to the market value. The value of exposure and the related counterparty are disclosed in the Portfolio Statement.

Eligible collateral types are approved by the ACD and may consist of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities.

At 15 April 2019, there was no collateral held in respect of the above derivatives (15.4.18: nil).

15 Contingent Liabilities and Commitments

At the year end the Fund had no contingent liabilities or commitments (15.4.18: none).

16. Portfolio Transaction Costs

For the year ended 15 April 2019	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Equity transactions	1,928	-	-	-	-	-	-
Pooled investment vehicles	173,411	1	0.00	-	-	7	0.00
In-specie transactions	14,588	-	-	-	-	-	-
Total purchases before transaction costs	189,927	1		-		7	
Transaction costs	8						
Total purchases after commission, tax and fees	189,935						

	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Equity transactions	21,942	11	0.05	-	-	-	-
Pooled investment vehicles	187,100	-	-	-	-	-	-
In-specie transactions	14,602	-	-	-	-	-	-
Total sales before transaction costs	223,644	11		-		-	
Transaction costs	(11)						
Total sales after commission, tax and fees	223,633						

The Fund had paid £345 as commission on purchases and sales derivative transactions for the year ended 15.4.19.

Commissions, taxes and fees as % of average Net Assets

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

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

For the year ended 15 April 2018	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Equity transactions	3,734	2	0.05	-	-	-	-
Pooled investment vehicles	161,169	-	-	-	-	92	0.06
Total purchases before transaction costs	164,903	2		-		92	
Transaction costs	94						
Total purchases after commission, tax and fees	164,997						

	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Equity transactions	1,327	1	0.08	-	-	-	-
Pooled investment vehicles	178,984	3	-	-	-	-	-
Total sales before transaction costs	180,311	4		-		-	
Transaction costs	(4)						
Total sales after commission, tax and fees	180,307						

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 15.4.18.

Commissions, taxes and fees as % of average Net Assets

Commissions	0.00%
Taxes	0.00%
Other expenses	0.02%

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

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

17. Fair Value of Investments

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

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

For the year ended 15 April 2019

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	25,439	-	-	25,439
Pooled investment vehicles	63,876	366,554	-	430,430
Derivatives	242	768	-	1,010
	89,557	367,322	-	456,879
Investment Liabilities				
Derivatives	-	(19)	-	(19)
	-	(19)	-	(19)

For the year ended 15 April 2018

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	41,440	-	-	41,440
Pooled investment vehicles	15,283	412,896	-	428,179
Derivatives	-	188	-	188
	56,723	413,084	-	469,807

18. Sensitivity Analysis

Price risk sensitivity:

If the price of investments at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £45,685,990 (15.4.18: £46,980,651).

Currency risk sensitivity:

If the exchange rate at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £32,262,453 (15.4.18: £16,487,591).

Interest rate risk sensitivity:

At the balance sheet date, the Fund did not have a significant exposure to interest rate risk, therefore no sensitivity analysis is disclosed (15.4.18: no significant exposure).

World Selection - Dynamic Portfolio

Investment Objective

To provide capital growth through dynamic investment in a broad range of asset classes across global markets.

Investment Policy*

To invest primarily in collective investment schemes that in turn invest in fixed income securities, equities, properties and derivatives. Typically the Fund will have a bias towards asset classes that focus on equity investment strategies. The ACD may also invest at its discretion in other transferable securities, money market instruments, deposits, cash and near cash.

On giving 60 days' notice to Shareholders, the Fund may, in addition to its other investment powers, use exchange traded and over-the-counter derivatives and forward currency contracts for investment purposes. Using these investment powers for investment purposes means, in particular, maintaining positions in these investments for the long term rather than just for tactical short-term purposes.

Where the use of derivatives is for investment purposes in addition to hedging it is envisaged that the use of such instruments will not affect the overall risk profile of the Fund.

*The full policy can be found in the prospectus.

Investment Strategy

The Fund follows a broadly diversified investment approach by investing primarily in other collective investment schemes that, in turn, invest across various different asset classes. Such asset classes shall include traditional asset classes, such as equities and fixed income, but also alternative asset classes, for example property. The Manager uses a complex quantitative investment process with a qualitative overlay to identify the optimal portfolio construction.

Portfolio Activity

The portfolio maintained an overweight to risk assets, relative to the strategic asset allocation, throughout the reporting period. At the start of the period, the portfolio was overweight global equities and emerging market debt in local currency. It was underweight global government and corporate bonds.

At the end of April, the overweight allocation to Europe equity was reduced. This was on the back of softening economic and earnings data. The proceeds were reinvested into the wider global equity asset class.

In May, the Portfolio Management team closed the US financials position and invested the proceeds into the US more generally, leaving our allocation to the US intact.

In June we reduced our allocation to Russia equity. We retained our preference for the wider emerging markets equity asset class. The position was closed in July. The proceeds were invested into US equity.

In August and September, we altered our fixed income positions to reduce the duration of the portfolio and bring our EMD hard currency allocation back to neutral.

In Q4, we introduced allocations to liquid alternatives through the addition of a style factor exposure and trend following strategies. These exposures provide exposure to alternative forms of market returns with low correlations to traditional asset classes. This should provide diversification benefits to the portfolios.

February 2019 saw the Portfolio Management team add an allocation to China A shares, funded from the wider EM allocation. Our allocation to Japan equity was also reduced. While we believe in the long term picture for Japan, short term momentum has disappeared.

Chinese equity delivered very strong returns over a short period of time. Therefore, in March, the position was trimmed to take profits.

In April, we introduced a short position in 10 year Treasuries to reduce the duration of the portfolios and introduced a small overweight to UK equity as, despite Brexit uncertainties, UK data remains solid and valuations are attractive.

Major purchases include: HSBC FTSE All World Index Fund, Structured Inv Goldman Sachs Cross Asset USD, AQR Managed Futures UCITS, Lyxor Core US TIPS, HSBC GIF Multi-Asset Style Factors, iShares Core S&P 500 UCITS ETF, HSBC MSCI China A Inclusion ETF, iShares Core MSCI Emerging Markets IMI UCITS ETF, HSBC GIF Global Emerging Markets Bond, HSBC GIF Global Government Bond Fund and HSBC GEM Local Debt Fund.

Major sales included: HSBC Global Government Bond Fund, iShares Fallen Angels High Yield Fund ETF, HSBC Japan Index, HSBC European Index Fund, SPDR S&P US Financials Select Sector ETF, HSBC MSCI Russia Capped ETF, HSBC MSCI China A Inclusion ETF, HSBC GIF Global Corporate Bond Fund and HSBC GIF India Fixed Income Fund.

Investment Performance

During the year under review, the value of the shares in the Fund increased by 9.59%.

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

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

Fund Particulars

as at 16 April 2019

collective investment schemes that, in turn, invest across various different asset classes. Such asset classes shall include traditional asset classes, such as equities and fixed income, but also alternative asset classes, for example property. The Manager uses a complex quantitative investment process with a qualitative overlay to identify the optimal portfolio construction.			Retail Income	Retail Accumulation	Institutional Income†
	Price		233.6p xd	252.9p	278.3p xd
	Distribution payable (on 14 June 2019) per share net		0.128287p	0.143381p	0.847934p
	Current net estimated yield		1.09%	1.08%	0.27%
	Annual ACD charge		1.25%	1.25%	0.00%
	Institutional Accumulation	Income C	Accumulation C	Income P	Accumulation P
Price	279.1p	234.1p xd	261.6p xd	234p xd	264.5p xd
Distribution payable (on 14 June 2019) per share net	1.530871p	0.713737p	0.791199p	1.026907p	1.157639p
Current net estimated yield	2.06%	1.60%	1.57%	1.92%	1.79%
Annual ACD charge	0.00%	0.55%	0.55%	0.25%	0.25%

†The Institutional Income share class launched on 25 January 2019.

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Liquid Alternatives - 5.02% (0.00%)			
^*AQR Managed Futures UCITS ETF	311,846	24,427	2.09
^*Structured Investment Goldman Sachs Cross Asset	4,402,700	34,221	2.93
Total Liquid Alternatives		58,648	5.02
Asia-Pacific (excluding Japan) Equities - 1.35% (1.39%)			
^*iShares Core MSCI Pacific ex Japan UCITS ETF	136,428	15,772	1.35
Total Asia-Pacific (excluding Japan) Equities		15,772	1.35
China Equities - 0.62% (0.00%)			
HSBC MSCI China A Inclusion UCITS ETF	946,197	7,244	0.62
Total China Equities		7,244	0.62
European Equities - 4.94% (6.05%)			
+HSBC European Index Fund	6,032,838	57,704	4.94
Total European Equities		57,704	4.94
Global Corporate Bonds - 0.47% (0.49%)			
*+HSBC GIF Global Corporate Bond Fund	665,508	5,455	0.47
Total Global Corporate Bonds		5,455	0.47
Global Equities - 37.61% (41.34%)			
*+HSBC Economic Scale Worldwide Equity UCITS ETF	4,889,216	63,805	5.47
+HSBC FTSE All-World Index Fund	190,879,654	329,840	28.26
^*+HSBC Multi Factor Worldwide Equity UCITS ETF	3,084,494	45,238	3.88
Total Global Equities		438,883	37.61
Global Emerging Markets Debt - 11.10% (11.70%)			
*+HSBC GIF Global Emerging Markets Bond Fund	3,767,457	28,103	2.41
*+HSBC GIF Global Emerging Markets Local Debt Fund	14,399,323	101,372	8.69
Total Global Emerging Markets Debt		129,475	11.10
Global Emerging Markets Equities - 5.97% (6.33%)			
^*iShares Core MSCI Emerging Markets IMI UCITS ETF	3,161,581	69,644	5.97
Total Global Emerging Markets Equities		69,644	5.97
Global High Yield Bonds - 3.17% (3.45%)			
*+HSBC GIF Global High Yield Bond Fund	3,490,776	27,067	2.32
*+HSBC GIF Global Short Duration High Yield Bond Fund	1,288,923	9,906	0.85
Total Global High Yield Bonds		36,973	3.17
Global Property Equities Funds - 4.96% (4.89%)			
*+HSBC GIF Global Real Estate Equity Fund	6,773,088	57,955	4.96
Total Global Property Equities Funds		57,955	4.96

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Japanese Equities - 3.40% (4.08%)			
+HSBC Japan Index Fund	31,562,429	39,706	3.40
Total Japanese Equities		39,706	3.40
Money Markets - 0.75% (0.00%)			
+HSBC Global Sterling Liquidity Fund	8,715,164	8,715	0.75
Total Money Markets		8,715	0.75
UK Equities - 1.89% (1.92%)			
+HSBC FTSE All-Share Index Fund	990,627	6,248	0.53
+HSBC FTSE 100 Index	6,573,964	15,863	1.36
Total UK Equities		22,111	1.89
US Equities - 20.48% (16.91%)			
+HSBC American Index Fund	28,107,082	179,379	15.37
^iShares Core S&P UCITS ETF	99,032	21,524	1.84
^*Structured Investment Goldman Sachs Cross Asset	4,402,700	34,221	2.93
^*Vanguard S&P 500 UCITS ETF	95,469	4,012	0.34
Total US Equities		239,136	20.48
Forward Foreign Exchange Contracts - 0.22% (0.08%)			
Sold €40,034,132 for £34,561,947 settled 9/5/2019		11	-
Sold ¥4,893,298,063 for £33,644,257 settled 9/5/2019		310	0.03
Sold \$579,647,974 for £443,648,434 settled 9/5/2019		2,215	0.19
Sold £1,842,182 for ¥267,964,047 settled 9/5/2019		(17)	-
Sold £3,140,596 for \$4,111,257 settled 9/5/2019		(9)	-
Sold £5,779,321 for €6,707,730 settled 9/5/2019		10	-
Total Forward Foreign Exchange Contracts		2,520	0.22
Futures - 0.01% (0.00%)			
CBT US 10Year Ultra Future June 2019	(252)	132	0.01
ICF FTSE 100 Index Future June 2019	118	(1)	-
Total Futures		131	0.01
Portfolio of investments		1,155,851	99.03
Net other assets		11,273	0.97
Net assets		1,167,124	100.00
*offshore fund			
+related party			
^listed			
#unlisted			

Figures in brackets denote the comparative percentage holdings as at 15 April 2018.

All holdings are Authorised Investment Funds, unless otherwise stated.

The counterparty for the Futures is HSBC.

The counterparty for Forward Foreign Exchange Contracts is HSBC.

Comparative Tables

for the year ended 15 April 2019

Retail Income			
Change in net assets per share	15.4.19	15.4.18	15.4.17
Opening net asset value per share	216.30p	213.60p	178.10p
Return before operating charges*	22.39p	7.87p	41.20p
Operating charges**	(2.96p)	(2.86p)	(2.60p)
Return after operating charges*	19.43p	5.01p	38.60p
Distributions on income shares	(2.63p)	(2.31p)	(3.10p)
Closing net asset value per share	233.10p	216.30p	213.60p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	8.98%	2.35%	21.67%
Other information			
Closing net asset value	£356,004	£347,022	£1,479,432
Closing number of shares	152,751	160,414	692,561
Operating charges - OCF	1.44%	1.42%	1.44%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	237.20p	231.80p	218.10p
Lowest share price	208.30p	210.80p	171.60p

Retail Accumulation			
Change in net assets per share	15.4.19	15.4.18	15.4.17
Opening net asset value per share	231.50p	226.30p	185.80p
Return before operating charges*	24.09p	8.23p	43.23p
Operating charges**	(3.19p)	(3.03p)	(2.73p)
Return after operating charges*	20.90p	5.20p	40.50p
Distributions on accumulation shares	(2.81p)	(2.43p)	(3.24p)
Retained distributions on accumulation shares	2.81p	2.43p	3.24p
Closing net asset value per share	252.40p	231.50p	226.30p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	9.03%	2.30%	21.80%
Other information			
Closing net asset value	£16,140,196	£16,685,655	£104,870,281
Closing number of shares	6,395,032	7,208,082	46,344,672
Operating charges - OCF	1.44%	1.42%	1.44%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	253.80p	248.10p	230.70p
Lowest share price	225.40p	223.30p	179.00p

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

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

Comparative Tables

for the year ended 15 April 2019

Institutional Income#	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	260.40p	N/A	N/A
Return before operating charges*	18.16p	N/A	N/A
Operating charges**	(0.01p)	N/A	N/A
Return after operating charges*	18.15p	N/A	N/A
Distributions on income shares	(0.85p)	N/A	N/A
Closing net asset value per share	277.70p	N/A	N/A
*after direct transaction costs of:***	0.00p	N/A	N/A
Performance			
Return after charges	6.97%	N/A	N/A
Other information			
Closing net asset value	£23,925,183	N/A	N/A
Closing number of shares	8,617,020	N/A	N/A
Operating charges - OCF	0.14%	N/A	N/A
Direct transaction costs	0.00%	N/A	N/A
Prices			
Highest share price	278.80p	N/A	N/A
Lowest share price	259.50p	N/A	N/A

Institutional Accumulation	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	252.80p	244.40p	198.90p
Return before operating charges*	25.74p	8.43p	45.53p
Operating charges**	(0.04p)	(0.03p)	(0.03p)
Return after operating charges*	25.70p	8.40p	45.50p
Distributions on accumulation shares	(5.85p)	(5.41p)	(5.80p)
Retained distributions on accumulation shares	5.85p	5.41p	5.80p
Closing net asset value per share	278.50p	252.80p	244.40p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	10.17%	3.44%	22.88%
Other information			
Closing net asset value	£144,534,109	£90,244,035	£90,452,670
Closing number of shares	51,897,663	35,698,643	37,017,127
Operating charges - OCF	0.14%	0.13%	0.14%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	278.80p	270.30p	248.90p
Lowest share price	248.00p	241.20p	191.60p

#The Institutional Income share class launched 25 January 2019.

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

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

Comparative Tables

for the year ended 15 April 2019

Income C	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	216.70p	214.00p	178.50p
Return before operating charges*	22.11p	7.73p	40.95p
Operating charges**	(1.50p)	(1.47p)	(1.32p)
Return after operating charges*	20.61p	6.26p	39.63p
Distributions on income shares	(3.81p)	(3.56p)	(4.13p)
Closing net asset value per share	233.50p	216.70p	214.00p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	9.51%	2.93%	22.20%
Other information			
Closing net asset value	£24,130,200	£19,843,813	£19,364,134
Closing number of shares	10,333,330	9,155,179	9,048,404
Operating charges - OCF	0.79%	0.78%	0.79%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	238.00p	232.80p	219.00p
Lowest share price	208.90p	211.20p	171.90p

Accumulation C	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	238.20p	231.40p	189.20p
Return before operating charges*	24.46p	8.41p	43.61p
Operating charges**	(1.66p)	(1.61p)	(1.41p)
Return after operating charges*	22.80p	6.80p	42.20p
Distributions on accumulation shares	(4.20p)	(3.87p)	(4.41p)
Retained distributions on accumulation shares	4.20p	3.87p	4.41p
Closing net asset value per share	261.00p	238.20p	231.40p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	9.57%	2.94%	22.30%
Other information			
Closing net asset value	£837,577,023	£741,188,061	£579,545,229
Closing number of shares	320,877,707	311,201,807	250,433,935
Operating charges - OCF	0.79%	0.78%	0.79%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	261.60p	254.90p	235.80p
Lowest share price	232.80p	228.40p	182.30p

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

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

Comparative Tables

for the year ended 15 April 2019

Income P	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	216.60p	213.90p	178.40p
Return before operating charges*	21.96p	7.57p	40.82p
Operating charges**	(0.71p)	(0.69p)	(0.63p)
Return after operating charges*	21.25p	6.88p	40.19p
Distributions on income shares	(4.45p)	(4.18p)	(4.69p)
Closing net asset value per share	233.40p	216.60p	213.90p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	9.81 %	3.22%	22.53%
Other information			
Closing net asset value	£1,304,578	£1,017,083	£842,403
Closing number of shares	558,927	469,464	393,796
Operating charges - OCF	0.44%	0.43%	0.44%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	238.10p	232.90p	219.10p
Lowest share price	208.90p	211.10p	171.90p

Accumulation P	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	240.10p	232.70p	189.70p
Return before operating charges*	24.59p	8.17p	43.68p
Operating charges**	(0.79p)	(0.77p)	(0.68p)
Return after operating charges*	23.80p	7.40p	43.00p
Distributions on accumulation shares	(4.95p)	(4.57p)	(5.04p)
Retained distributions on accumulation shares	4.95p	4.57p	5.04p
Closing net asset value per share	263.90p	240.10p	232.70p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	9.91 %	3.18%	22.67%
Other information			
Closing net asset value	£119,157,003	£62,335,906	£37,177,260
Closing number of shares	45,151,247	25,959,841	15,978,933
Operating charges - OCF	0.44%	0.43%	0.44%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	264.10p	256.90p	237.00p
Lowest share price	235.20p	229.60p	182.80p

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

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

Statement of Total Return

for the year ended 15 April 2019

	Notes	15.4.19		15.4.18	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		80,414		8,778
Revenue	3	23,856		20,645	
Expenses	4	(5,901)		(5,589)	
Interest payable and similar charges		(3)		(1)	
Net revenue before taxation		17,952		15,055	
Taxation	5	(338)		(599)	
Net revenue after taxation			17,614		14,456
Total return before distributions			98,028		23,234
Distributions	6		(17,614)		(14,465)
Change in net assets attributable to shareholders from investment activities			80,414		8,769

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15 April 2019

	15.4.19		15.4.18	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		931,662		833,731
Amounts receivable on in-specie issue of shares	79,831		101,520	
Amounts receivable on creation of shares	90,503		-	
Amounts payable on cancellation of shares	(32,942)		(26,764)	
		137,392		74,756
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		80,414		8,769
Retained distribution on accumulation shares		17,656		14,406
Closing net assets attributable to shareholders		1,167,124		931,662

Balance Sheet

as at 15 April 2019

	Notes	15.4.19		15.4.18	
		£'000	£'000	£'000	£'000
Assets					
Investments			1,155,878		918,878
Current assets					
Debtors	8	14,180		1,761	
Cash and bank balances		8,228		15,701	
Total current assets			22,408		17,462
Total assets			1,178,286		936,340
Liabilities					
Investment liabilities			(27)		-
Creditors					
Distribution payable on income shares		(153)		(68)	
Other creditors	9	(10,982)		(4,610)	
Total creditors			(11,135)		(4,678)
Total liabilities			(11,162)		(4,678)
Net assets attributable to shareholders			1,167,124		931,662

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 April 2018				
Group 2: Shares purchased from 16 April 2018 to 15 October 2018				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 14.12.18</i>	<i>Distribution paid 15.12.17</i>
Retail Income				
Group 1	2.500000	-	2.500000	2.290000
Group 2	0.570000	1.930000	2.500000	2.290000
Retail Accumulation				
Group 1	2.670000	-	2.670000	2.430000
Group 2	0.260000	2.410000	2.670000	2.430000
Institutional Accumulation				
Group 1	4.320000	-	4.320000	3.930000
Group 2	4.320000	0.000000	4.320000	3.930000
Income C				
Group 1	3.100000	-	3.100000	2.870000
Group 2	0.380000	2.720000	3.100000	2.870000
Accumulation C				
Group 1	3.410000	-	3.410000	3.100000
Group 2	1.190000	2.220000	3.410000	3.100000
Income P				
Group 1	3.420000	-	3.420000	3.180000
Group 2	0.060000	3.360000	3.420000	3.180000
Accumulation P				
Group 1	3.790000	-	3.790000	3.460000
Group 2	1.050000	2.740000	3.790000	3.460000

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 October 2018				
Group 2: Shares purchased from 16 October 2018 to 15 April 2019				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 14.6.19</i>	<i>Distribution paid 15.6.18</i>
Retail Income				
Group 1	0.128287	-	0.128287	0.015085
Group 2	0.075257	0.053030	0.128287	0.015085
Retail Accumulation				
Group 1	0.143381	-	0.143381	0.000000
Group 2	0.136867	0.006514	0.143381	0.000000
Institutional Income#				
Group 1	0.847934	-	0.847934	N/A
Group 2	0.744163	0.103771	0.847934	N/A
Institutional Accumulation				
Group 1	1.530871	-	1.530871	1.482508
Group 2	0.648593	0.882278	1.530871	1.482508
Income C				
Group 1	0.713737	-	0.713737	0.692170
Group 2	0.556865	0.156872	0.713737	0.692170
Accumulation C				
Group 1	0.791199	-	0.791199	0.766203
Group 2	0.549810	0.241389	0.791199	0.766203
Income P				
Group 1	1.026907	-	1.026907	1.003175
Group 2	0.971046	0.055861	1.026907	1.003175
Accumulation P				
Group 1	1.157639	-	1.157639	1.108371
Group 2	0.826640	0.330999	1.157639	1.108371
#The Institutional Income Share Class launched on 25 January 2019.				

Notes to the Financial Statements

for the year ended 15 April 2019

	15.4.19 £'000	15.4.18 £'000
1. Accounting Policies		
The accounting policies are set out on pages 10 and 11.		
2. Net Capital Gains		
The net capital gains during the year comprise:		
Realised losses on currency	(5,950)	(14)
Unrealised gains on currency	5,958	-
Transaction (charges)/ rebates	(7)	55
Realised (losses)/gains on forward foreign currency contracts	(14,025)	24,266
Unrealised gains on forward foreign currency contracts	2,519	785
Realised (losses)/gains on derivative securities	(395)	24
Unrealised gains on derivative securities	131	-
Realised gains on non-derivative securities	28,993	9,371
Unrealised gains/(losses) on non-derivative securities	63,190	(25,713)
Management fee rebate	-	4
Net capital gains	80,414	8,778
Realised gains/(losses) in the current accounting year include unrealised gains/(losses) arising in previous years. In such circumstances a corresponding loss/gain is included in unrealised gains/(losses) figure.		
3. Revenue		
Unfranked distributions from UK authorised ICVCs and unit trusts	262	199
Franked distributions from UK authorised ICVCs and unit trusts	16,284	12,072
Interest on bonds and other debt securities	7,280	8,370
Deposit interest	5	-
Bank interest	25	4
Total revenue	23,856	20,645
4. Expenses		
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
Authorised Corporate Director's charge	4,898	4,717
Registration fee	866	751
Safe custody fee	36	31
	5,800	5,499
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	94	83
Other expenses:		
Audit fee	6	6
Report and accounts fee	1	1
	7	7
Total expenses	5,901	5,589

	15.4.19 £'000	15.4.18 £'000
5. Taxation		
a) Analysis of charge in year:		
Corporation tax	333	597
Adjustments in respect of prior years	1	-
Irrecoverable income tax	4	-
Overseas tax	-	42
Double tax relief	-	(40)
Total tax for the year (note 5b)	338	599
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	17,952	15,055
Corporation tax at 20%	3,590	3,011
Effects of:		
Revenue not subject to taxation	(3,257)	(2,414)
Adjustments in respect of prior years	1	-
Irrecoverable income tax	4	-
Overseas tax	-	42
Double tax relief	-	(40)
Current tax charge for the year (note 5a)	338	599
c) Provision for deferred taxation		
At 15 April 2019, there is no potential deferred tax asset (15.4.18: £nil) in relation to surplus management expenses.		
6. Distributions		
The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:		
Interim dividend distribution	14,100	11,489
Final dividend distribution	4,018	3,270
	18,118	14,759
Add: Amounts deducted on cancellation of shares	143	135
Deduct: Amounts received on issue of shares	(647)	(429)
Net distribution for the year	17,614	14,465
7. Movement Between Net Revenue and Distributions		
Net revenue after taxation	17,614	14,456
Equalisation on conversions	-	4
Income deficit transfer to capital	-	5
Net distribution for the year	17,614	14,465
8. Debtors		
Amounts receivable for creation of shares	1,186	1,719
Sales awaiting settlement	12,497	-
Accrued revenue	457	(1)
Monies due from ACD	40	39
Income tax recoverable	-	4
Total debtors	14,180	1,761

15.4.19 15.4.18
£'000 £'000

9. Other Creditors

Amounts payable for cancellation of shares	675	23
Purchases awaiting settlement	10,023	3,277
Accrued expenses	283	1,123
Corporation tax payable	1	187
Total other creditors	10,982	4,610

10. Reconciliation of Shares

	<i>Retail Income</i>	<i>Retail Accumulation</i>	<i>Institutional Income</i>	<i>Institutional Accumulation</i>
Opening shares issued at 16.4.18	160,414	7,208,082	-	35,698,643
Share movements 16.4.18 to 15.4.19				
Shares issued	843	131,115	272,989	168,637
Shares cancelled	(6,848)	(1,021,411)	(96,929)	(2,010,656)
Shares in-specie	-	-	8,440,960	18,046,774
Shares converted	(1,658)	77,246	-	(5,735)
Closing shares issued at 15.4.19	152,751	6,395,032	8,617,020	51,897,663

	<i>Income C</i>	<i>Accumulation C</i>	<i>Income P</i>	<i>Accumulation P</i>
Opening shares issued at 16.4.18	9,155,179	311,201,807	469,464	25,959,841
Share movements 16.4.18 to 15.4.19				
Shares issued	738,039	15,309,851	103,159	19,439,495
Shares cancelled	(1,041,307)	(8,806,642)	(13,696)	(248,089)
Shares in-specie	1,140,709	3,550,059	-	-
Shares converted	340,710	(377,368)	-	-
Closing shares issued at 15.4.19	10,333,330	320,877,707	558,927	45,151,247

11. Ultimate Controlling Party and Transactions

The Authorised Corporate Director (ACD) is regarded as a controlling party of the Fund by virtue of having the ability to act in concert in respect of Fund operations. The ultimate controlling party of the ACD is HSBC Group plc.

This entity and its subsidiaries are also related parties of the Fund.

At the year end, the ACD and its associates held the following of the Fund's shares in issue:

	<i>Retail Income</i>	<i>Retail Accumulation</i>	<i>Institutional Income</i>	<i>Institutional Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>	<i>Income P</i>	<i>Accumulation P</i>
	%	%	%	%	%	%	%	%
As at 15.4.19	-	0.31	100.00	98.75	3.88	3.65	-	70.52
As at 15.4.18	-	-	-	100.00	1.81	3.80	-	68.36

Details of all other material related party transactions during the year and any payment amounts outstanding at the balance sheet date are disclosed in notes 8 and 9 to the financial statements and the Statement of Change in Net Assets Attributable to Shareholders and the Portfolio Statement.

The balance from the ACD (including amounts due to associates and agents) at the year end was £251,014 (15.4.18: £600,611), further details of such amounts can be found in notes 8 and 9.

At the year end, the Fund held £983,600,402 (15.4.18: £835,271,065) in Authorised Investment Funds managed by HSBC Holdings, the parent company of the ACD. During the year, transactions in Authorised Investment Funds managed by HSBC Holdings totalled £409,511,325 (15.4.18: £262,195,151).

12. Financial Instruments

The financial instrument risks and risk management policies are set out on pages 12 and 13.

Foreign Currency Risk

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

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>		<i>Net other assets/(liabilities)</i>		<i>Net assets</i>	
	15.4.19	15.4.18	15.4.19	15.4.18	15.4.19	15.4.18
	£'000	£'000	£'000	£'000	£'000	£'000
Sterling*	648,693	550,822	12,422	16,061	661,115	566,883
Euro	11	209	-	-	11	209
Japanese yen	310	-	-	-	310	-
United States dollar	506,837	367,847	(1,149)	(3,277)	505,688	364,570
Total	1,155,851	918,878	11,273	12,784	1,167,124	931,662

*No currency risk as base currency.

Interest Rate Risk

At the year end 0.70% (15.4.18: 1.69%) of the Fund's assets by value were interest-bearing.

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

13. Shareholders' Funds

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

The annual ACD charge on the retail share class is 1.25%, nil on the institutional share class, 0.55% on the C share class and 0.25% on the P share class.

The net asset value of the share class, the net asset value per share and the number of shares in each class are given in the Comparative Tables on pages 126 to 129. The distribution per share class is given in the Distribution Tables on pages 131 and 132.

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

14. Financial Derivatives

The Fund has used financial derivatives for hedging and meeting investment objectives including risk reduction and implementation of investment policies.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

The types of derivatives held at the year end were index futures and forward currency contracts.

Details of the individual contracts are shown on the Portfolio Statement on pages 124 and 125, and the total position by the counterparty at the year end is summarised below: The underlying exposure for each category of derivatives is as follows:

Counterparty	Forward Currency £'000		Total £'000	
	2019	2018	2019	2018
HSBC Bank	2,519	785	2,519	785

The economic exposure of future derivative contracts is equal to the market value. The value of exposure and the related counterparty are disclosed in the Portfolio Statement.

Eligible collateral types are approved by the ACD and may consist of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities.

At 15 April 2019, there was no collateral held in respect of the above derivatives (15.4.18: nil).

15. Contingent Liabilities and Commitments

At the year end the Fund had no contingent liabilities or commitments (15.4.18: none).

16. Portfolio Transaction Costs

For the year ended 15 April 2019	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Pooled investment vehicles	305,749	11	0.00	-	-	-	-
Corporate actions	79,448	-	-	-	-	-	-
Total purchases before transaction costs	385,197	11		-		-	
Transaction costs	11						
Total purchases after commission, tax and fees	385,208						
	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Pooled investment vehicles	254,538	6	0.00	-	-	-	-
Total sales before transaction costs	254,538	6		-		-	
Transaction costs	(6)						
Total sales after commission, tax and fees	254,532						

The Fund had paid £1,167 as commission on purchases and sales derivative transactions for the year ended 15.4.19.

Commissions, taxes and fees as % of average Net Assets

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.02%, being the difference between the respective bid and offer prices for the Fund's investments.

For the year ended 15 April 2018	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Pooled investment vehicles	204,222	3	-	-	-	-	-
Total purchases before transaction costs	204,222	3		-		-	
Transaction costs	3						
Total purchases after commission, tax and fees	204,225						
	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Pooled investment vehicles	100,613	-	-	-	-	-	-
Total sales before transaction costs	100,613	-		-		-	
Transaction costs	-						
Total sales after commission, tax and fees	100,613						

The Fund had paid £498 as commission on purchases and sales derivative transactions for the year ended 15.4.18.

Commissions, taxes and fees as % of average Net Assets

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

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

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

17. Fair Value of Investments

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

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

For the year ended 15 April 2019

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Pooled investment vehicles	227,240	925,960	-	1,153,200
Derivatives	132	2,546	-	2,678
	227,372	928,506	-	1,155,878
Investment Liabilities				
Derivatives	(1)	(26)	-	(27)
	(1)	(26)	-	(27)

For the year ended 15 April 2018

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Pooled investment vehicles	184,113	733,980	-	918,093
Derivatives	-	785	-	785
	184,113	734,765	-	918,878

18. Sensitivity Analysis

Price risk sensitivity:

If the price of investments at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £115,585,070 (15.4.18: £91,887,787).

Currency risk sensitivity:

If the exchange rate at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £50,600,905 (15.4.18: £36,477,866).

Interest rate risk sensitivity:

At the balance sheet date, the Fund did not have a significant exposure to interest rate risk, therefore no sensitivity analysis is disclosed (15.4.18: no significant exposure).

World Selection - Interest Income Portfolio

Investment Objective

To provide income through cautious investment in a broad range of asset classes across global markets.

Investment Policy*

This is one of a range of actively managed World Selection Portfolios offered at five different risk levels. The asset allocation of each fund in the range reflects the risk level. The Fund is rated as 2, where 1 is a lower level of risk and 5 is a higher level of risk. The Fund is managed with the aim of providing income in line with its agreed long term risk profile therefore any potential returns are likely to be limited by the risk profile of the Fund.

To achieve its objective the Fund invests primarily in collective investment schemes that in turn invest in fixed income securities, equities, alternative asset classes and derivatives. Typically the Fund will have a bias towards asset classes that focus on fixed interest strategies.

The Fund may, in addition to its other investment powers, use exchange traded and over-the-counter derivatives and forward currency contracts for investment purposes. Using these investment powers for investment purposes means, in particular, maintaining positions in these investments for the long term rather than just for tactical short-term purposes. Where the use of derivatives is for investment purposes in addition to hedging it is envisaged that the use of such instruments will not affect the overall risk profile of the Fund.

*The full policy can be found in the prospectus.

Investment Strategy

The starting point for the World Selection Portfolios is the Strategic Asset Allocation (SAA). SAA is the long-term blend of assets for each risk level. Tactical Asset Allocation (TAA) is another layer on top of the SAA and is driven by the investment team's shorter term market outlook. Portfolio Implementation is the final stage in the investment process, where we decide how best to take exposure to each asset class.

99% of the Fund invests in collective investment schemes. This includes 15% in collective investment schemes that aim to track the performance of market indices.

Derivatives may be used with the aim of hedging to reduce market risk and to reduce the impact of currency movements but also with the aim of generating returns to assist the Fund in meeting its investment objective. Exchange traded futures may be used to gain or reduce exposure to certain asset classes. Forward currency contracts may be used to gain exposure to currencies or for hedging to reduce the impact of currency movements for certain asset classes that are not denominated in Sterling.

*The full strategy can be found in the prospectus.

Portfolio Activity

During the period, the portfolio was renamed from World Selection Income Portfolio to World Selection Interest Income Portfolio. The portfolio maintained overweight exposure to a diversified basket of risk assets, relative to its long term strategic asset allocation, throughout the reporting period. At the start of the period the portfolio held overweight positions in global equities and emerging market debt in local currency, with an underweight position held in global government bonds.

In January 2019, the Portfolio Management team added the Fidelity Emerging Markets Quality Income UCITS ETF.

February saw the team sell the Artemis Global Income Fund and close our "Fallen Angels" exposure with the proceeds invested to HSBC GIF Global Short Duration High Yield Bond and Fidelity Global Quality Income ETF.

Major purchases included: HSBC GBL Short Duration High Yield Bond, Fidelity Global Quality Income ETF, Fidelity Emerging Markets Quality ETF.

Major sales included: NB Floating Rate Income Fund, Artemis Global Income Fund, iShares Fallen Angels High Yield ETF.

Investment Performance

During the year under review, the value of the shares in the Fund increased by 4.98%.

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

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

Fund Particulars

as at 16 April 2019

	Retail Income	Retail Accumulation	Income C
Price	110.0p xd	151.1p	115.6p xd
Distribution payable (on 15 June 2019) per share net	1.161050p	1.578565p	1.212629p
Current net estimated yield	4.05%	3.95%	4.04%
Annual ACD charge	1.25%	1.25%	0.55%
	Accumulation C	Income P	Accumulation P
Price	157.5p	117.1p xd	159.7p
Distribution payable (on 15 June 2019) per share net	1.641439p	1.235173p	1.659334p
Current net estimated yield	3.94%	4.03%	3.93%
Annual ACD charge	0.55%	0.25%	0.25%

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Global Aggregate Bonds - 0.00% (3.64%)			
Global Assets-Backed Bonds - 2.50% (2.43%)			
+HSBC GIF Global Asset-Backed Bond Z Acc	124,833	14,011	2.50
Total Global Assets-Backed Bonds		14,011	2.50
Global Corporate Bonds - 13.90% (14.06%)			
*+HSBC GIF Global Corporate Bond Fund	9,496,806	77,843	13.90
Total Global Corporate Bonds		77,843	13.90
Global Emerging Markets Debt - 13.91% (13.73%)			
*+HSBC GIF Global Emerging Markets Bond Fund	3,733,293	27,848	4.97
*+HSBC GIF Global Emerging Markets Local Debt Fund	6,755,471	47,559	8.49
+HSBC GIF India Fixed Income	309,151	2,510	0.45
Total Global Emerging Markets Debt		77,917	13.91
Global Emerging Markets Equity - 1.16% (0.00%)			
Fidelity Emerging Markets Quality Income UCITS ETF	1,661,657	6,519	1.16
Total Global Emerging Markets Equity		6,519	1.16
Global Equities - 12.99% (13.61%)			
Fidelity Global Quality Income ETF	2,622,266	11,806	2.11
+HSBC Global Equity Income Fund	36,599,427	39,674	7.08
+HSBC UCITS Common Contractual Fund	243,337	21,266	3.80
Total Global Equities		72,746	12.99
Global High Yield Bonds - 9.63% (7.88%)			
*+HSBC GIF Global Short Duration High Yield Bond Fund	2,156,103	16,572	2.96
*+HSBC GIF Global High Yield Bond ZQ	4,817,357	37,352	6.67
Total Global High Yield Bonds		53,924	9.63
Global Property Equities Funds - 2.40% (2.09%)			
*+HSBC GIF Global Real Estate Equity Fund	1,568,107	13,418	2.40
Total Global Property Equities Funds		13,418	2.40
Infrastructure - 5.02% (4.92%)			
^Bilfinger Berger Global Infrastructure SICAV	7,465,112	11,832	2.11
^GCP Infrastructure Investments	3,252,420	4,079	0.73
^+HICL Infrastructure	7,441,933	12,199	2.18
Total Infrastructure		28,110	5.02
Direct Property Funds -2.60% (3.05%)			
^F&C Commercial Property Trust	6,704,478	7,911	1.41
Henderson UK Property Fund	4,400,147	5,074	0.91
Standard Life Investments UK Real Estate Fund	1,538,665	1,546	0.28
Total Direct Property Funds		14,531	2.60

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
UK Corporate Bonds - 21.21% (21.25%)			
+HSBC Corporate Bond Fund	40,644,324	91,572	16.35
+HSBC Sterling Corporate Bond Index Fund	27,746,269	27,197	4.86
Total UK Corporate Bonds		118,769	21.21
UK Equities - 12.22% (12.65%)			
Fidelity MoneyBuilder Dividend Fund	18,657,447	23,490	4.19
^+HSBC FTSE 100 UCITS ETF	108,275	8,038	1.43
^*iShares FTSE 100 UCITS ETF	250,597	1,845	0.33
^*Vanguard FTSE 100 UCITS ETF	1,067,908	35,097	6.27
Total UK Equities		68,470	12.22
Other Bonds - 1.74% (0.00%)			
*+HSBC GIF Asset-Backed Crossover Bond	1,277,913	9,739	1.74
Total Other Bonds		9,739	1.74
Forward Foreign Exchange Contracts - 0.19% (0.11%)			
#Sold \$278,829,456 for £213,409,271 settled 9/5/2019		1,065	0.19
Total Forward Foreign Exchange Contracts		1,065	0.19
Portfolio of investments		557,062	99.47
Net other assets		2,959	0.53
Net assets		560,021	100.00
*offshore fund			
+related party			
^listed			
#unlisted			

Figures in brackets denote comparative percentage holdings as at 15 April 2018.

All holdings are Authorised Investment Funds, unless otherwise stated.

The counterparty for Forward Foreign Exchange Contracts is HSBC.

Comparative Tables

for the year ended 15 April 2019

Retail Income	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	109.70p	115.60p	108.60p
Return before operating charges*	6.09p	(0.24p)	13.68p
Operating charges**	(1.44p)	(1.50p)	(1.52p)
Return after operating charges*	4.65p	(1.74p)	12.16p
Distributions on income shares	(4.45p)	(4.16p)	(5.16p)
Closing net asset value per share	109.90p	109.70p	115.60p
*after direct transaction costs of:***	0.00p	0.00p	0.01p
Performance			
Return after charges	4.24%	(1.51%)	11.20%
Other information			
Closing net asset value	£3,237,217	£3,489,164	£23,910,281
Closing number of shares	2,946,931	3,180,145	20,684,552
Operating charges - OCF	1.52%	1.52%	1.52%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	112.50p	117.30p	116.80p
Lowest share price	105.70p	109.50p	106.90p

Retail Accumulation	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	144.70p	146.90p	132.80p
Return before operating charges*	8.13p	(0.27p)	16.96p
Operating charges**	(1.93p)	(1.93p)	(1.90p)
Return after operating charges*	6.20p	(2.20p)	15.06p
Distributions on accumulation shares	(5.96p)	(5.31p)	(6.41p)
Retained distributions on accumulation shares	5.96p	5.31p	5.45p
Closing net asset value per share	150.90p	144.70p	146.90p
*after direct transaction costs of:***	0.00p	0.00p	0.01p
Performance			
Return after charges	4.28%	(1.50%)	11.34%
Other information			
Closing net asset value	£6,515,411	£7,124,179	£14,709,990
Closing number of shares	4,318,974	4,924,816	10,014,044
Operating charges - OCF	1.52%	1.52%	1.52%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	151.00p	150.30p	146.80p
Lowest share price	142.50p	143.20p	130.80p

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

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

Comparative Tables

for the year ended 15 April 2019

Income C	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	114.50p	119.80p	111.70p
Return before operating charges*	6.32p	(0.24p)	14.18p
Operating charges**	(0.76p)	(0.79p)	(0.78p)
Return after operating charges*	5.56p	(1.03p)	13.40p
Distributions on income shares	(4.66p)	(4.27p)	(5.30p)
Closing net asset value per share	115.40p	114.50p	119.80p
*after direct transaction costs of:***	0.00p	0.00p	0.01p
Performance			
Return after charges	4.86%	(0.86%)	12.00%
Other information			
Closing net asset value	£361,163,020	£323,849,641	£301,981,582
Closing number of shares	312,997,175	282,840,920	252,165,807
Operating charges - OCF	0.87%	0.87%	0.87%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	117.60p	121.70p	121.00p
Lowest share price	110.80p	114.30p	110.10p

Accumulation C	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	149.80p	151.10p	135.70p
Return before operating charges*	8.41p	(0.29p)	17.35p
Operating charges**	(1.01p)	(1.01p)	(0.96p)
Return after operating charges*	7.40p	(1.30p)	16.39p
Distributions on accumulation shares	(6.19p)	(5.47p)	(6.55p)
Retained distributions on accumulation shares	6.19p	5.47p	5.56p
Closing net asset value per share	157.20p	149.80p	151.10p
*after direct transaction costs of:***	0.00p	0.00p	0.01p
Performance			
Return after charges	4.94%	(0.86%)	12.08%
Other information			
Closing net asset value	£179,827,675	£184,867,327	£192,176,356
Closing number of shares	114,387,709	123,432,218	127,185,429
Operating charges - OCF	0.87%	0.87%	0.87%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	157.30p	155.30p	151.00p
Lowest share price	148.20p	148.30p	133.70p

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

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

Comparative Tables

for the year ended 15 April 2019

Income P	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	115.60p	120.50p	112.00p
Return before operating charges*	6.39p	(0.21p)	14.20p
Operating charges**	(0.37p)	(0.38p)	(0.37p)
Return after operating charges*	6.02p	(0.59p)	13.83p
Distributions on income shares	(4.72p)	(4.31p)	(5.33p)
Closing net asset value per share	116.90p	115.60p	120.50p
*after direct transaction costs of:***	0.00p	0.00p	0.01p
Performance			
Return after charges	5.21 %	(0.49%)	12.35%
Other information			
Closing net asset value	£2,387,080	£2,446,051	£2,672,767
Closing number of shares	2,041,512	2,115,560	2,217,977
Operating charges - OCF	0.52%	0.52%	0.52%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	118.90p	122.50p	121.70p
Lowest share price	112.20p	115.40p	110.40p

Accumulation P	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	151.40p	152.20p	136.20p
Return before operating charges*	8.59p	(0.31p)	17.45p
Operating charges**	(0.49p)	(0.49p)	(0.46p)
Return after operating charges*	8.10p	(0.80p)	16.99p
Distributions on accumulation shares	(6.27p)	(5.52p)	(6.58p)
Retained distributions on accumulation shares	6.27p	5.52p	5.59p
Closing net asset value per share	159.50p	151.40p	152.20p
*after direct transaction costs of:***	0.00p	0.00p	0.01p
Performance			
Return after charges	5.35%	(0.53%)	12.47%
Other information			
Closing net asset value	£6,890,562	£7,159,307	£7,404,317
Closing number of shares	4,321,330	4,729,263	4,865,119
Operating charges - OCF	0.52%	0.52%	0.52%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	159.60p	156.90p	152.10p
Lowest share price	150.10p	149.80p	134.30p

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

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

Statement of Total Return

for the year ended 15 April 2019

	Notes	15.4.19		15.4.18	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		8,038		(20,162)
Revenue	3	22,014		19,275	
Expenses	4	(3,637)		(3,732)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		18,377		15,542	
Taxation	5	(45)		(26)	
Net revenue after taxation			18,332		15,516
Total return/(deficit) before distributions			26,370		(4,646)
Distributions	6		(22,015)		(19,542)
Change in net assets attributable to shareholders from investment activities			4,355		(24,188)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15 April 2019

	15.4.19		15.4.18	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		528,936		542,855
Amounts receivable on creation of shares	40,713		27,606	
Amounts payable on cancellation of shares	(21,832)		(24,811)	
		18,881		2,795
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		4,355		(24,188)
Retained distribution on accumulation shares		7,849		7,474
Closing net assets attributable to shareholders		560,021		528,936

Balance Sheet

as at 15 April 2019

	Notes	15.4.19		15.4.18	
		£'000	£'000	£'000	£'000
Assets					
Investments			557,062		525,865
Current assets					
Debtors	8	1,549		688	
Cash and bank balances		10,230		8,645	
Total current assets			11,779		9,333
Total assets			568,841		535,198
Liabilities					
Creditors					
Distribution payable on income shares		(3,855)		(2,691)	
Other creditors	9	(4,965)		(3,571)	
Total creditors			(8,820)		(6,262)
Total liabilities			(8,820)		(6,262)
Net assets attributable to shareholders			560,021		528,936

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 January 2019				
Group 2: Shares purchased from 16 January 2019 to 15 April 2019				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.6.19</i>	<i>Distribution paid 15.6.18</i>
Retail Income				
Group 1	1.161050	-	1.161050	0.893458
Group 2	0.585649	0.575401	1.161050	0.893458
Retail Accumulation				
Group 1	1.578565	-	1.578565	1.163441
Group 2	1.162280	0.416285	1.578565	1.163441
Income C				
Group 1	1.212629	-	1.212629	0.934223
Group 2	0.733768	0.478861	1.212629	0.934223
Accumulation C				
Group 1	1.641439	-	1.641439	1.206524
Group 2	1.052138	0.589301	1.641439	1.206524
Income P				
Group 1	1.235173	-	1.235173	0.939592
Group 2	1.235173	0.000000	1.235173	0.939592
Accumulation P				
Group 1	1.659334	-	1.659334	1.215868
Group 2	1.307634	0.351700	1.659334	1.215868

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 October 2018				
Group 2: Shares purchased from 16 October 2018 to 15 January 2019				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.3.19</i>	<i>Distribution paid 15.3.18</i>
Retail Income				
Group 1	0.900000	-	0.900000	0.970000
Group 2	0.530000	0.370000	0.900000	0.970000
Retail Accumulation				
Group 1	1.200000	-	1.200000	1.220000
Group 2	0.720000	0.480000	1.200000	1.220000
Income C				
Group 1	0.950000	-	0.950000	0.960000
Group 2	0.560000	0.390000	0.950000	0.960000
Accumulation C				
Group 1	1.260000	-	1.260000	1.240000
Group 2	0.810000	0.450000	1.260000	1.240000
Income P				
Group 1	0.950000	-	0.950000	0.970000
Group 2	0.950000	0.000000	0.950000	0.970000
Accumulation P				
Group 1	1.280000	-	1.280000	1.250000
Group 2	0.790000	0.490000	1.280000	1.250000

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 July 2018 Group 2: Shares purchased from 16 July 2018 to 15 October 2018				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.12.18</i>	<i>Distribution paid 15.12.17</i>
Retail Income				
Group 1	1.200000	-	1.200000	1.310000
Group 2	0.220000	0.980000	1.200000	1.310000
Retail Accumulation				
Group 1	1.620000	-	1.620000	1.670000
Group 2	1.020000	0.600000	1.620000	1.670000
Income C				
Group 1	1.260000	-	1.260000	1.350000
Group 2	0.680000	0.580000	1.260000	1.350000
Accumulation C				
Group 1	1.670000	-	1.670000	1.720000
Group 2	0.900000	0.770000	1.670000	1.720000
Income P				
Group 1	1.280000	-	1.280000	1.370000
Group 2	1.050000	0.230000	1.280000	1.370000
Accumulation P				
Group 1	1.690000	-	1.690000	1.740000
Group 2	0.880000	0.810000	1.690000	1.740000

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 April 2018 Group 2: Shares purchased from 16 April 2018 to 15 July 2018				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.9.18</i>	<i>Distribution paid 15.9.17</i>
Retail Income				
Group 1	1.190000	-	1.190000	0.990000
Group 2	0.960000	0.230000	1.190000	0.990000
Retail Accumulation				
Group 1	1.560000	-	1.560000	1.260000
Group 2	1.010000	0.550000	1.560000	1.260000
Income C				
Group 1	1.240000	-	1.240000	1.030000
Group 2	0.790000	0.450000	1.240000	1.030000
Accumulation C				
Group 1	1.620000	-	1.620000	1.300000
Group 2	0.910000	0.710000	1.620000	1.300000
Income P				
Group 1	1.250000	-	1.250000	1.030000
Group 2	1.250000	0.000000	1.250000	1.030000
Accumulation P				
Group 1	1.640000	-	1.640000	1.310000
Group 2	0.790000	0.850000	1.640000	1.310000

Notes to the Financial Statements

for the year ended 15 April 2019

	15.4.19 £'000	15.4.18 £'000
1. Accounting Policies		
The accounting policies are set out on pages 10 and 11.		
2. Net Capital Gains/(Losses)		
The net capital gains/(losses) during the year comprise:		
Realised losses on currency	(4)	(73)
Unrealised gains on currency	4	-
Transaction (charges)/ rebate	(2)	17
Realised (losses)/gains on forward foreign currency contracts	(16,492)	17,351
Unrealised gains on forward foreign currency contracts	1,066	582
Realised gains on futures contracts	-	525
Realised gains on non-derivative securities	1,154	8,224
Unrealised gains/(losses) on non-derivative securities	22,311	(46,789)
Management fee rebates	1	1
Net capital gains/(losses)	8,038	(20,162)
3. Revenue		
Overseas dividends	2,927	2,282
Unfranked distributions from UK authorised ICVCs and unit trusts	284	174
Franked distributions from UK authorised ICVCs and unit trusts	5,604	5,172
Interest on bonds and other debt securities	13,177	11,632
Bank interest	14	4
Management fee rebates	8	10
HMRC interest received	-	1
Total revenue	22,014	19,275
4. Expenses		
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
Authorised Corporate Director's charge	3,027	3,129
Registration fee	533	526
Safe custody fee	16	17
	3,576	3,672
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	53	53
Other expenses:		
Audit fee	6	6
Report and accounts fee	2	1
	8	7
Total expenses	3,637	3,732

	15.4.19 £'000	15.4.18 £'000
5. Taxation		
a) Analysis of charge in year:		
Corporation tax	45	34
Overseas tax	-	(8)
Total tax for the year (note 5b)	45	26
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	18,377	15,542
Corporation tax at 20%	3,675	3,108
Effects of:		
Revenue not subject to taxation	(1,706)	(1,490)
Tax deductible interest distributions	(1,924)	(1,584)
Overseas tax	-	(8)
Current tax charge for the year (note 5a)	45	26
c) Provision for deferred taxation		
At 15 April 2019, there is no potential deferred tax asset (15.4.18: £nil) in relation to surplus management expenses.		
6. Distributions		
The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:		
Interim dividend distribution	16,240	15,266
Final dividend distribution	5,872	4,295
	22,112	19,561
Add: Amounts deducted on cancellation of shares	102	93
Deduct: Amounts received on issue of shares	(199)	(112)
Net distribution for the year	22,015	19,542
7. Movement Between Net Revenue and Distributions		
Net revenue after taxation	18,332	15,516
Expenses charged to capital	3,637	3,732
Equalisation received transferred from capital	46	294
Net distribution for the year	22,015	19,542
8. Debtors		
Amounts receivable for creation of shares	939	183
Accrued revenue	584	484
Management fee rebates receivable/Monies due from ACD	13	12
Income tax recoverable	13	9
Total debtors	1,549	688
9. Other Creditors		
Amounts payable for cancellation of shares	284	417
Purchases awaiting settlement	4,483	2,397
Accrued expenses	198	757
Total other creditors	4,965	3,571

10. Reconciliation of Shares

	<i>Retail Income</i>	<i>Retail Accumulation</i>	<i>Income C</i>
Opening shares issued at 16.4.18	3,180,145	4,924,816	282,840,920
Share movements 16.4.18 to 15.4.19			
Shares issued	6,872	27,393	32,611,906
Shares cancelled	(239,170)	(611,792)	(3,472,474)
Shares converted	(916)	(21,443)	1,016,823
Closing shares issued at 15.4.19	2,946,931	4,318,974	312,997,175

	<i>Accumulation C</i>	<i>Income P</i>	<i>Accumulation P</i>
Opening shares issued at 16.4.18	123,432,218	2,115,560	4,729,263
Share movements 16.4.18 to 15.4.19			
Shares issued	1,842,553	128,390	273,646
Shares cancelled	(10,143,124)	(202,438)	(681,579)
Shares converted	(743,938)	-	-
Closing shares issued at 15.4.19	114,387,709	2,041,512	4,321,330

11. Ultimate Controlling Party and Transactions

The Authorised Corporate Director (ACD) is regarded as a controlling party of the Fund by virtue of having the ability to act in concert in respect of Fund operations. The ultimate controlling party of the ACD is HSBC Group plc. This entity and its subsidiaries are also related parties of the Fund.

At the year end, the ACD and its associates held the following of the Fund's shares in issue:

	<i>Retail Income</i>	<i>Retail Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>	<i>Income P</i>	<i>Accumulation P</i>
	%	%	%	%	%	%
As at 15.4.19	-	0.23%	0.23%	0.33%	-	-
As at 15.4.18	-	-	0.28%	0.29%	-	-

Details of all other material related party transactions during the year and any payment amounts outstanding at the balance sheet date are disclosed in notes 8 and 9 to the financial statements and the Statement of Change in Net Assets Attributable to Shareholders and the Portfolio Statement.

The balance due from/to the ACD (including amounts due to associates and agents) at the year end was £482,809 (15.4.18: £962,684), further details of such amounts can be found in notes 8 and 9.

At the year end, the Fund held £446,797,360 (15.4.18: £389,073,936) in HSBC Holdings, the parent company of the ACD. During the year, transactions in HSBC Holdings totalled £93,140,786 (15.4.18: £189,171,447).

12. Financial Instruments

The financial instrument risks and risk management policies are set out on pages 12 and 13.

Foreign Currency Risk

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

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>		<i>Net other assets/(liabilities)</i>		<i>Net assets</i>	
	15.4.19	15.4.18	15.4.19	15.4.18	15.4.19	15.4.18
	£'000	£'000	£'000	£'000	£'000	£'000
Sterling*	269,554	294,207	5,431	5,468	274,985	299,675
Euro	-	13	-	-	-	13
United States dollar	287,508	231,645	(2,472)	(2,397)	285,036	229,248
Total	557,062	525,865	2,959	3,071	560,021	528,936

*No currency risk as base currency.

Interest Rate Risk

At the year end 1.83% (15.4.18: 1.63%) of the Fund's assets by value were interest-bearing.

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

13. Shareholders' Funds

This Fund has a retail share class, a C share class and a P share class.

The annual ACD charge on the retail share class is 1.25%, 0.55% on the C share class and 0.25% on the P share class.

The net asset value of the share class, the net asset value per share and the number of shares in each class are given in the Comparative Tables on pages 143 to 145.

The distribution per share class is given in the Distribution Tables on pages 147 to 150.

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

14. Financial Derivatives

The Fund has used financial derivatives for hedging and meeting investment objectives including risk reduction and implementation of investment policies.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

The type of derivatives held at the year end was forward currency contracts.

Details of the individual contracts are shown on the Portfolio Statement on pages 141 and 142, and the total position by the counterparty at the year end is summarised below. The underlying exposure for each category of derivatives is as follows:

Counterparty	<i>Forward Currency</i>		<i>Total</i>	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
HSBC Bank	1,065	582	1,065	582

Eligible collateral types are approved by the ACD and may consist of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities.

At 15 April 2019, there was no collateral held in respect of the above derivatives (15.4.18: nil).

15. Contingent Liabilities and Commitments

At the year end, the Fund had no contingent liabilities or commitments (15.4.18: none).

16. Portfolio Transaction Costs

For the year ended 15 April 2019	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Equity transactions	628	-	-	-	-	-	-
Pooled investment vehicles	91,550	2	0.00	-	-	1	0.00
Total purchases before transaction costs	92,178	2		-		1	
Transaction costs	3						
Total purchases after commission, tax and fees	92,181						
	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Equity transactions	21,260	10	0.05	-	-	-	-
Pooled investment vehicles	64,058	3	0.00	-	-	-	-
Total sales before transaction costs	85,318	13		-		-	
Transaction costs	(13)						
Total sales after commission, tax and fees	85,305						

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 15.4.19.

Commissions, taxes and fees as % of average Net Assets

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.07%, being the difference between the respective bid and offer prices for the Fund's investments.

For the year ended 15 April 2018	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Equity transactions	2,969	1	0.03	-	-	-	-
Pooled investment vehicles	110,238	1	0.00	-	-	4	0.00
In-specie transactions	37,230	-	-	-	-	-	-
Total purchases before transaction costs	150,437	2		-		4	
Transaction costs	6						
Total purchases after Commission, tax and fees	150,443						
	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Pooled investment vehicle	54,220	-	-	-	-	2	0.00
In-specie transactions	37,230	-	-	-	-	-	-
Total sales before transaction costs	91,450	-		-		2	
Transaction costs	(2)						
Total sales after commission, tax and fees	91,448						

The Fund had paid £410 as commission on purchases and sales derivative transactions for the year ended 15.4.18.

Commissions, taxes and fees as % of average Net Assets

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.09%, being the difference between the respective bid and offer prices for the Fund's investments.

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

17. Fair Value of Investments

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

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

For the year ended 15 April 2019

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	36,021	-	-	36,021
Pooled investment vehicles	63,306	456,670	-	519,976
Derivatives	-	1,065	-	1,065
	99,327	457,735	-	557,062

For the year ended 15 April 2018

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Equities	54,814	-	-	54,814
Pooled investment vehicles	49,821	420,648	-	470,469
Derivatives	-	582	-	582
	104,635	421,230	-	525,865

18. Sensitivity Analysis**Price risk sensitivity:**

If the price of investments at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £55,706,232 (15.4.18: £52,586,543).

Currency risk sensitivity:

If the exchange rate at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £28,503,630 (15.4.18: £22,926,037).

Interest rate risk sensitivity:

At the balance sheet date, the Fund did not have a significant exposure to interest rate risk, therefore no sensitivity analysis is disclosed (15.4.18: no significant exposure).

Global Strategy Adventurous Portfolio

Investment Objective

To provide capital growth through diversified investment across global markets with a bias towards equities.

Investment Policy*

This is one of a range of actively managed Global Strategy Portfolios offered at five different risk levels. The Fund is rated as 5, where 1 is a lower level of risk and 5 is a higher level of risk. The Fund is managed in line with its agreed long term risk profile and is periodically rebalanced. Any potential gains are likely to be limited by the risk profile of the Fund.

To achieve its objective the Fund invests substantially in collective investment schemes, including exchange traded funds, which aim to track the performance of market indices. Such assets shall, in turn, invest in equities, fixed interest securities and property securities that make up the relevant index.

*The full policy can be found in the prospectus.

Investment Strategy*

The Fund invests in corporate bonds, equities and property securities through investment in collective investment schemes, including exchange traded funds, which aim to track the performance of an appropriate market index.

99% of the Fund invests in collective investment schemes that aim to track the performance of an index.

Derivatives may be used with the aim of hedging to reduce market risk and to reduce the impact of currency movements but also with the aim of generating returns to assist the Fund in meeting its investment objective. Exchange traded futures may be used to gain or reduce exposure to certain asset classes. Forward currency contracts may be used to gain exposure to currencies or for hedging to reduce the impact of currency movements for certain asset classes that are not denominated in Sterling.

*The full strategy can be found in the prospectus.

Portfolio Activity

The portfolio maintained overweight exposure to a diversified basket of risk assets, relative to its long term strategic asset allocation, throughout the reporting period. At the start of the period the portfolio held an overweight position in global equities and an underweight position in global government bonds.

At the end of April, the Portfolio Management team reduced our overweight allocation to Europe equity. This was on the back of softening economic and earnings data. The proceeds were reinvested into the wider global equity asset class, leaving our overall preference for equity unchanged.

The end of May saw the Portfolio Management team complete the review and implementation of the Fund's strategic asset allocation. This saw a reduction to our global corporate bond allocation and an increase in our global equity allocation.

October saw the Portfolio Management team switch our corporate bond exposure from sterling corporate bonds to global corporate bonds.

In January, our equity overweight was reduced by 1%, to 2% as economic data had deteriorated slightly. While in February, we reduced our underweight allocation to the US by selling some of our exposure to Japan.

In April, we introduced a small overweight to UK equity as, despite Brexit uncertainties, UK data remains solid and valuations are attractive.

Major purchases include: HSBC American Index Fund, HSBC Japan Index Fund, HSBC FTSE 100 Index Fund, iShares Pacific Index Fund, iShares Emerging Markets Index Fund and HSBC Corporate Bond Index Fund.

Major sales included: HSBC European Index Fund and Sterling Corporate Bond Index. HSBC Japan Index.

Investment Performance

During the year under review, the value of the shares in the Fund increased by 7.90%.

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

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

Fund Particulars

as at 16 April 2019

	Income C	Accumulation C
Price	110.9p xd	112.2p
Distribution payable (on 15 June 2019) per share net	0.597666p	0.603993p
Current net estimated yield	1.06%	1.05%
Annual ACD charge	0.10%	0.10%

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Asia - Pacific (excluding Japan) Equities - 3.91% (3.89%)			
^iShares Pacific Index Fund	47,100	650	3.91
Total Asia-Pacific (excluding Japan) Equities		650	3.91
European (excluding UK) Equities - 13.92% (14.78%)			
+HSBC European Index Fund	242,199	2,317	13.92
Total European (excluding UK) Equities		2,317	13.92
Global Emerging Markets Equities - 12.65% (11.54%)			
^iShares Emerging Markets Index Fund	184,990	2,105	12.65
Total Global Emerging Markets Equities		2,105	12.65
Japanese Equities - 8.18% (8.75%)			
+HSBC Japan Index Fund	1,081,972	1,361	8.18
Total Japanese Equities		1,361	8.18
US Equities - 48.10% (48.63%)			
+HSBC American Index Fund	851,552	5,435	32.66
^iShares VII Core S&P 500 UCITS ETF	11,827	2,570	15.44
Total North American Equities		8,005	48.10
Direct Property Funds - 5.04% (4.79%)			
^iShares Developed Real Estate Index Fund	85,739	839	5.04
Total Direct Property Funds		839	5.04
Global Corporate Bonds - 0.96% (0.93%)			
+HSBC Corporate Bond Index Fund	20,279	159	0.96
Total Global Corporate Bonds		159	0.96
UK Equities - 6.05% (5.63%)			
+HSBC FTSE 100 Index Fund	349,435	843	5.07
+HSBC FTSE All-Share Index Fund	25,791	163	0.98
Total UK Equities		1,006	6.05
Forward Foreign Exchange Contracts - 0.17% (0.18%)			
#Sold €655,749 for £566,116 settled 9/5/2019		-	-
#Sold ¥67,336,098 for £462,975 settled 9/5/2019		4	0.02
#Sold \$6,390,193 for £4,890,898 settled 9/5/2019		25	0.15
#Sold £17,388 for ¥2,529,320 settled 9/5/2019		-	-
#Sold £51,950 for \$68,049 settled 9/5/2019		-	-
Total Forward Foreign Exchange Contracts		29	0.17

Portfolio Statement

as at 15 April 2019

	<i>Bid value £'000</i>	<i>Total net assets %</i>
Portfolio of investments	16,471	98.98
Net other assets	170	1.02
Net assets	16,641	100.00

^listed

*offshore fund

+related party

#unlisted

Figures in brackets denote the comparative percentage holdings as at 15 April 2018.

Unless otherwise stated, all holdings are authorised investment funds.

The counterparties for Forward Foreign Exchange Contracts are Goldman Sachs, HSBC Bank, Royal Bank of Scotland and State Street.

Comparative Tables

For the year ended 15 April 2019

Income C	15.4.19	15.4.18†	15.4.17
Change in net assets per share			
Opening net asset value per share	101.00p	100.00p	N/A
Return before operating charges*	11.03p	1.10p	N/A
Operating charges**	(0.13p)	(0.10p)	N/A
Return after operating charges*	10.90p	1.00p	N/A
Distributions on income shares	(1.28p)	0.00p	N/A
Closing net asset value per share	110.62p	101.00p	N/A
*after direct transaction costs of:***	0.00p	0.01p	N/A
Performance			
Return after charges	10.79%	1.00%	N/A
Other information			
Closing net asset value	£4,422,022	£3,802,946	N/A
Closing number of shares	3,997,372	3,766,486	N/A
Operating charges - OCF	0.20%	0.24%	N/A
Direct transaction costs	0.00%	0.01%	N/A
Prices			
Highest share price	112.00p	108.80p	N/A
Lowest share price	97.48p	98.62p	N/A

Accumulation C	15.4.19	15.4.18†	15.4.17
Change in net assets per share			
Opening net asset value per share	101.00p	100.00p	N/A
Return before operating charges*	11.09p	1.10p	N/A
Operating charges**	(0.13p)	(0.10p)	N/A
Return after operating charges*	10.96p	1.00p	N/A
Distributions on accumulation shares	(1.28p)	0.00p	N/A
Retained distributions on accumulation shares	1.28p	0.00p	N/A
Closing net asset value per share	111.96p	101.00p	N/A
*after direct transaction costs of:***	0.00p	0.01p	N/A
Performance			
Return after charges	10.85%	1.00%	N/A
Other information			
Closing net asset value	£12,219,065	£5,749,609	N/A
Closing number of shares	10,913,700	5,694,377	N/A
Operating charges - OCF	0.20%	0.24%	N/A
Direct transaction costs	0.00%	0.01%	N/A
Prices			
Highest share price	112.00p	108.80p	N/A
Lowest share price	98.13p	98.62p	N/A

†The Fund launched on 23 August 2017.

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

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

Statement of Total Return

for the year ended 15 April 2019

	Notes	15.4.19		15.4.18*	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		1,150		23
Revenue	3	150		4	
Expenses	4	(12)		(8)	
Net revenue/(expense) before taxation		138		(4)	
Taxation	5	(2)		-	
Net revenue/(expense) after taxation			136		(4)
Total return before distributions			1,286		19
Distributions	6		(140)		1
Change in net assets attributable to shareholders from investment activities			1,146		20

*The Fund launched on 23 August 2017.

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15 April 2019

	15.4.19		15.4.18*	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		9,553		-
Amounts receivable on creation of shares	6,902		9,551	
Amounts payable on cancellation of shares	(1,075)		(19)	
		5,827		9,532
Dilution adjustment		4		1
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		1,146		20
Retained distribution on accumulation shares		111		-
Closing net assets attributable to shareholders		16,641		9,553

*The Fund launched on 23 August 2017.

Balance Sheet

as at 15 April 2019

	Notes	15.4.19		15.4.18*	
		£'000	£'000	£'000	£'000
Assets					
Investments			16,471		9,469
Current assets					
Debtors	8	314		14	
Cash and bank balances		398		138	
Total current assets			712		152
Total assets			17,183		9,621
Liabilities					
Creditors					
Distribution payable on income shares		(24)		-	
Other creditors	9	(518)		(68)	
Total liabilities			(542)		(68)
Net assets attributable to shareholders			16,641		9,553

*The Fund launched on 23 August 2017.

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 October 2018				
Group 2: Shares purchased from 16 October 2018 to 15 April 2019				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 14.6.19</i>	<i>Distribution paid 15.6.18</i>
Income C				
Group 1	0.597666	-	0.597666	0.000000
Group 2	0.440643	0.157023	0.597666	0.000000
Accumulation C				
Group 1	0.603993	-	0.603993	0.000000
Group 2	0.336826	0.267167	0.603993	0.000000

Group 1: Shares purchased prior to 16 April 2018				
Group 2: Shares purchased from 16 April 2018 to 15 October 2018				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.12.18</i>	<i>Distribution paid 15.12.17</i>
Income C				
Group 1	0.680000	-	0.680000	0.000000
Group 2	0.000000	0.680000	0.680000	0.000000
Accumulation C				
Group 1	0.680000	-	0.680000	0.000000
Group 2	0.000000	0.680000	0.680000	0.000000

Notes to the Financial Statements

for the year ended 15 April 2019

	15.4.19	<i>15.4.18*</i>
	£'000	£'000
1. Accounting Policies		
The accounting policies are set out on pages 10 and 11.		
2. Net Capital Gains		
The net capital gains during the year comprise:		
Realised losses on currency	(1)	(3)
Unrealised gains on currency	-	6
Transaction charges	1	(1)
Realised (losses)/gains on forward foreign currency contracts	(220)	240
Unrealised gains on forward foreign currency contracts	29	17
Realised gains on non-derivative securities	51	2
Unrealised gains/(losses) on non-derivative securities	1,290	(238)
Net capital gains	1,150	23
3. Revenue		
Overseas dividends	66	-
Franked distributions from UK authorised ICVCs and unit trusts	79	3
Interest on bonds and other debt securities	5	1
Total revenue	150	4
4. Expenses		
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's charge	12	5
Safe custody fee	-	1
	12	6
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	1	1
Other expenses:		
Report and accounts fee	(1)	1
Total expenses	12	8

*The Fund launched on 23 August 2017.

	15.4.19 £'000	15.4.18* £'000
5. Taxation		
a) Analysis of charge in year:		
Corporation tax	-	-
Total current tax charge for the year (note 5b)	-	-
Deferred tax (note 5c)	2	-
Total tax for the year (note 5b)	2	-
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue/(expense) before taxation	138	(4)
Corporation tax at 20%	28	-
Effects of:		
Revenue not subject to taxation	(29)	(1)
Current year expenses not utilised	-	1
Utilisation of excess management expenses	(1)	-
Unrealised gains on non-qualifying offshore fund	4	-
Current tax charge for the year (note 5a)	2	-
c) Provision for deferred taxation		
Provision at start of year	-	-
Deferred tax charge in profit and loss account for the year (note 5a)	2	-
Provision at end of year (note 5a)	2	-
6. Distributions		
The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:		
Interim dividend distribution	71	-
Final dividend distribution	90	-
	161	-
Add: Amounts deducted on cancellation of shares	8	-
Deduct: Amounts received on issue of shares	(29)	(1)
Net distribution for the year	140	(1)
7. Movement Between Net Revenue and Distributions		
Net revenue/(expense) after taxation	136	(4)
Corporation tax on taxable items in capital	4	-
Income deficit transfer to capital	-	3
Net distribution for the year	140	(1)
8. Debtors		
Amounts receivable for creation of shares	250	14
Sales awaiting settlement	64	-
Total debtors	314	14
9. Other Creditors		
Purchases awaiting settlement	515	64
Accrued expenses	1	4
Deferred tax	2	-
Total other creditors	518	68

*The Fund launched on 23 August 2017.

10. Reconciliation of Shares

	<i>Income C</i>	<i>Accumulation C</i>
Opening shares issued at 16.4.18	3,766,486	5,694,377
Share movements 16.4.18 to 15.4.19		
Shares issued	247,091	6,194,846
Shares cancelled	(16,205)	(975,523)
Closing shares issued at 15.4.19	3,997,372	10,913,700

11. Ultimate Controlling Party and Transactions

The Authorised Corporate Director (ACD) is regarded as a controlling party of the Fund by virtue of having the ability to act in concert in respect of Fund operations. The ultimate controlling party of the ACD is HSBC Group plc. This entity and its subsidiaries are also related parties of the Fund.

At the year end, the ACD and its associates held the following of the Fund's shares in issue:

	<i>Income C</i>	<i>Accumulation C</i>
	%	%
As at 15.4.19	95.72	49.36
As at 15.4.18	100.00	68.94

Details of all other material related party transactions during the year and any payment amounts outstanding at the balance sheet date are disclosed in notes 8 and 9 to the financial statements and the Statement of Change in Net Assets Attributable to Shareholders and the Portfolio Statement.

The balance due from the ACD (including amounts due to associates and agents) at the year end was £249,433 (15.4.18: £10,983), further details of such amounts can be found in notes 8 and 9.

12. Financial Instruments

The financial instrument risks and risk management policies are set out on pages 12 and 13.

Foreign Currency Risk

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

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>		<i>Net other assets/(liabilities)</i>		<i>Net assets</i>	
	15.4.19	15.4.18*	15.4.19	15.4.18*	15.4.19	15.4.18*
	£'000	£'000	£'000	£'000	£'000	£'000
Sterling*	10,118	5,984	261	84	10,379	6,068
Euro	-	4	-	-	-	4
Japanese yen	4	5	-	-	4	5
United States dollar	6,349	3,476	(91)	-	6,258	3,476
Total	16,471	9,469	170	84	16,641	9,553

*No currency risk as base currency.

Interest Rate Risk

At the year end, 2.39% (15.4.18: 1.44%) of the Fund's assets by value were interest-bearing.

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

13. Shareholders' Funds

This Fund has a C share class. The annual ACD charge on the C share class is 0.10%. The net asset value of the share class, the net asset value per share and the number of shares in each class are given in the Comparative Tables on page 161. The distribution per share class is given in the Distribution Tables on page 163. All share classes within the OEIC have the same rights on winding up.

14. Financial Derivatives

The Fund has used financial derivatives for hedging and meeting investment objectives including risk reduction and implementation of investment policies.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

The type of derivatives held at the year end was forward currency contracts.

Details of the individual contracts are shown on the Portfolio Statement on pages 159 and 160, and the total position by the counterparty at the year end is summarised below: The underlying exposure for each category of derivatives is as follows:

Counterparty	<i>Forward Currency</i>	
	2019	2018
	£'000	
HSBC Bank	25	17
State Street	4	-

Eligible collateral types are approved by the ACD and may consist of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities.

At 15 April 2019, there was no collateral held in respect of the above derivatives (15.4.18: nil).

15. Contingent Liabilities and Commitments

At the year end, the Fund had no contingent liabilities or commitments (15.4.18: none).

16. Portfolio Transaction Costs

For the year ended 15 April 2019	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Pooled investment vehicles	7,567	-	-	-	-	-	-
Total purchases before transaction costs	7,567	-	-	-	-	-	-
Transaction costs	-						
Total purchases after commission, tax and fees	7,567						
	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Pooled investment vehicles	2,065	-	-	-	-	-	-
Total sales before transaction costs	2,065	-	-	-	-	-	-
Transaction costs	-						
Total sales after commission, tax and fees	2,065						

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 15.4.19

Commissions, taxes and fees as % of average Net Assets

Commissions 0.00%

Taxes 0.00%

Other expenses 0.00%

At the balance sheet date the portfolio dealing spread was 0.00%, being the difference between the respective bid and offer prices for the Fund's investments.

For the period ended 15 April 2018	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Pooled investment vehicles	9,961	1	0.01	-	-	-	-
Total purchases before transaction costs	9,961	1		-		-	
Transaction costs	1						
Total purchases after commission, tax and fees	9,962						
	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Pooled investment vehicles	279	-	-	-	-	-	-
Total sales before transaction costs	279	-	-	-	-	-	-
Transaction costs	-						
Total sales after commission, tax and fees	279						

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 15.4.18

Commissions, taxes and fees as % of average Net Assets

Commissions 0.01%

Taxes 0.00%

Other expenses 0.00%

At the balance sheet date the portfolio dealing spread was 0.00%, being the difference between the respective bid and offer prices for the Fund's investments.

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

17. Fair Value of Investments

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

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

For the year ended 15 April 2019

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Pooled investment vehicles	2,570	13,872	-	16,442
Derivatives	-	29	-	29
	2,570	13,901	-	16,471

For the year ended 15 April 2018

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Pooled investment vehicles	1,536	7,916	-	9,452
Derivatives	-	17	-	17
	1,536	7,933	-	9,469

18. Sensitivity Analysis

Price risk sensitivity:

If the price of investments at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £1,647,112 (15.4.18: £946,878).

Currency risk sensitivity:

If the exchange rate at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £626,172 (15.4.18: £348,510).

Interest rate risk sensitivity:

At the balance sheet date, the Fund did not have a significant exposure to interest rate risk, therefore no sensitivity analysis is disclosed (15.4.18: no significant exposure).

Global Strategy Balanced Portfolio

Investment Objective

To provide capital growth through investment in a broad range of asset classes across global markets.

Investment Policy*

This is one of a range of actively managed Global Strategy Portfolios offered at five different risk levels. The Fund is rated as 3, where 1 is a lower level of risk and 5 is a higher level of risk. The Fund is managed with the aim of maximising returns in line with its agreed long term risk profile therefore any potential gains are likely to be limited by the risk profile of the Fund.

To achieve its objective the Fund invests primarily in collective investment schemes, including exchange traded funds, which generally aim to track the performance of market indices. Such assets shall, in turn, invest in equities, fixed interest securities and property securities that make up the relevant index.

The Fund may, in addition to its other investment powers, use exchange traded and over-the-counter derivatives and forward currency contracts for investment purposes. Using these investment powers for investment purposes means, in particular, maintaining positions in these investments for the long term rather than just for tactical short-term purposes. Where the use of derivatives is for investment purposes in addition to hedging it is envisaged that the use of such instruments will not affect the overall risk profile of the Fund.

*The full policy can be found in the prospectus.

Investment Strategy

The starting point for the Global Strategy Portfolios is the Strategic Asset Allocation (SAA). SAA is the long-term blend of assets for each risk level. Tactical Asset Allocation (TAA) is another layer on top of the SAA and is driven by the investment team's shorter term market outlook. Portfolio Implementation is the final stage in the investment process, where we decide how best to take exposure to each asset class.

The Fund invests in corporate bonds, equities and property securities through investment in collective investment schemes, including exchange traded funds, which generally aim to track the performance of an appropriate market index.

63% of the Fund invests in collective investment schemes that aim to track the performance of an index. The Fund invests directly in global government bonds.

Derivatives may be used with the aim of hedging to reduce market risk and to reduce the impact of currency movements but also with the aim of generating returns to assist the Fund in meeting its investment objective. Exchange traded futures may be used to gain or reduce exposure to certain asset classes. Forward currency contracts may be used to gain exposure to currencies or for hedging to reduce the impact of currency movements for certain asset classes that are not denominated in Sterling.

*The full strategy can be found in the prospectus.

Portfolio Activity

The portfolio maintained overweight exposure to a diversified basket of risk assets, relative to its long term strategic asset allocation, throughout the reporting period. At the start of the period the portfolio held an overweight position in global equities and an underweight position in global government bonds.

At the end of April, the Portfolio Management team reduced our overweight allocation to Europe equity. This was on the back of softening economic and earnings data. The proceeds were reinvested into the wider global equity asset class, leaving our overall preference for equity unchanged.

The end of May saw the Portfolio Management team complete the review and implementation of the Fund's strategic asset allocation. This saw a reduction to our global corporate bond allocation and an increase in our global equity allocation.

In August, we reduced our duration position by replacing our 10 year US Treasury future with a 2 year future. Yields at the shorter end of maturity were not significantly lower making shorter duration issues more attractive.

October saw the Portfolio Management team switch our corporate bond exposure from sterling corporate bonds to global corporate bonds.

In January, our equity overweight was reduced by 1%, to 2% as economic data had deteriorated slightly. While in February, we reduced our underweight allocation to the US by selling some of our exposure to Japan.

In April, we introduced a short position in 10 year Treasuries to reduce the duration of the portfolios and introduced a small overweight to UK equity as, despite Brexit uncertainties, UK data remains solid and valuations are attractive.

Major purchases included: HSBC American Index Fund, iShares Emerging Markets Index, HSBC Japan Index Fund, HSBC FTSE 100 Index Fund, iShares Pacific Index Fund and HSBC ICAV Global Corporate Bond Index Fund,

Major sales included: HSBC European Index Fund and HSBC Corporate Bond Fund, HSBC Japan Index Fund.

Investment Performance

During the year under review, the value of the shares in the Fund increased by 9.06%.

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

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

Fund Particulars

as at 16 April 2019

	Retail Accumulation	Retail X Income	Retail X Accumulation
Price	180.6p	166.5p xd	185.5p
Distribution payable (on 15 June 2019) per share net	0.528806p	0.819026p	0.912169p
Current net estimated yield	1.10%	1.51%	1.49%
Annual ACD charge	0.80%	0.30%	0.30%
		Income C	Accumulation C
Price		166.1p xd	187.6p
Distribution payable (on 15 June 2019) per share net		1.009116p	1.128172p
Current net estimated yield		1.74%	1.72%
Annual ACD charge		0.10%	0.10%

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Asia-Pacific (excluding Japan) Equities - 2.56% (2.27%)			
^*iShares Core MSCI Pacific ex-Japan UCITS ETF	26,112	3,019	0.79
^*iShares Pacific Index Fund	490,697	6,778	1.77
Total Asia-Pacific (excluding Japan) Equities		9,797	2.56
European (excluding UK) Equities - 8.98% (9.59%)			
+HSBC European Index Fund	3,595,119	34,387	8.98
Total European (excluding UK) Equities		34,387	8.98
Global Emerging Markets Equities - 9.04% (7.50%)			
^*iShares Core MSCI Emerging Markets IMI UCITS ETF	322,186	7,097	1.85
^*iShares Emerging Markets Index Fund	2,420,496	27,538	7.19
Total Global Emerging Markets Equities		34,635	9.04
Japanese Equities - 5.42% (5.95%)			
+HSBC Japan Index Fund	16,508,333	20,768	5.42
Total Japanese Equities		20,768	5.42
US Government Bonds - 1.59% (0.00%)			
^*Lyxor Core US TIPS UCITS ETF	79,545	6,079	1.59
Total US Government Bonds		6,079	1.59
US Equities - 30.85% (29.34%)			
+HSBC American Index Fund	18,509,430	118,127	30.85
Total US Equities		118,127	30.85
Direct Property Funds - 5.07% (5.08%)			
^*iShares Developed Real Estate Index Fund	1,984,808	19,421	5.07
Total Direct Property Funds		19,421	5.07
Global Corporate Bonds - 22.78% (0.00%)			
+*HSBC ICAV Global Corporate Bond Index Fund	11,084,367	87,221	22.78
Total Global Corporate Bond		87,221	22.78
UK Corporate Bonds - 0.00% (28.00%)			
UK Equities - 4.21% (3.28%)			
+HSBC FTSE 100 Index Fund	4,879,962	11,775	3.07
+HSBC FTSE All-Share Index Fund	691,502	4,361	1.14
Total UK Equities		16,136	4.21
Dutch Government Bonds - 0.26% (0.00%)			
Government of Netherlands 0.25% 15/1/2020	€1,145,940	994	0.26
Total Dutch Government Bonds		994	0.26

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
French Government Bonds - 0.00% (0.58%)			
German Government Bonds - 0.73% (0.37%)			
Government of Germany 4.75% 4/7/2034	€1,940,460	2,778	0.73
Total German Government Bonds		2,778	0.73
Japanese Government Bonds - 1.23% (1.13%)			
Government of Japan 1.1% 20/3/2033	¥478,800,000	3,689	0.96
Government of Japan 1.2% 20/12/2020	¥145,950,000	1,016	0.27
Total Japanese Government Bonds		4,705	1.23
Spanish Government Bonds - 0.85% (0.74%)			
Government of Spain 2.15% 31/10/2025	€3,408,000	3,252	0.85
Total Spanish Government Bonds		3,252	0.85
UK Government Bonds - 0.34% (0.43%)			
Treasury 2% 22/7/2020	£566,499	575	0.15
Treasury 4.25% 7/12/2049	£463,664	746	0.19
Total UK Government Bonds		1,321	0.34
US Government Bonds - 1.45% (2.37%)			
US Treasury 2% 15/2/2023	\$4,112,700	3,094	0.81
US Treasury 2.625% 15/6/2021	\$2,031,300	1,557	0.40
US Treasury 3% 15/5/2045	\$1,187,400	915	0.24
Total US Government Bonds		5,566	1.45
Money Markets - 2.81% (1.89%)			
+HSBC Global Sterling Liquidity Fund	10,757,788	10,758	2.81
Total Money Markets		10,758	2.81
Forward Foreign Exchange Contracts - 0.25% (0.10%)			
#Sold €18,204,147 for £15,715,859 settled 9/5/2019		5	0.00
#Sold £550,141 for ¥80,023,562 settled 9/5/2019		(5)	0.00
#Sold £741,342 for \$970,468 settled 9/5/2019		(2)	0.00
#Sold ¥1,918,743,872 for £13,192,475 settled 9/5/2019		122	0.03
#Sold \$220,456,435 for £168,731,983 settled 9/5/2019		842	0.22
Total Forward Foreign Exchange Contracts		962	0.25
Futures - 0.01% (0.01%)			
CBT US 2Yr Note Future June 2019	66	11	0.00
CBT US 10Yr Ultra Future June 2019	(74)	19	0.01
Total Futures		30	0.01

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Portfolio of investments		376,937	98.43
Net other assets		6,031	1.57
Net assets		382,968	100.00
*offshore fund			
+related party			
^listed			
#unlisted			

Figures in brackets denote comparative percentage holdings as at 15 April 2018.

Unless otherwise stated, all holdings are authorised investment funds.

The counterparty for Futures is HSBC.

The counterparties for Forward Foreign Exchange Contracts are Royal Bank of Scotland, HSBC, State Street and UBS.

Comparative Tables

for the year ended 15 April 2019

Retail Accumulation	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	166.30p	162.80p	138.10p
Return before operating charges*	15.48p	5.02p	26.10p
Operating charges**	(1.58p)	(1.52p)	(1.40p)
Return after operating charges*	13.90p	3.50p	24.70p
Distributions on accumulation shares	(1.97p)	(1.59p)	(1.89p)
Retained distributions on accumulation shares	1.97p	1.59p	1.89p
Closing net asset value per share	180.20p	166.30p	162.80p
*after direct transaction costs of:***	0.00p	0.00p	0.01p
Performance			
Return after charges	8.36%	2.15%	17.89%
Other information			
Closing net asset value	£110,603	£67,292	£533,777
Closing number of shares	61,376	40,470	327,821
Operating charges - OCF	0.98%	0.98%	0.99%
Direct transaction costs	0.00%	0.00%	0.01%
Prices			
Highest share price	180.30p	175.70p	164.70p
Lowest share price	163.00p	160.80p	133.80p

Retail X Income	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	155.00p	153.80p	132.00p
Return before operating charges*	14.25p	4.06p	24.78p
Operating charges**	(0.66p)	(0.67p)	(0.61p)
Return after operating charges*	13.59p	3.39p	24.17p
Distributions on income shares	(2.49p)	(2.19p)	(2.37p)
Closing net asset value per shares	166.10p	155.00p	153.80p
*after direct transaction costs of:***	0.00p	0.00p	0.01p
Performance			
Return after charges	8.77%	2.20%	18.31%
Other information			
Closing net asset value	£62,086	£33,714	£20,195
Closing number of shares	37,374	21,744	13,131
Operating charges - OCF	0.48%	0.49%	0.49%
Direct transaction costs	0.00%	0.00%	0.01%
Prices			
Highest share price	167.30p	164.40p	156.30p
Lowest share price	150.90p	151.80p	127.90p

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

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

Comparative Tables

for the year ended 15 April 2019

Retail X Accumulation	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	170.10p	166.40p	140.60p
Return before operating charges*	15.74p	4.42p	26.46p
Operating charges**	(0.74p)	(0.72p)	(0.66p)
Return after operating charges*	15.00p	3.70p	25.80p
Distributions on accumulation shares	(2.74p)	(2.38p)	(2.54p)
Retained distributions on accumulation shares	2.74p	2.38p	2.54p
Closing net asset value per share	185.10p	170.10p	166.40p
*after direct transaction costs of:***	0.00p	0.00p	0.01p
Performance			
Return after charges	8.82%	2.22%	18.35%
Other information			
Closing net asset value	£20,046,582	£4,722,440	£3,872,065
Closing number of shares	10,830,778	2,776,561	2,326,996
Operating charges - OCF	0.48%	0.48%	0.49%
Direct transaction costs	0.00%	0.00%	0.01%
Prices			
Highest share price	185.20p	179.50p	168.30p
Lowest share price	167.20p	164.30p	136.20p

Institutional Accumulation#	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	174.60p	170.30p	143.40p
Return before operating charges*	10.01p	4.34p	26.93p
Operating charges**	(0.01p)	(0.04p)	(0.03p)
Return after operating charges*	10.00p	4.30p	26.90p
Distributions on accumulation shares	-	(3.00p)	(3.10p)
Retained distributions on accumulation shares	-	3.00p	3.10p
Cancellation price	(184.60p)	-	-
Closing net asset value per share	-	174.60p	170.30p
*after direct transaction costs of:***	0.00p	0.00p	0.01p
Performance			
Return after charges	5.73%	2.52%	18.76%
Other information			
Closing net asset value	N/A	£102,176	£107,382
Closing number of shares	N/A	58,524	63,070
Operating charges - OCF	N/A	0.09%	0.09%
Direct transaction costs	N/A	0.00%	0.01%
Prices			
Highest share price	188.70p	184.10p	172.20p
Lowest share price	174.20p	168.10p	139.00p

#The Institutional Accumulation share class closed on 11 September 2018.

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

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

Comparative Tables

for the year ended 15 April 2019

Income C	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	154.70p	153.50p	131.80p
Return before operating charges*	14.15p	3.96p	24.60p
Operating charges**	(0.18p)	(0.19p)	(0.18p)
Return after operating charges*	13.97p	3.77p	24.42p
Distributions on income shares	(2.87p)	(2.57p)	(2.72p)
Closing net asset value per share	165.80p	154.70p	153.50p
*after direct transaction costs of:***	0.00p	0.00p	0.01p
Performance			
Return after charges	9.03%	2.46%	18.53%
Other information			
Closing net asset value	£15,707,421	£8,166,551	£4,164,747
Closing number of shares	9,474,864	5,277,707	2,713,017
Operating charges - OCF	0.18%	0.18%	0.19%
Direct transaction costs	0.00%	0.00%	0.01%
Prices			
Highest share price	167.20p	164.10p	156.10p
Lowest share price	150.60p	151.50p	127.70p

Accumulation C	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	171.70p	167.50p	141.20p
Return before operating charges*	15.71p	4.41p	26.50p
Operating charges**	(0.21p)	(0.21p)	(0.20p)
Return after operating charges*	15.50p	4.20p	26.30p
Distributions on accumulation shares	(3.20p)	(2.82p)	(2.94p)
Retained distributions on accumulation shares	3.20p	2.82p	2.94p
Closing net asset value per share	187.20p	171.70p	167.50p
*after direct transaction costs of:***	0.00p	0.00p	0.01p
Performance			
Return after charges	9.03%	2.51%	18.63%
Other information			
Closing net asset value	£347,040,945	£181,503,465	£74,169,311
Closing number of shares	185,348,649	105,732,294	44,272,639
Operating charges - OCF	0.18%	0.18%	0.19%
Direct transaction costs	0.00%	0.00%	0.01%
Prices			
Highest share price	187.30p	181.10p	169.40p
Lowest share price	169.10p	165.40p	136.90p

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

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

Statement of Total Return

for the year ended 15 April 2019

		15.4.19		15.4.18	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		20,074		(808)
Revenue	3	5,134		2,181	
Expenses	4	(337)		(182)	
Net revenue before taxation		4,797		1,999	
Taxation	5	(468)		(222)	
Net revenue after taxation			4,329		1,777
Total return before distributions			24,403		969
Distributions	6		(4,329)		(1,830)
Change in net assets attributable to shareholders from investment activities			20,074		(861)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15 April 2019

		15.4.19		15.4.18	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			194,596		82,867
Amounts receivable on creation of shares		186,744		112,728	
Amounts payable on cancellation of shares		(23,682)		(2,620)	
			163,062		110,108
Dilution adjustment			49		11
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)			20,074		(861)
Retained distribution on accumulation shares			5,187		2,471
Closing net assets attributable to shareholders			382,968		194,596

Balance Sheet

as at 15 April 2019

		15.4.19		15.4.18	
	Notes	£'000	£'000	£'000	£'000
Assets					
Investments			376,944		191,934
Current assets					
Debtors	8	5,753		1,363	
Cash and bank balances		7,333		3,186	
Total current assets			13,086		4,549
Total assets			390,030		196,483
Liabilities					
Investment liabilities			(7)		-
Creditors					
Distribution payable on income shares		(96)		(46)	
Other creditors	9	(6,959)		(1,841)	
Total creditors			(7,055)		(1,887)
Total liabilities			(7,062)		(1,887)
Net assets attributable to shareholders			382,968		194,596

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 October 2018				
Group 2: Shares purchased from 16 October 2018 to 15 April 2019				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.6.19</i>	<i>Distribution paid 15.6.18</i>
Retail Accumulation				
Group 1	0.528806	-	0.528806	0.305042
Group 2	0.177306	0.351500	0.528806	0.305042
Retail X Income				
Group 1	0.819026	-	0.819026	0.674701
Group 2	0.220371	0.598655	0.819026	0.674701
Retail X Accumulation				
Group 1	0.912169	-	0.912169	0.743325
Group 2	0.309063	0.603106	0.912169	0.743325
Institutional Accumulation#				
Group 1	N/A	-	N/A	1.043823
Group 2	N/A	N/A	N/A	1.043823
Income C				
Group 1	1.009116	-	1.009116	0.871192
Group 2	0.485112	0.524004	1.009116	0.871192
Accumulation C				
Group 1	1.128172	-	1.128172	0.957016
Group 2	0.486550	0.641622	1.128172	0.957016

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 April 2018				
Group 2: Shares purchased from 16 April 2018 to 15 October 2018				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.12.18</i>	<i>Distribution paid 15.12.17</i>
Retail Accumulation				
Group 1	1.440000	-	1.440000	1.280000
Group 2	1.440000	0.000000	1.440000	1.280000
Retail X Income				
Group 1	1.670000	-	1.670000	1.520000
Group 2	0.000000	1.670000	1.670000	1.520000
Retail X Accumulation				
Group 1	1.830000	-	1.830000	1.640000
Group 2	0.200000	1.630000	1.830000	1.640000
Institutional Accumulation#				
Group 1	N/A	-	N/A	1.960000
Group 2	N/A	N/A	N/A	1.960000
Income C				
Group 1	1.860000	-	1.860000	1.700000
Group 2	0.150000	1.710000	1.860000	1.700000
Accumulation C				
Group 1	2.070000	-	2.070000	1.860000
Group 2	0.340000	1.730000	2.070000	1.860000
#The Institutional Accumulation share class closed on 11 September 2018.				

Notes to the Financial Statements

for the year ended 15 April 2019

	15.4.19 £'000	15.4.18 £'000
1. Accounting Policies		
The accounting policies are set out on pages 10 and 11.		
2. Net Capital Gains/(Losses)		
The net capital gains/(losses) during the year comprise:		
Realised (losses)/gains on currency	(113)	6
Unrealised gains/(losses) on currency	7	(6)
Transaction charges	2	(2)
Realised (losses)/gains on forward foreign currency contracts	(2,275)	1,680
Unrealised gains on forward foreign currency contracts	962	194
Realised gains on derivative securities	24	28
Unrealised gains on derivative securities	30	18
Realised (losses)/gains on non-derivative securities	(3,652)	113
Unrealised gains/(losses) on non-derivative securities	25,089	(2,839)
Net capital gains/(losses)	20,074	(808)
Realised gains/(losses) in the current accounting year include unrealised gains/(losses) arising in previous years. In such circumstances a corresponding (loss)/gain is included in unrealised gains/(losses) figure.		
3. Revenue		
Franked distributions from UK authorised ICVCs and unit trusts	2,459	891
Interest on bonds and other debt securities	2,665	1,288
Deposit interest	2	-
Bank interest	8	2
Total revenue	5,134	2,181
4. Expenses		
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
Authorised Corporate Director's charge	288	152
Registration fee	8	5
Safe custody fee	11	6
	307	163
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	31	18
Other expenses:		
Report and accounts fee	(1)	1
Total expenses	337	182

15.4.19 15.4.18
£'000 £'000

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

Corporation tax	468	222
Total tax for the year (note 5b)	468	222

b) Factors affecting taxation charge for the year:

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

The differences are explained below:

Net revenue before taxation	4,797	1,999
Corporation tax at 20%	959	400
Effects of:		
Revenue not subject to taxation	(491)	(178)
Current tax charge for the year (note 5a)	468	222

6. Distributions

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

Interim dividend distribution	3,132	1,509
Final dividend distribution	2,286	1,080
	5,418	2,589
Add: Amounts deducted on cancellation of shares	90	(772)
Deduct: Amounts received on issue of shares	(1,179)	13
Net distribution for the year	4,329	1,830

7. Movement Between Net Revenue and Distributions

Net revenue after taxation	4,329	1,777
Effective yield transferred from capital	-	67
Corporation tax on taxable items in capital	-	(14)
Net distribution for the year	4,329	1,830

8. Debtors

Amounts receivable for creation of shares	2,756	1,278
Sales awaiting settlement	2,850	-
Accrued revenue	147	79
Income tax recoverable	-	6
Total debtors	5,753	1,363

9. Other Creditors

Amounts payable for cancellation of shares	-	67
Purchases awaiting settlement	6,747	1,504
Accrued expenses	24	48
Corporation tax payable	188	222
Total other creditors	6,959	1,841

10. Reconciliation of Shares

	<i>Retail Accumulation</i>	<i>Retail X Income</i>	<i>Retail X Accumulation</i>
Opening shares issued at 16.4.18	40,470	21,744	2,776,561
Share movements 16.4.18 to 15.4.19			
Shares issued	21,552	17,973	8,474,871
Shares cancelled	(646)	(2,343)	(420,654)
Shares converted	-	-	-
Closing shares issued at 15.4.19	61,376	37,374	10,830,778

	<i>Institutional Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>
Opening shares issued at 16.4.18	58,524	5,277,707	105,732,294
Share movements 16.4.18 to 15.4.19			
Shares issued	-	5,080,912	91,735,320
Shares cancelled	(58,524)	(857,291)	(12,142,834)
Shares converted	-	(26,464)	23,869
Closing shares issued at 15.4.19	-	9,474,864	185,348,649

11. Ultimate Controlling Party and Transactions

The Authorised Corporate Director (ACD) is regarded as a controlling party of the Fund by virtue of having the ability to act in concert in respect of Fund operations. The ultimate controlling party of the ACD is HSBC Group plc. This entity and its subsidiaries are also related parties of the Fund.

At the year end, the ACD and its associates held the following of the Fund's shares in issue:

	<i>Retail Accumulation</i>	<i>Retail X Income</i>	<i>Retail X Accumulation</i>	<i>Institutional Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>
	%	%	%	%	%	%
As at 15.4.19	-	-	-	-	7.09	3.01
As at 15.4.18	-	-	-	-	10.20	2.90

Details of all other material related party transactions during the year and any payment amounts outstanding at the balance sheet date are disclosed in notes 8 and 9 to the financial statements and the Statement of Change in Net Assets Attributable to Shareholders and the Portfolio Statement. The balance due from the ACD (including amounts due to associates and agents) at the year end was £2,736,661 (15.4.18: £1,168,603), further details of such amounts can be found in notes 8 and 9.

At the year end, the Fund held £287,397,669 (15.4.18: £159,825,331) in Authorised Investment Funds managed by HSBC and/or HSBC Holdings, the parent company of the ACD. During the year, transactions in Authorised Investment Funds managed by HSBC and/or HSBC Holdings totalled £418,748,084 (15.4.18: £99,293,527).

12. Financial Instruments

The financial instrument risks and risk management policies are set out on pages 12 and 13.

Foreign Currency Risk

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

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>		<i>Net other assets/(liabilities)</i>		<i>Net assets</i>	
	15.4.19	15.4.18	15.4.19	15.4.18	15.4.19	15.4.18
	£'000	£'000	£'000	£'000	£'000	£'000
Sterling*	201,490	162,585	7,433	2,929	208,923	165,514
Euro	7,029	3,361	92	46	7,121	3,407
Japanese yen	4,827	2,303	6	4	4,833	2,307
United States dollar	163,591	23,685	(1,500)	(317)	162,091	23,368
Total	376,937	191,934	6,031	2,662	382,968	194,596

*No currency risk as base currency.

Interest Rate Risk

The interest rate profile of the Fund's financial assets and liabilities at 15 April 2019 was:

	<i>Floating rate financial assets**</i>		<i>Fixed rate financial assets</i>		<i>Financial assets/(liabilities) not carrying interest</i>		<i>Total</i>	
	15.4.19	15.4.18	15.4.19	15.4.18	15.4.19	15.4.18	15.4.19	15.4.18
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Sterling	7,206	3,109	1,321	836	200,396	161,569	208,923	165,514
Euro	-	-	7,024	3,309	97	98	7,121	3,407
Japanese yen	-	-	4,705	2,211	128	96	4,833	2,307
United States dollar	127	77	5,566	4,621	156,398	18,670	162,091	23,368
Total	7,333	3,186	18,616	10,977	357,019	180,433	382,968	194,596

**Floating rate interest was earned at rates based on LIBOR (London Interbank Offered Rate) or international equivalent.

The bond ratings for the portfolio at 15 April 2019 were:

Investment	<i>Bid value £'000</i>	<i>Total net assets %</i>
Bond credit ratings		
AAA	3,772	0.99
AA+	5,566	1.45
AA	1,321	0.34
A+	4,705	1.23
BBB+	3,252	0.85
Total bonds	18,616	4.86

13. Shareholders' Funds

This Fund has a retail share class, a retail X share class, an institutional share class and a C share class. The annual ACD charge on the retail share class is 0.80%, 0.30% on the retail X share class and 0.10% on the C share class. The net asset value of the share class, the net asset value per share and the number of shares in each class are given in the Comparative Tables on pages 174 to 176. The distribution per share class is given in the Distribution Tables on pages 178 and 179. All share classes within the OEIC have the same rights on winding up.

14. Financial Derivatives

The Fund has used financial derivatives for hedging and meeting investment objectives including risk reduction and implementation of investment policies.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

The types of derivatives held at the year end were index futures and forward currency contracts.

Details of the individual contracts are shown on the Portfolio Statement on pages 171 to 173, and the total position by the counterparty at the year end is summarised below. The underlying exposure for each category of derivatives is as follows:

Counterparty	<i>Forward Currency £'000</i>		<i>Total £'000</i>	
	2019	2018	2019	2018
HSBC Bank	842	194	842	194
Royal Bank of Scotland	5	-	5	-
State Street Bank	122	-	122	-

The economic exposure of future derivative contracts is equal to the market value. The value of exposure and the related counterparty are disclosed in the Portfolio Statement.

Eligible collateral types are approved by the ACD and may consist of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities.

At 15 April 2019, there was no collateral held in respect of the above derivatives (15.4.18: none).

15. Contingent Liabilities and Commitments

At the year end, the Fund had no contingent liabilities or commitments (15.4.18: none).

16. Portfolio Transaction Costs

For the year ended 15 April 2019	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Bond transactions	17,141	-	-	-	-	-	-
Pooled investment vehicles	282,816	4	0.00	-	-	-	-
Total purchases before transaction costs	299,957	4		-		-	
Transaction costs	4						
Total purchases after commission, tax and fees	299,961						

	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Bond transactions	10,256	-	-	-	-	-	-
Pooled investment vehicles	128,757	2	0.00	-	-	-	-
Total sales before transaction costs	139,013	2		-		-	
Transaction costs	(2)						
Total sales after commission, tax and fees	139,011						

The Fund had paid £608 as commission on purchases and sales derivative transactions for the year ended 15.4.19.

Commissions, taxes and fees as % of average Net Assets:

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

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

For the year ended 15 April 2018	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Bond transactions	14,977	-	-	-	-	-	-
Pooled investment vehicles	110,321	4	0.00	-	-	-	-
Total purchases before transaction costs	125,298	4		-		-	
Transaction costs	4						
Total purchases after commission, tax and fees	125,302						

	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Bond transactions	8,058	-	-	-	-	-	-
Pooled investment vehicles	1,602	-	-	-	-	-	-
Total sales before transaction costs	9,660	-		-		-	
Transaction costs	-						
Total sales after commission, tax and fees	9,660						

The Fund had paid £237 as commission on purchases and sales derivative transactions for the year ended 15.4.18.

Commissions, taxes and fees as % of average Net Assets

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.02 %, being the difference between the respective bid and offer prices for the Fund's investments.

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

17. Fair Value of Investments

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

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

For the year ended 15 April 2019

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Bonds	14,370	4,246	-	18,616
Pooled investment vehicles	16,195	341,134	-	357,329
Derivatives	30	969	-	999
	30,595	346,349	-	376,944
Investment Liabilities				
Derivatives	-	(7)	-	(7)
	-	(7)	-	(7)

For the year ended 15 April 2018

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Bonds	9,537	1,439	-	10,976
Pooled investment vehicles	23,593	157,153	-	180,746
Derivatives	18	194	-	212
	33,148	158,786	-	191,934

18. Sensitivity Analysis**Price risk sensitivity:**

If the price of investments at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £37,693,740 (15.4.18: £19,193,380).

Currency risk sensitivity:

If the exchange rate at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £17,404,558 (15.4.18: £2,908,112).

Interest rate risk sensitivity:

At the balance sheet date, the Fund did not have a significant exposure to interest rate risk, therefore no sensitivity analysis is disclosed (15.4.18: no significant exposure).

Global Strategy Cautious Portfolio

Investment Objective

To provide capital growth through cautious investment in a broad range of asset classes across global markets, with a bias towards fixed interest securities.

Investment Policy*

This is one of a range of actively managed Global Strategy Portfolios offered at five different risk levels. The Fund is rated as 1, where 1 is a lower level of risk and 5 is a higher level of risk. The Fund is managed with the aim of maximising returns in line with its agreed long term risk profile therefore any potential gains are likely to be limited by the risk profile of the Fund.

To achieve its objective the Fund invests mainly in collective investment schemes, including exchange traded funds and directly into certain asset classes. The collective investment schemes that the Fund may invest in include those which aim to track the performance of market indices. Such assets shall, in turn, invest in equities, fixed interest securities and property securities that make up the relevant index.

The Fund may, in addition to its other investment powers, use exchange traded and over-the-counter derivatives and forward currency contracts for investment purposes. Using these investment powers for investment purposes means, in particular, maintaining positions in these investments for the long term rather than just for tactical short-term purposes. Where the use of derivatives is for investment purposes in addition to hedging it is envisaged that the use of such instruments will not affect the overall risk profile of the Fund.

*The full policy can be found in the prospectus.

Investment Strategy

The starting point for the Global Strategy Portfolios is the Strategic Asset Allocation (SAA). SAA is the long-term blend of assets for each risk level. Tactical Asset Allocation (TAA) is another layer on top of the SAA and is driven by the investment team's shorter term market outlook. Portfolio Implementation is the final stage in the investment process, where we decide how best to take exposure to each asset class.

The Fund invests in corporate bonds, equities and property securities through investment in collective investment schemes, including exchange traded funds, which generally aim to track the performance of an appropriate market index.

27% of the Fund invests in collective investment schemes that aim to track the performance of an index. The Fund invests directly in global government bonds.

Derivatives may be used with the aim of hedging to reduce market risk and to reduce the impact of currency movements but also with the aim of generating returns to assist the Fund in meeting its investment objective. Exchange traded futures may be used to gain or reduce exposure to certain asset classes. Forward currency contracts may be used to gain exposure to currencies or for hedging to reduce the impact of currency movements for certain asset classes that are not denominated in Sterling.

*The full strategy can be found in the prospectus.

Portfolio Activity

The portfolio maintained overweight exposure to a diversified basket of risk assets, relative to its long term strategic asset allocation, throughout the reporting period. At the start of the period the portfolio held an overweight position in global equities and an underweight position in global government bonds.

At the end of April, the Portfolio Management team reduced our overweight allocation to Europe equity. This was on the back of softening economic and earnings data. The proceeds were reinvested into the wider global equity asset class, leaving our overall preference for equity unchanged.

The end of May saw the Portfolio Management team complete the review and implementation of the Fund's strategic asset allocation. This saw a reduction to our global corporate bond allocation and an increase in our global equity allocation.

In August, we reduced our duration position by replacing our 10 year US Treasury future with a 2 year future. Yields at the shorter end of maturity were not significantly lower making shorter duration issues more attractive.

October saw the Portfolio Management team switch our corporate bond exposure from sterling corporate bonds to global corporate bonds.

In January, our equity overweight was reduced by 1%, to 2% as economic data had deteriorated slightly. While in February, we reduced our underweight allocation to the US by selling some of our exposure to Japan.

In April, we introduced a short position in 10 year Treasuries to reduce the duration of the portfolios and introduced a small overweight to UK equity as, despite Brexit uncertainties, UK data remains solid and valuations are attractive.

Major purchases included: HSBC American Index Fund, iShares Emerging Markets Index Fund, HSBC Japan Index Fund, HSBC FTSE 100 Index Fund, iShares Pacific Index Fund and HSBC ICAV Global Corporate Bond Index Fund.

Major sales included: HSBC European Index Fund, HSBC Corporate Bond Fund and HSBC Japan Index Fund.

Investment Performance

During the year under review, the value of the shares in the Fund increased by 6.09%.

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

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

Fund Particulars

as at 16 April 2019

	Retail Accumulation	Retail X Accumulation
Price	137.3p	141.6p
Distribution payable (on 15 June 2019) per share net	0.586230p	0.880975p
Current net estimated yield	1.07%	1.47%
Annual ACD charge	0.80%	0.30%
	Income C	Accumulation C
Price	127.1p xd	143.1p
Distribution payable (on 15 June 2019) per share net	0.939979p	1.048448p
Current net estimated yield	1.71%	1.69%
Annual ACD charge	0.10%	0.10%

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Asia-Pacific (excluding Japan) Equities - 0.95% (0.88%)			
^iShares Pacific Index Fund	106,639	1,473	0.95
Total Asia-Pacific (excluding Japan) Equities		1,473	0.95
Direct Property Funds - 3.51% (4.06%)			
^iShares Developed Real Estate Index Fund	557,358	5,454	3.51
Total Direct Property Funds		5,454	3.51
European (excluding UK) Equities - 3.38% (4.51%)			
+HSBC European Index Fund	548,920	5,250	3.38
Total European (excluding UK) Equities		5,250	3.38
Global Corporate Bonds - 23.89% (32.07%)			
+*HSBC Global Corporate Bond Index Fund	4,712,568	37,083	23.89
Total Global Corporate Bonds		37,083	23.89
Global Emerging Markets Equities - 4.57% (3.78%)			
^iShares Core MSCI Emerging Markets IMI UCITS ETF	2,105	46	0.03
^iShares Emerging Markets Index Fund	619,015	7,043	4.54
Total Global Emerging Markets Equities		7,089	4.57
Japanese Equities - 2.40% (3.16%)			
+HSBC Japan Index Fund	2,962,692	3,727	2.40
Total Japanese Equities		3,727	2.40
US Government Bonds - 1.55% (0.00%)			
^*Lyxor Core US TIPS (DR) UCITS ETF	31,477	2,406	1.55
Total US Government Bonds		2,406	1.55
Money Markets - 3.88% (2.84%)			
+*HSBC Global Liquidity Fund	6,019,411	6,019	3.88
Total Money Markets		6,019	3.88
UK Equities - 1.86% (1.31%)			
+HSBC FTSE All-Share Index Fund	164,216	1,036	0.67
+HSBC FTSE 100 Index Fund	766,221	1,849	1.19
Total UK Equities		2,885	1.86
US Equities - 11.27% (10.13%)			
+HSBC American Index Fund	2,742,024	17,500	11.27
Total US Equities		17,500	11.27
UK Government Bonds - 2.90% (2.60%)			
Treasury 2% 22/7/2020	£2,035,828	2,066	1.33
Treasury 4.25% 7/12/2049	£1,510,849	2,430	1.57
Total UK Government Bonds		4,496	2.90

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
US Government Bonds - 17.54% (14.72%)			
US Treasury 2.625% 15/6/2021	\$10,728,600	8,224	5.30
US Treasury 3% 15/5/2045	\$4,525,600	3,488	2.25
US Treasury 2% 15/2/2023	\$13,242,700	9,962	6.42
US Treasury 2.25% 15/11/2027	\$7,421,200	5,539	3.57
Total US Government Bonds		27,213	17.54
Belgium Government Bonds - 1.19% (0.00%)			
Government of Belgium 5.5% 28/3/2028	€1,472,671	1,845	1.19
Total Belgium Government Bonds		1,845	1.19
Dutch Government Bonds - 1.05% (1.09%)			
Government of Netherlands 0.25% 15/1/2020	€1,879,270	1,631	1.05
Total Dutch Government Bonds		1,631	1.05
French Government Bonds - 2.73% (3.42%)			
Government of France 2.5% 25/5/2030	€4,047,395	4,242	2.73
Total French Government Bonds		4,242	2.73
German Government Bonds - 1.85% (1.47%)			
Government of Germany 4.75% 4/7/2034	€2,005,723	2,871	1.85
Total German Government Bonds		2,871	1.85
Italian Government Bonds - 1.16% (0.51%)			
Government of Italy 0.95% 1/3/2023	€2,117,000	1,805	1.16
Total Italian Government Bonds		1,805	1.16
Japanese Government Bonds - 8.08% (7.87%)			
Government of Japan 1.1% 20/3/2033	¥1,194,850,000	9,205	5.93
Government of Japan 1.2% 20/12/2020	¥479,650,000	3,340	2.15
Total Japanese Government Bonds		12,545	8.08
Spanish Government Bonds - 4.44% (4.22%)			
Government of Spain 2.15% 31/10/2025	€7,226,000	6,895	4.44
Total Spanish Government Bonds		6,895	4.44
Futures - 0.00% (0.01%)			
CBT US 2Yr Note June 2019	28	3	0.00
Total Futures		3	0.00
Forward Foreign Exchange Contracts - 0.34% (0.21%)			
#Sold €23,483,081 for £20,273,226 settled 9/5/2019		6	0.00
#Sold \$100,248,950 for £76,728,103 settled 9/5/2019		383	0.25
#Sold ¥2,181,257,298 for £14,997,407 settled 9/5/2019		138	0.09
#Sold £249,430 for ¥36,282,102 settled 9/5/2019		(2)	0.00
Total Forward Foreign Exchange Contracts		525	0.34

Portfolio Statement

as at 15 April 2019

	<i>Bid value £'000</i>	<i>Total net assets %</i>
Portfolio of investments	152,957	98.54
Net other assets	2,262	1.46
Net assets	155,219	100.00

*offshore fund

+related party

^listed

#unlisted

Figures in brackets denote comparative percentage holdings as at 15 April 2018.

Unless otherwise stated, all holdings are authorised investment funds.

The counterparty for the Futures is HSBC.

The counterparties for the Forward Foreign Exchange Contracts are Royal Bank of Scotland, HSBC and State Street.

Comparative Tables

for the year ended 15 April 2019

Retail Accumulation	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	130.10p	130.90p	120.20p
Return before operating charges*	8.22p	0.40p	11.87p
Operating charges**	(1.22p)	(1.20p)	(1.17p)
Return after operating charges*	7.00p	(0.80p)	10.70p
Distributions on accumulation shares	(1.41p)	(1.40p)	(1.69p)
Retained distributions on accumulation shares	1.41p	1.40p	1.69p
Closing net asset value per share	137.10p	130.10p	130.90p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	5.38%	(0.61%)	8.90%
Other information			
Closing net asset value	£19,266	£18,293	£445,955
Closing number of shares	14,058	14,058	340,655
Operating charges - OCF	0.96%	0.95%	0.97%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	137.30p	134.60p	131.00p
Lowest share price	129.80p	129.40p	118.50p

Retail X Income#	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	N/A	N/A	115.30p
Return before operating charges*	N/A	N/A	(1.00p)
Operating charges**	N/A	N/A	-
Return after operating charges*	N/A	N/A	(1.00p)
Distributions on income shares	N/A	N/A	-
Cancellation price	N/A	N/A	(114.30p)
Closing net asset value per share	N/A	N/A	-
*after direct transaction costs of:***	N/A	N/A	0.00p
Performance			
Return after charges	N/A	N/A	(0.87%)
Other information			
Closing net asset value	N/A	N/A	N/A
Closing number of shares	N/A	N/A	N/A
Operating charges - OCF	N/A	N/A	N/A
Direct transaction costs	N/A	N/A	N/A
Prices			
Highest share price	N/A	N/A	114.60p
Lowest share price	N/A	N/A	113.10p

#The Retail X Income share class closed on 27 May 2016.

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

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

Comparative Tables

for the year ended 15 April 2019

Retail X Accumulation	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	133.70p	133.80p	122.30p
Return before operating charges*	8.28p	0.47p	12.05p
Operating charges**	(0.58p)	(0.57p)	(0.55p)
Return after operating charges*	7.70p	(0.10p)	11.50p
Distributions on accumulation shares	(2.01p)	(2.04p)	(2.24p)
Retained distributions on accumulation shares	2.01p	2.04p	2.24p
Closing net asset value per share	141.40p	133.70p	133.80p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	5.76%	(0.07%)	9.40%
Other information			
Closing net asset value	£16,335,256	£994,368	£783,953
Closing number of shares	11,553,777	743,555	585,853
Operating charges - OCF	0.46%	0.46%	0.46%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	141.70p	138.10p	133.90p
Lowest share price	133.40p	132.80p	120.60p

Income C	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	121.80p	123.70p	115.00p
Return before operating charges*	7.36p	0.43p	11.24p
Operating charges**	(0.15p)	(0.15p)	(0.15p)
Return after operating charges*	7.21p	0.28p	11.09p
Distributions on income shares	(2.11p)	(2.18p)	(2.39p)
Closing net asset value per share	126.90p	121.80p	123.70p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	5.92%	0.23%	9.64%
Other information			
Closing net asset value	£4,333,181	£3,603,502	£2,061,512
Closing number of shares	3,414,362	2,958,962	1,666,320
Operating charges - OCF	0.16%	0.16%	0.17%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	128.10p	126.70p	125.10p
Lowest share price	120.90p	122.00p	113.50p

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

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

Comparative Tables

for the year ended 15 April 2019

Accumulation C	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	134.80p	134.60p	122.80p
Return before operating charges*	8.26p	0.37p	11.97p
Operating charges**	(0.16p)	(0.17p)	(0.17p)
Return after operating charges*	8.10p	0.20p	11.80p
Distributions on accumulation shares	(2.35p)	(2.38p)	(2.56p)
Retained distributions on accumulation shares	2.35p	2.38p	2.56p
Closing net asset value per share	142.90p	134.80p	134.60p
*after direct transaction costs of:***	0.00p	0.00p	0.00p
Performance			
Return after charges	6.01%	0.15%	9.61%
Other information			
Closing net asset value	£134,530,941	£69,491,765	£36,380,727
Closing number of shares	94,132,373	51,537,421	27,029,299
Operating charges - OCF	0.16%	0.16%	0.17%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	143.20p	139.20p	134.60p
Lowest share price	134.50p	133.60p	121.10p
<p>**The operating charges include all costs borne by the Fund, except for direct transaction costs.</p> <p>***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.</p>			

Statement of Total Return

for the year ended 15 April 2019

		15.4.19		15.4.18	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		4,658		(1,111)
Revenue	3	2,077		1,027	
Expenses	4	(133)		(76)	
Interest payable and similar charges		(3)		-	
Net revenue before taxation		1,941		951	
Taxation	5	(301)		(152)	
Net revenue after taxation			1,640		799
Total return/(deficit) before distributions			6,298		(312)
Distributions	6		(1,640)		(944)
Change in net assets attributable to shareholders from investment activities			4,658		(1,256)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15 April 2019

	15.4.19		15.4.18	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		74,108		39,672
Amounts receivable on creation of shares	86,097		39,644	
Amounts payable on cancellation of shares	(11,687)		(5,080)	
		74,410		34,564
Dilution adjustment		30		5
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		4,658		(1,256)
Retained distribution on accumulation shares		2,013		1,123
Closing net assets attributable to shareholders		155,219		74,108

Balance Sheet

as at 15 April 2019

		15.4.19		15.4.18	
	Notes	£'000	£'000	£'000	£'000
Assets					
Investments			152,959		73,266
Current assets					
Debtors	8	2,592		455	
Cash and bank balances		2,383		923	
Total current assets			4,975		1,378
Total assets			157,934		74,644
Liabilities					
Investment liabilities			(2)		-
Creditors					
Distribution payable on income shares		(32)		(28)	
Other creditors	9	(2,681)		(508)	
Total creditors			(2,713)		(536)
Total liabilities			(2,715)		(536)
Net assets attributable to shareholders			155,219		74,108

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 October 2018				
Group 2: Shares purchased from 16 October 2018 to 15 April 2019				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.6.19</i>	<i>Distribution paid 15.6.18</i>
Retail Accumulation				
Group 1	0.586230	-	0.586230	0.523915
Group 2	0.586230	0.000000	0.586230	0.523915
Retail X Accumulation				
Group 1	0.880975	-	0.880975	0.870471
Group 2	0.250545	0.630430	0.880975	0.870471
Income C				
Group 1	0.939979	-	0.939979	0.949510
Group 2	0.361250	0.578729	0.939979	0.949510
Accumulation C				
Group 1	1.048448	-	1.048448	1.041191
Group 2	0.399178	0.649270	1.048448	1.041191

Group 1: Shares purchased prior to 16 April 2018				
Group 2: Shares purchased from 16 April 2018 to 15 October 2018				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.12.18</i>	<i>Distribution paid 15.12.17</i>
Retail Accumulation				
Group 1	0.820000	-	0.820000	0.880000
Group 2	0.820000	0.000000	0.820000	0.880000
Retail X Accumulation				
Group 1	1.130000	-	1.130000	1.170000
Group 2	0.200000	0.930000	1.130000	1.170000
Income C				
Group 1	1.170000	-	1.170000	1.230000
Group 2	0.260000	0.910000	1.170000	1.230000
Accumulation C				
Group 1	1.300000	-	1.300000	1.340000
Group 2	0.350000	0.950000	1.300000	1.340000

Notes to the Financial Statements

for the year ended 15 April 2019

	15.4.19 £'000	15.4.18 £'000
1. Accounting Policies		
The accounting policies are set out on pages 10 and 11.		
2. Net Capital Gains/(Losses)		
The net capital gains/(losses) during the year comprise:		
Realised losses on currency	(44)	(42)
Unrealised gains/(losses) on currency	5	(5)
Transaction charges/rebate	1	(1)
Realised (losses)/gains on forward foreign currency contracts	(1,296)	1,324
Unrealised gains on forward foreign currency contracts	525	155
Realised gains on derivative securities	14	14
Unrealised gains on derivative securities	3	7
Realised (losses)/gains on non-derivative securities	(3,387)	39
Unrealised gains/(losses) on non-derivative securities	8,837	(2,602)
Net capital gains/(losses)	4,658	(1,111)
Realised gains/(losses) in the current accounting year include unrealised gains/(losses) arising in previous years. In such circumstances a corresponding loss/gain is included in unrealised gains/(losses) figure.		
3. Revenue		
Franked distributions from UK authorised ICVCs and unit trusts	436	191
Interest on bonds and other debt securities	1,636	834
Deposit interest	1	1
Bank interest	4	1
Total revenue	2,077	1,027
4. Expenses		
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
Authorised Corporate Director's charge	111	63
Registration fee	4	1
Safe custody fee	6	4
	121	68
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	13	7
Other expenses:		
Report and accounts fee	(1)	1
	(1)	1
Total expenses	133	76

	15.4.19 £'000	15.4.18 £'000
5. Taxation		
a) Analysis of charge in year:		
Corporation tax	301	152
Total tax for the year (note 5b)	301	152
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	1,941	951
Corporation tax at 20%	388	190
Effects of:		
Revenue not subject to taxation	(87)	(38)
Current tax charge for the year (note 5a)	301	152
c) Provision for deferred taxation		
At 15 April 2019, there is no potential deferred tax asset (15.4.18: £nil) in relation to surplus management expenses.		
6. Distributions		
The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:		
Interim dividend distribution	962	611
Final dividend distribution	1,121	571
	2,083	1,182
Add: Amounts deducted on cancellation of shares	39	26
Deduct: Amounts received on issue of shares	(482)	(264)
Net distribution for the year	1,640	944
7. Movement Between Net Revenue and Distributions		
Net revenue after taxation	1,640	799
Effective yield transferred from capital	-	182
Corporation tax on taxable items in capital	-	(37)
Net distribution for the year	1,640	944
8. Debtors		
Amounts receivable for creation of shares	1,231	274
Sales awaiting settlement	898	-
Accrued revenue	463	181
Total debtors	2,592	455
9. Other Creditors		
Amounts payable for cancellation of shares	187	6
Purchases awaiting settlement	2,182	331
Accrued expenses	11	19
Corporation tax payable	301	152
Total other creditors	2,681	508

10. Reconciliation of Shares

	<i>Retail Accumulation</i>	<i>Retail X Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>
Opening shares issued at 15.4.18	14,058	743,555	2,958,962	51,537,421
Share movements 16.4.18 to 15.4.19				
Shares issued	-	11,062,878	1,314,893	50,124,126
Shares cancelled	-	(252,656)	(859,493)	(7,529,174)
Closing shares issued at 15.4.19	14,058	11,553,777	3,414,362	94,132,373

11. Ultimate Controlling Party and Transactions

The Authorised Corporate Director (ACD) is regarded as a controlling party of the Fund by virtue of having the ability to act in concert in respect of Fund operations. The ultimate controlling party of the ACD is HSBC Group plc.

This entity and its subsidiaries are also related parties of the Fund.

At the year end, the ACD and its associates held the following of the Fund's shares in issue:

	<i>Retail Accumulation</i>	<i>Retail X Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>
	%	%	%	%
As at 15.4.19	-	-	5.72	1.78
As at 15.4.18	-	-	8.82	1.96

Details of all other material related party transactions during the year and any payment amounts outstanding at the balance sheet date are disclosed in notes 8 and 9 to the financial statements and the Statement of Change in Net Assets Attributable to Shareholders and the Portfolio Statement.

The balance due to/from the ACD (including amounts due to associates and agents) at the year end was £1,034,638 (15.4.18: £252,174), further details of such amounts can be found in notes 8 and 9.

At the year end, the Fund held £72,463,601 (15.4.18: £43,042,045) in Authorised Investment Funds managed by HSBC and/or HSBC Holdings, the parent company of the ACD. During the year, transactions in Authorised Investment Funds managed by HSBC and/or HSBC Holdings totalled £146,204,505 (15.4.18: £24,612,278).

12. Financial Instruments

The financial instrument risks and risk management policies are set out on pages 12 and 13.

Foreign Currency Risk

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

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>		<i>Net other assets/(liabilities)</i>		<i>Net assets</i>	
	15.4.19	15.4.18	15.4.19	15.4.18	15.4.19	15.4.18
	£'000	£'000	£'000	£'000	£'000	£'000
Sterling*	39,875	44,967	2,788	949	42,663	45,916
Euro	19,296	8,003	(411)	100	18,885	8,103
Japanese yen	12,683	5,894	19	(319)	12,702	5,575
United States dollar	81,103	14,402	(134)	112	80,969	14,514
Total	152,957	73,266	2,262	842	155,219	74,108

*No currency risk as base currency.

Interest Rate Risk

The interest rate profile of the Fund's financial assets and liabilities at 15 April 2019 was:

	<i>Floating rate financial assets**</i>		<i>Fixed rate financial assets</i>		<i>Financial assets/(liabilities) not carrying interest</i>		<i>Total</i>	
	15.4.19	15.4.18	15.4.19	15.4.18	15.4.19	15.4.18	15.4.19	15.4.18
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Sterling	2,296	866	4,496	1,925	35,871	43,125	42,663	45,916
Euro	-	-	19,289	7,943	(404)	160	18,885	8,103
Japanese yen	-	1	12,545	5,830	157	(256)	12,702	5,575
United States dollar	87	56	27,213	10,911	53,669	3,547	80,969	14,514
Total	2,383	923	63,543	26,609	89,293	46,576	155,219	74,108

**Floating rate interest was earned at rates based on LIBOR (London Interbank Offered Rate) or international equivalent.

The bond ratings for the portfolio at 15 April 2019 were:

	<i>Bid value £'000</i>	<i>Total net assets %</i>
Bond credit ratings		
AAA	4,502	2.90
AA+	27,213	17.54
AA	8,738	5.63
AA-	1,845	1.19
A+	12,545	8.08
BBB+	6,895	4.44
BBB	1,805	1.16
Total bonds	63,543	40.94

13. Shareholders' Funds

This Fund has a retail share class, a retail X share class and a C share class.

The annual ACD charge on the retail share class is 0.80%, 0.30% on retail X share class and 0.10% on C share class.

The net asset value of the share class, the net asset value per share and the number of shares in each class are given in the Comparative Tables on pages 192 to 194. The distribution per share class is given in the Distribution Tables on page 196.

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

14. Financial Derivatives

The Fund has used financial derivatives for hedging and meeting investment objectives including risk reduction and implementation of investment policies.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

The type of derivatives held at the year end was forward currency contracts.

Details of the individual contracts are shown on the Portfolio Statement on pages 189 to 191, and the total position by the counterparty at the year end is summarised below. The underlying exposure for each category of derivatives is as follows:

Counterparty	<i>Forward Currency £'000</i>		<i>Total £'000</i>	
	2019	2018	2019	2018
HSBC Bank	383	155	383	155
Royal Bank of Scotland	6	-	6	-
State Street	138	-	138	-

The economic exposure of future derivative contracts is equal to the market value. The value of exposure and the related counterparty are disclosed in the Portfolio Statement.

Eligible collateral types are approved by the ACD and may consist of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities.

At 15 April 2019, there was no collateral held in respect of the above derivatives (15.4.18: nil).

15. Contingent Liabilities and Commitments

At the year end the Fund had no contingent liabilities or commitments (15.4.18: nil).

16. Portfolio Transaction Costs

For the year ended 15 April 2019	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Bond transactions	64,644	-	-	-	-	-	-
Pooled investment vehicles	88,651	2	0.00	-	-	-	-
Total purchases before transaction costs	153,295	2		-		-	
Transaction costs	2						
Total purchases after commission, tax and fees	153,297						

	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Bond transactions	29,460	-	-	-	-	-	-
Pooled investment vehicles	49,998	1	0.00	-	-	-	-
Total sales before transaction costs	79,458	1		-		-	
Transaction costs	(1)						
Total sales after commission, tax and fees	79,457						

The Fund had paid £206 as commission on purchases and sales derivative transactions for the year ended 15.4.19.

Commissions, taxes and fees as % of average Net Assets

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.02%, being the difference between the respective bid and offer prices for the Fund's investments.

For the year ended 15 April 2018	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Bond transactions	29,443	-	-	-	-	-	-
Pooled investment vehicles	25,409	1	0.00	-	-	-	-
Total purchases before transaction costs	54,852	1		-		-	
Transaction costs	1						
Total purchases after commission, tax and fees	54,853						

	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Bond transactions	15,125	-	-	-	-	-	-
Pooled investment vehicles	1,542	-	-	-	-	-	-
Total sales before transaction costs	16,667	-		-		-	
Transaction costs	-						
Total sales after commission, tax and fees	16,667						

The Fund had paid £103 as commission on purchases and sales derivative transactions for the year ended 15.4.18.

Commissions, taxes and fees as % of average Net Assets

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

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

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

17. Fair Value of Investments

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

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

For the year ended 15 April 2019

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Bonds	53,172	10,371	-	63,543
Pooled investment vehicles	2,452	86,434	-	88,886
Derivatives	3	527	-	530
	55,627	97,332	-	152,959
Investment Liabilities	£'000	£'000	£'000	£'000
Derivatives	-	(2)	-	(2)
	-	(2)	-	(2)

For the year ended 15 April 2018

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Bonds	22,671	3,938	-	26,609
Pooled investment vehicles	5,634	40,861	-	46,495
Derivatives	7	155	-	162
	28,312	44,954	-	73,266
Investment Liabilities	£'000	£'000	£'000	£'000
Derivatives	-	-	-	-
	-	-	-	-

18. Sensitivity Analysis

Price risk sensitivity:

If the price of investments at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £15,295,729 (15.4.18: £7,326,630).

Currency risk sensitivity:

If the exchange rate at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £11,255,587 (15.4.18: £2,819,124).

Interest rate risk:

If the interest rate at 15 April 2019 had increased or decreased by 1 basis point with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £47,516 (15.4.18: £20,404).

Global Strategy Conservative Portfolio

Investment Objective

To provide capital growth through diversified investment across global markets with a bias towards fixed interest securities.

Investment Policy*

This is one of five actively managed Global Strategy Portfolios offered at five different risk levels. The Fund is rated as 2, where 1 is a lower level of risk and 5 is a higher level of risk. The Fund is managed in line with its agreed long term risk profile and is periodically rebalanced. Any potential gains are likely to be limited by the risk profile of the Fund.

To achieve its objective the Fund invests primarily in collective investment schemes, including exchange traded funds, which generally aim to track the performance of market indices. Such assets shall, in turn, invest in fixed interest securities, equities, and property securities that make up the relevant index.

The Fund may, in addition to its other investment powers, use exchange traded and over-the-counter derivatives and forward currency contracts for investment purposes. Using these investment powers for investment purposes means, in particular, maintaining positions in these investments for the long term rather than just for tactical short-term purposes. Where the use of derivatives is for investment purposes in addition to hedging it is envisaged that the use of such instruments will not affect the overall risk profile of the Fund.

*The full policy can be found in the prospectus.

Investment Strategy

The Fund invests in corporate bonds, equities and property securities through investment in collective investment schemes, including exchange traded funds, which generally aim to track the performance of an appropriate market index.

73% of the Fund invests in collective investment schemes that aim to track the performance of an index. The Fund invests directly in global government bonds.

Derivatives may be used with the aim of hedging to reduce market risk and to reduce the impact of currency movements but also with the aim of generating returns to assist the Fund in meeting its investment objective. Exchange traded futures may be used to gain or reduce exposure to certain asset classes. Forward currency contracts may be used to gain exposure to currencies or for hedging to reduce the impact of currency movements for certain asset classes that are not denominated in Sterling.

*The full strategy can be found in the prospectus.

Portfolio Activity

The portfolio maintained overweight exposure to a diversified basket of risk assets, relative to its long term strategic asset allocation, throughout the reporting period. At the start of the period the portfolio held an overweight position in global equities and an underweight position in global government bonds.

At the end of April, the Portfolio Management team reduced our overweight allocation to Europe equity. This was on the back of softening economic and earnings data. The proceeds were reinvested into the wider global equity asset class, leaving our overall preference for equity unchanged.

The end of May saw the Portfolio Management team complete the review and implementation of the Fund's strategic asset allocation. This saw a reduction to our global corporate bond allocation and an increase in our global equity allocation.

In August, we reduced our duration position by replacing our 10 year US Treasury future with a 2 year future. Yields at the shorter end of maturity were not significantly lower making shorter duration issues more attractive.

October saw the Portfolio Management team switch our corporate bond exposure from sterling corporate bonds to global corporate bonds.

In January, our equity overweight was reduced by 1%, to 2% as economic data had deteriorated slightly. While in February, we reduced our underweight allocation to the US by selling some of our exposure to Japan.

In April, we introduced a short position in 10 year Treasuries to reduce the duration of the portfolios and introduced a small overweight to UK equity as, despite Brexit uncertainties, UK data remains solid and valuations are attractive.

Major purchases included: HSBC American Index Fund, iShares Emerging Markets Index Fund, HSBC Japan Index Fund, HSBC FTSE 100 Index Fund, iShares Pacific Index Fund and HSBC ICAV Global Corporate Bond Index Fund.

Major sales included: HSBC European Index Fund, HSBC Corporate Bond Fund and HSBC Japan Index Fund.

Investment Performance

During the period the value of the shares in the Fund increased by 7.83%.

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

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

Fund Particulars

as at 16 April 2019

	Income C	Accumulation C
Price	103.5p xd	105.8p
Distribution payable (on 15 June 2019) per share net	0.616796p	0.697661p
Current net estimated yield	1.73%	1.76%
Annual ACD charge	0.10%	0.10%

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Asia-Pacific (excluding Japan) Equities - 1.39% (1.42%)			
^iShares Pacific Index Fund	37,366	516	1.39
Total Asia-Pacific (excluding Japan) Equities		516	1.39
European (excluding UK) Equities - 5.05% (6.05%)			
+HSBC European Index Fund	195,522	1,870	5.05
Total European (excluding UK) Equities		1,870	5.05
Global Corporate Bonds - 32.63% (0.00%)			
*+HSBC ICAV Global Corporate Bond Index Fund	1,534,456	12,074	32.63
Total Global Corporate Bonds		12,074	32.63
Global Emerging Market Equities - 5.83% (5.07%)			
^*iShares Emerging Markets	189,506	2,156	5.83
Total Global Emerging Markets Equities		2,156	5.83
Japanese Equities - 3.29% (4.31%)			
+HSBC Japan Index Fund	966,192	1,216	3.29
Total Japanese Equities		1,216	3.29
US Government Bonds - 1.51% (0.00%)			
^*Lyxor Core US TIPS UCITS ETF	7,282	557	1.51
Total US Government Bonds		557	1.51
US Equities - 17.25% (16.42%)			
+HSBC American Index Fund	1,000,138	6,383	17.25
Total US Equities		6,383	17.25
Direct Property Funds - 5.06% (4.85%)			
^iShares Developed Real Estate Index Fund	191,393	1,873	5.06
Total Direct Property Funds		1,873	5.06
UK Corporate Bonds - 5.97% (41.33%)			
+HSBC Sterling Corporate Bond Index Fund	2,083,017	2,208	5.97
Total UK Corporate Bonds		2,208	5.97
UK Equities - 2.38% (2.01%)			
+HSBC FTSE 100 Index Fund	290,100	700	1.89
+HSBC FTSE All-Share Index Fund	28,864	182	0.49
Total UK Equities		882	2.38
Dutch Government Bonds - 0.74% (0.00%)			
Government of Netherland 0.25% 15/1/2020	€314,497	273	0.74
Total Dutch Government Bonds		273	0.74
French Government Bonds - 0.00% (1.34%)			
German Government Bonds - 1.76% (0.85%)			
Government of Germany 4.75% 4/7/2034	€455,582	652	1.76
Total German Government Bonds		652	1.76

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Japanese Government Bonds - 2.98% (2.82%)			
Government of Japan 1.1% 20/3/2033	¥103,900,000	800	2.16
Government of Japan 1.2% 20/12/2020	¥43,250,000	301	0.82
Total Japanese Government Bonds		1,101	2.98
Spanish Government Bonds - 2.07% (1.98%)			
Government of Spain 2.15% 31/10/2025	€803,000	766	2.07
Total Spanish Government Bonds		766	2.07
UK Government Bonds - 1.08% (0.99%)			
Treasury 2% 22/7/2020	£187,411	190	0.51
Treasury 4.25% 7/12/2049	£130,393	210	0.57
Total UK Government Bonds		400	1.08
US Government Bonds - 5.22% (6.02%)			
US Treasury 2% 15/2/2023	\$1,212,200	912	2.46
US Treasury 2.625% 15/6/2021	\$810,700	621	1.68
US Treasury 3% 15/5/2045	\$518,800	400	1.08
Total US Government Bonds		1,933	5.22
Money Markets - 2.93% (2.65%)			
*+HSBC Global Sterling Liquidity Fund	1,082,829	1,083	2.93
Total Money Markets		1,083	2.93
Futures - 0.00% (0.01%)			
CBT US 2Yr Future June 2019	7	1	0.00
CBT US 10Yr Ultra Future June 2019	(6)	1	0.00
Total Futures		2	0.00
Forward Foreign Exchange Contracts - 0.29% (0.08%)			
#Sold ¥244,295,768 for £1,679,671 settled 9/5/2019		16	0.04
#Sold \$23,643,577 for £18,096,218 settled 9/5/2019		90	0.24
#Sold €2,527,736 for £2,182,156 settled 9/5/2019		1	0.01
Total Forward Foreign Exchange Contracts		107	0.29
Portfolio of investments		36,052	97.43
Net other assets		952	2.57
Net assets		37,004	100.00
*offshore fund			
+related party			
^listed			
#unlisted			

Figures in brackets denote the comparative percentage holdings as at 15 April 2018.

Unless otherwise stated, all holdings are authorised investment funds.

The counterparty for the Futures is HSBC.

The counterparties for the Forwards are HSBC, State Street, Royal Bank of Scotland and J.P. Morgan.

Comparative Tables

for the year ended 15 April 2019

Income C	15.4.19	15.4.18†	15.4.17
Change in net assets per share			
Opening net asset value per share	97.52p	100.00p	N/A
Return before operating charges*	7.58p	(1.94p)	N/A
Operating charges**	(0.10p)	(0.11p)	N/A
Return after operating charges*	7.48p	(2.05p)	N/A
Distributions on income shares	(1.80p)	(0.43p)	N/A
Closing net asset value per share	103.20p	97.52p	N/A
*after direct transaction costs of:***	0.00p	0.00p	N/A
Performance			
Return after charges	7.67%	(2.05%)	N/A
Other information			
Closing net asset value	£328,220	£3,724,180	N/A
Closing number of shares	318,173	3,818,889	N/A
Operating charges - OCF	0.17%	0.21%	N/A
Direct transaction costs	0.00%	0.00%	N/A
Prices			
Highest share price	104.00p	102.30p	N/A
Lowest share price	96.51p	97.30p	N/A

Accumulation C	15.4.19	15.4.18†	15.4.17
Change in net assets per share			
Opening net asset value per share	97.96p	100.00p	N/A
Return before operating charges*	7.65p	(1.93p)	N/A
Operating charges**	(0.11p)	(0.11p)	N/A
Return after operating charges*	7.54p	(2.04p)	N/A
Distributions on accumulation shares	(1.88p)	(0.44p)	N/A
Retained distributions on accumulation shares	1.88p	0.44p	N/A
Closing net asset value per share	105.50p	97.96p	N/A
*after direct transaction costs of:***	0.00p	0.00p	N/A
Performance			
Return after charges	7.70%	(2.04%)	N/A
Other information			
Closing net asset value	£36,676,095	£12,068,509	N/A
Closing number of shares	34,755,290	12,320,135	N/A
Operating charges - OCF	0.17%	0.21%	N/A
Direct transaction costs	0.00%	0.00%	N/A
Prices			
Highest share price	105.70p	102.40p	N/A
Lowest share price	97.94p	97.30p	N/A

†The Fund launched on 23 August 2017.

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

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

Statement of Total Return

for the year ended 15 April 2019

	Notes	15.4.19		15.4.18*	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		1,301		(396)
Revenue	3	512		63	
Expenses	4	(27)		(9)	
Net revenue before taxation		485		54	
Taxation	5	(101)		(11)	
Net revenue after taxation			384		43
Total return/(deficit) before distributions			1,685		(353)
Distributions	6		(406)		(43)
Change in net assets attributable to shareholders from investment activities			1,279		(396)

*The Fund launched on 23 August 2017.

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15 April 2019

	15.4.19		15.4.18*	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		15,793		-
Amounts receivable on creation of shares	27,070		16,235	
Amounts payable on cancellation of shares	(7,631)		(107)	
		19,439		16,128
Dilution adjustment		20		7
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		1,279		(396)
Retained distribution on accumulation shares		473		54
Closing net assets attributable to shareholders		37,004		15,793

*The Fund launched on 23 August 2017.

Balance Sheet

as at 15 April 2019

	Notes	15.4.19		15.4.18*	
		£'000	£'000	£'000	£'000
Assets					
Investments			36,052		15,508
Current assets					
Debtors	8	771		607	
Cash and bank balances		868		185	
Total current assets			1,639		792
Total assets			37,691		16,300
Liabilities					
Creditors					
Distribution payable on income shares		(2)		(16)	
Other creditors	9	(685)		(491)	
Total liabilities			(687)		(507)
Net assets attributable to shareholders			37,004		15,793

*The Fund launched on 23 August 2017.

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 October 2018				
Group 2: Shares purchased from 16 October 2018 to 15 April 2019				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.6.19</i>	<i>Distribution paid 15.6.18</i>
Income C				
Group 1	0.616796	-	0.616796	0.431722
Group 2	0.387800	0.228996	0.616796	0.431722
Accumulation C				
Group 1	0.697661	-	0.697661	0.437726
Group 2	0.341972	0.355689	0.697661	0.437726

Group 1: Shares purchased prior to 16 April 2018				
Group 2: Shares purchased from 16 April 2018 to 15 October 2018				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.12.18</i>	<i>Distribution paid 15.12.17*</i>
Income C				
Group 1	1.180000	-	1.180000	0.000000
Group 2	0.270000	0.910000	1.180000	0.000000
Accumulation C				
Group 1	1.180000	-	1.180000	0.000000
Group 2	0.380000	0.800000	1.180000	0.000000

*The Fund launched on 23 August 2017.

Notes to the Financial Statements

for the year ended 15 April 2019

	15.4.19 £'000	15.4.18 £'000
1. Accounting Policies		
The accounting policies are set out on pages 10 and 11.		
2. Net Capital Gains/(Losses)		
The net capital gains/(losses) during the year comprise:		
Realised losses on currency	(14)	(3)
Unrealised gains on currency	1	1
Transaction charges	2	(2)
Realised (losses)/gains on forward foreign currency contracts	(147)	88
Unrealised gains on forward foreign currency contracts	106	13
Realised gains on derivative securities	3	4
Unrealised gains on derivative securities	2	1
Realised losses on non-derivative securities	(2,455)	(15)
Unrealised gains/(losses) on non-derivative securities	3,803	(483)
Net capital gains/(losses)	1,301	(396)
Realised gains/(losses) in the current accounting year include unrealised gains/(losses) arising in previous years. In such circumstances a corresponding loss/gain is included in unrealised gains/(losses) figure.		
3. Revenue		
Franked distributions from UK authorised ICVCs and unit trusts	92	1
Interest on bonds and other debt securities	418	62
Deposit interest	2	-
Total revenue	512	63
4. Expenses		
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
Authorised Corporate Director's charge	24	7
Safe custody fee	1	-
	25	7
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	3	1
Other expenses:		
Report and accounts fee	(1)	1
Total expenses	27	9

	15.4.19 £'000	15.4.18 £'000
5. Taxation		
a) Analysis of charge in year:		
Corporation tax	101	11
Total tax for the year (note 5b)	101	11
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is higher (15.4.18: same) than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net revenue before taxation	485	54
Corporation tax at 20%	97	11
Effects of:		
Revenue not subject to taxation	(18)	-
Realised gains on non-qualifying offshore fund	6	-
Unrealised gains on non-qualifying offshore fund	16	-
Current tax charge for the year (note 5a)	101	11
c) Provision for deferred taxation		
At 15 April 2019, there is no potential deferred tax asset (15.4.18: £nil) in relation to surplus management expenses.		
6. Distributions		
The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:		
Interim dividend distribution	277	-
Final dividend distribution	244	70
	521	70
Add: Amounts deducted on cancellation of shares	24	-
Deduct: Amounts received on issue of shares	(139)	(27)
Net distribution for the year	406	43
7. Movement Between Net Revenue and Distributions		
Net revenue after taxation	384	43
Corporation tax on taxable items in capital	22	-
Net distribution for the year	406	43
8. Debtors		
Amounts receivable for creation of shares	463	591
Receivable due to trading loss	64	-
Sales awaiting settlement	204	-
Accrued revenue	40	16
Total debtors	771	607
9. Other Creditors		
Purchases awaiting settlement	582	474
Accrued expenses	3	6
Corporation tax payable	84	11
Deferred tax	16	-
Total other creditors	685	491

10. Reconciliation of Shares

	<i>Income C</i>	<i>Accumulation C</i>
Opening shares issued at 16.4.18	3,818,889	12,320,135
Share movements 16.4.18 to 15.4.19		
Shares issued	293,460	26,297,071
Shares cancelled	(3,794,176)	(3,861,916)
Closing shares issued at 15.4.19	318,173	34,755,290

11. Ultimate Controlling Party and Transactions

The Authorised Corporate Director (ACD) is regarded as a controlling party of the Fund by virtue of having the ability to act in concert in respect of Fund operations. The ultimate controlling party of the ACD is HSBC Group plc. This entity and its subsidiaries are also related parties of the Fund.

At the year end, the ACD and its associates held the following of the Fund's shares in issue:

	<i>Income C</i>	<i>Accumulation C</i>
	%	%
As at 15.4.19	9.30	2.09
As at 15.4.18	98.20	30.46

Details of all other material related party transactions during the year and any payment amounts outstanding at the balance sheet date are disclosed in notes 8 and 9 to the financial statements and the Statement of Change in Net Assets Attributable to Shareholders and the Portfolio Statement.

The balance due from the ACD (including amounts due to associates and agents) at the year end was £461,401 (15.4.18: £586,382), further details of such amounts can be found in notes 8 and 9.

At the year end, the Fund held £25,715,813 (15.4.18: £11,492,482) in Authorised Investment Funds managed by HSBC, the parent company of the ACD. During the year, transactions in Authorised Investment Funds managed by HSBC totalled £51,124,692 (15.4.18: £12,259,722).

12. Financial Instruments

The financial instrument risks and risk management policies are set out on pages 12 and 13.

Foreign Currency Risk

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

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>		<i>Net other assets/(liabilities)</i>		<i>Net assets</i>	
	15.4.19	15.4.18	15.4.19	15.4.18	15.4.19	15.4.18
	£'000	£'000	£'000	£'000	£'000	£'000
Sterling*	14,042	11,649	936	231	14,978	11,880
Euro	1,692	663	(33)	9	1,659	672
Japanese yen	1,117	451	2	1	1,119	452
United States dollar	19,201	2,745	47	44	19,248	2,789
Total	36,052	15,508	952	285	37,004	15,793

*No currency risk as base currency.

Interest Rate Risk

The interest rate profile of the Fund's financial assets and liabilities at 15 April 2019 was:

	<i>Floating rate financial assets**</i>		<i>Fixed rate financial assets</i>		<i>Financial assets/(liabilities) not carrying interest</i>		<i>Total</i>	
	15.4.19	15.4.18	15.4.19	15.4.18	15.4.19	15.4.18	15.4.19	15.4.18
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Sterling	665	146	400	157	13,913	11,577	14,978	11,880
Euro	1	-	1,691	658	(33)	14	1,659	672
Japanese yen	-	-	1,101	444	18	8	1,119	452
United States dollar	202	39	1,933	951	17,113	1,799	19,248	2,789
Total	868	185	5,125	2,210	31,011	13,398	37,004	15,793

**Floating rate interest was earned at rates based on LIBOR (London Interbank Offered Rate) or international equivalent.

The bond ratings for the portfolio at 15 April 2019 were:

	<i>Bid value £'000</i>	<i>Total net assets %</i>
Bond credit ratings		
AAA	925	2.50
AA+	1,933	5.22
AA	400	1.08
A+	1,101	2.98
BBB+	766	2.07
Total bonds	5,125	13.85

13. Shareholders' Funds

This Fund has a C share class. The annual ACD charge on the C share classes is 0.10%. The net asset value of the share class, the net asset value per share and the number of shares in each class are given in the Comparative Tables on page 208. The distribution per share class is given in the Distribution Tables on page 210. All share classes within the OEIC have the same rights on winding up.

14. Financial Derivatives

The Fund has used financial derivatives for hedging and meeting investment objectives including risk reduction and implementation of investment policies.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

The types of derivatives held at the year end were forward currency contracts and futures.

Details of the individual contracts are shown on the Portfolio Statement on pages 206 and 207, and the total position by the counterparty at the year end is summarised below: The underlying exposure for each category of derivatives is as follows:

Counterparty	<i>Forward Currency £'000</i>		<i>Total £'000</i>	
	2019	2018	2019	2018
HSBC Bank	90	13	90	13
State Street	15	-	15	-
Royal Bank of Scotland	1	-	1	-

The economic exposure of future derivative contracts is equal to the market value. The value of exposure and the related counterparty are disclosed in the Portfolio Statement.

Eligible collateral types are approved by the ACD and may consist of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities.

At 15 April 2019, there was no collateral held in respect of the above derivatives (15.4.18: nil).

15. Contingent Liabilities and Commitments

At the year end, the Fund had no contingent liabilities or commitments (15.4.18: nil).

16. Portfolio Transaction Costs

For the year ended 15 April 2019	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Bond transactions	108,092	-	-	-	-	-	-
Pooled investment vehicles	31,373	-	-	-	-	-	-
Total purchases before transaction costs	139,465						
Transaction costs	-						
Total purchases after commission, tax and fees	139,465						
	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Bond transactions	105,284	-	-	-	-	-	-
Pooled investment vehicles	15,284	-	-	-	-	-	-
Total sales before transaction costs	120,568						
Transaction costs	-						
Total sales after commission, tax and fees	120,568						

The Fund had paid £57 as commission on purchases and sales derivative transactions for the year ended 15.4.19.

Commissions, taxes and fees as % of average Net Assets

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

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

For the year ended 15 April 2018	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Bond transactions	3,322	-	-	-	-	-	-
Pooled investment vehicles	13,876	-	-	-	-	-	-
Total purchases before transaction costs	17,198	-	-	-	-	-	-
Transaction costs	-						
Total purchases after commission, tax and fees	17,198						
	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Bond transactions	965	-	-	-	-	-	-
Pooled investment vehicles	270	-	-	-	-	-	-
Total sales before transaction costs	1,235	-	-	-	-	-	-
Transaction costs	-						
Total sales after commission, tax and fees	1,235						

The Fund had paid £20 as commission on purchases and sales derivative transactions for the year ended 15.4.18.

Commissions, taxes and fees as % of average Net Assets

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

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

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

17. Fair Value of Investments

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

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

For the year ended 15 April 2019

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Bonds	4,086	1,039	-	5,125
Pooled investment vehicles	557	30,261	-	30,818
Derivatives	2	107	-	109
	4,645	31,407	-	36,052

For the year ended 15 April 2018

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Bonds	1,898	313	-	2,211
Pooled investment vehicles	-	13,283	-	13,283
Derivatives	1	13	-	14
	1,899	13,609	-	15,508

18. Sensitivity Analysis

Price risk sensitivity:

If the price of investments at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £3,605,190 (15.4.18: £1,550,764).

Currency risk sensitivity:

If the exchange rate at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £2,202,661 (15.4.18: £391,195).

Interest rate risk sensitivity:

If the interest rate at 15 April 2019 had increased or decreased by 1 basis point with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £3,916 (15.4.18: £1,676).

Global Strategy Dynamic Portfolio

Investment Objective

To provide capital growth through investment in a broad range of asset classes across global markets, with a bias towards equities.

Investment Policy*

This is one of a range of actively managed Global Strategy Portfolios offered at five different risk levels. The Fund is rated as 4, where 1 is a lower level of risk and 5 is a higher level of risk. The Fund is managed with the aim of maximising returns in line with its agreed long term risk profile therefore any potential gains are likely to be limited by the risk profile of the Fund.

To achieve its objective the Fund invests primarily in collective investment schemes, including exchange traded funds, which aim to track the performance of market indices. Such assets shall, in turn, invest in equities, fixed interest securities and property securities that make up the relevant index.

The Fund may, in addition to its other investment powers, use exchange traded and over-the-counter derivatives and forward currency contracts for investment purposes. Using these investment powers for investment purposes means, in particular, maintaining positions in these investments for the long term rather than just for tactical short-term purposes. Where the use of derivatives is for investment purposes in addition to hedging it is envisaged that the use of such instruments will not affect the overall risk profile of the Fund.

*The full policy can be found in the prospectus.

Investment Strategy*

The starting point for the Global Strategy Portfolios is the Strategic Asset Allocation (SAA). SAA is the long-term blend of assets for each risk level. Tactical Asset Allocation (TAA) is another layer on top of the SAA and is driven by the investment team's shorter term market outlook.

Portfolio Implementation is the final stage in the investment process, where we decide how best to take exposure to each asset class.

The Fund invests in corporate bonds, equities and property securities through investment in collective investment schemes, including exchange traded funds, which aim to track the performance of an appropriate market index.

84% of the Fund invests in collective investment schemes that aim to track the performance of an index.

Derivatives may be used with the aim of hedging to reduce market risk and to reduce the impact of currency movements but also with the aim of generating returns to assist the Fund in meeting its investment objective.

Exchange traded futures may be used to gain or reduce exposure to certain asset classes. Forward currency contracts may be used to gain exposure to currencies or for hedging to reduce the impact of currency movements for certain asset classes that are not denominated in Sterling.

*The full strategy can be found in the prospectus.

Portfolio Activity

The portfolio maintained overweight exposure to a diversified basket of risk assets, relative to its long term strategic asset allocation, throughout the reporting period. At the start of the period the portfolio held an overweight position in global equities and an underweight position in global government bonds.

At the end of April, the Portfolio Management team reduced our overweight allocation to Europe equity. This was on the back of softening economic and earnings data. The proceeds were reinvested into the wider global equity asset class, leaving our overall preference for equity unchanged.

The end of May saw the Portfolio Management team complete the review and implementation of the Fund's strategic asset allocation. This saw a reduction to our global corporate bond allocation and an increase in our global equity allocation.

In August, we reduced our duration position by replacing our 10 year US Treasury future with a 2 year future. Yields at the shorter end of maturity were not significantly lower making shorter duration issues more attractive.

October saw the Portfolio Management team switch our corporate bond exposure from sterling corporate bonds to global corporate bonds.

In January, our equity overweight was reduced by 1%, to 2% as economic data had deteriorated slightly. While in February, we reduced our underweight allocation to the US by selling some of our exposure to Japan.

In April, we introduced a short position in 10 year Treasuries to reduce the duration of the portfolios and introduced a small overweight to UK equity as, despite Brexit uncertainties, UK data remains solid and valuations are attractive.

Major purchases included: HSBC American Index Fund, iShares Emerging Markets Index Fund, HSBC Japan Index Fund, HSBC FTSE 100 Index Fund, iShares Pacific Index Fund and HSBC ICAV Global Corporate Bond Index Fund.

Major sales included: HSBC European Index Fund, HSBC Corporate Bond Fund and HSBC Japan Index Fund.

Investment Performance

During the year under review, the value of the shares in the Fund increased by 10.77%.

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

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

Fund Particulars

as at 16 April 2019

	Retail Income	Retail Accumulation	Retail X Income
Price	188.8p xd	205.0p	190.3p xd
Distribution payable (on 15 June 2019) per share net	0.278943p	0.304902p	0.652388p
Current net estimated yield	0.90%	0.90%	1.28%
Annual ACD charge	0.80%	0.80%	0.30%
	Retail X Accumulation	Income C	Accumulation C
Price	211.0p	189.9p xd	213.5p
Distribution payable (on 15 June 2019) per share net	0.715749p	0.864891p	0.959355p
Current net estimated yield	1.27%	1.51%	1.50%
Annual ACD charge	0.30%	0.10%	0.10%

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Asia-Pacific (excluding Japan) Equities - 3.34% (3.23%)			
^*iShares Core MSCI Pacific ex-Japan UCITS ETF	19,967	2,308	1.14
^*iShares Pacific Index Fund	322,214	4,451	2.20
Total Asia-Pacific (excluding Japan) Equities		6,759	3.34
European (excluding UK) Equities - 12.47% (13.16%)			
+HSBC European Index Fund	2,635,131	25,205	12.47
Total European (excluding UK) Equities		25,205	12.47
Global Emerging Markets Equities - 11.91% (10.04%)			
^*iShares Core MSCI Emerging Markets IMI UCITS ETF	203,023	4,472	2.21
^*iShares Emerging Markets Index Fund	1,722,374	19,596	9.70
Total Global Emerging Markets Equities		24,068	11.91
Japanese Equities - 7.41% (7.66%)			
+HSBC Japan Index Fund	11,900,229	14,971	7.41
Total Japanese Equities		14,971	7.41
US Equities - 43.10% (41.88%)			
+HSBC American Index Fund	10,506,254	67,051	33.19
^*iShares Core S&P UCITS ETF	92,137	20,026	9.91
Total North American Equities		87,077	43.10
Direct Property Funds - 5.07% (4.89%)			
^*iShares Developed Real Estate Index Fund	1,046,204	10,237	5.07
Total Direct Property Funds		10,237	5.07
UK Corporate Bonds - 0.00% (13.54%)			
UK Equities - 5.38% (4.58%)			
+HSBC FTSE All-Share Index Fund	421,944	2,661	1.32
+HSBC FTSE 100 Index Fund	3,399,600	8,203	4.06
Total UK Equities		10,864	5.38
Money Markets - 0.91% (0.00%)			
*+HSBC Global Sterling Liquidity Fund	1,836,608	1,837	0.91
Total Money Markets		1,837	0.91
Global Corporate Bonds - 8.75% (0.00%)			
*+HSBC ICAV Global Corporate Bond Index Fund	2,245,739	17,671	8.75
Total Global Corporate Bonds		17,671	8.75

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Forward Foreign Exchange Contracts - 0.19% (0.09%)			
#Sold €7,160,806 for £6,182,010 settled 9/5/2019		2	0.00
#Sold £284,728 for ¥41,416,583 settled 9/5/2019		(3)	0.00
#Sold £419,190 for \$549,096 settled 9/5/2019		(1)	0.00
#Sold ¥782,099,599 for £5,377,387 settled 9/5/2019		50	0.02
#Sold \$91,063,291 for £69,697,624 settled 9/5/2019		348	0.17
Total Forward Foreign Exchange Contracts		396	0.19
Futures - 0.01% (0.00%)			
CBT US 2Yr Note Future June 2019	12	2	0.00
CBT US 10Yr Ultra Future June 2019	(44)	11	0.01
Total Futures		13	0.01
Portfolio of investments		199,098	98.54
Net other assets		2,949	1.46
Net assets		202,047	100.00
*offshore fund			
+related party			
^listed			
#unlisted			

Figures in brackets denote comparative percentage holdings as at 15 April 2018.

All holdings are authorised investment funds, unless otherwise stated.

The counterparty for Futures is HSBC.

The counterparties for the Forward Foreign Exchange Contracts are Goldman Sachs, HSBC Bank, Royal Bank of Scotland and State Street.

Comparative Tables

for the year ended 15 April 2019

Retail Income			
Change in net assets per share	15.4.19	15.4.18	15.4.17
Opening net asset value per share	172.70p	169.30p	139.00p
Return before operating charges*	19.12p	6.43p	33.37p
Operating charges**	(1.66p)	(1.62p)	(1.46p)
Return after operating charges*	17.46p	4.81p	31.91p
Distributions on income shares	(1.76p)	(1.41p)	(1.61p)
Closing net asset value per share	188.40p	172.70p	169.30p
*after direct transaction costs of:***	0.01p	0.01p	0.02p
Performance			
Return after charges	10.11 %	2.84%	22.96%
Other information			
Closing net asset value	£73,032	£51,901	£46,584
Closing number of shares	38,768	30,050	27,522
Operating charges - OCF	0.99%	1.00%	1.01 %
Direct transaction costs	0.01 %	0.00%	0.01 %
Prices			
Highest share price	190.90p	185.30p	173.00p
Lowest share price	166.90p	166.40p	132.90p

Retail Accumulation			
Change in net assets per share	15.4.19	15.4.18	15.4.17
Opening net asset value per share	185.70p	180.60p	146.80p
Return before operating charges*	20.59p	6.80p	35.33p
Operating charges**	(1.79p)	(1.70p)	(1.53p)
Return after operating charges*	18.80p	5.10p	33.80p
Distributions on accumulation shares	(1.90p)	(1.31p)	(1.70p)
Retained distributions on accumulation shares	1.90p	1.31p	1.70p
Closing net asset value per share	204.50p	185.70p	180.60p
*after direct transaction costs of:***	0.01p	0.01p	0.02p
Performance			
Return after charges	10.12%	2.82%	23.02%
Other information			
Closing net asset value	£73,431	£33,761	£208,214
Closing number of shares	35,903	18,185	115,319
Operating charges - OCF	0.99%	1.00%	1.01 %
Direct transaction costs	0.01 %	0.00%	0.01 %
Prices			
Highest share price	205.20p	199.00p	184.30p
Lowest share price	180.90p	177.50p	140.40p

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

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

Comparative Tables

for the year ended 15 April 2019

Retail X Income	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	174.00p	170.60p	140.00p
Return before operating charges*	19.06p	6.28p	33.51p
Operating charges**	(0.76p)	(0.74p)	(0.67p)
Return after operating charges*	18.30p	5.54p	32.84p
Distributions on income shares	(2.50p)	(2.14p)	(2.24p)
Closing net asset value per share	189.80p	174.00p	170.60p
*after direct transaction costs of:***	0.01p	0.01p	0.02p
Performance			
Return after charges	10.52%	3.25%	23.46%
Other information			
Closing net asset value	£105,297	£90,322	£88,515
Closing number of shares	55,469	51,897	51,897
Operating charges - OCF	0.49%	0.50%	0.51%
Direct transaction costs	0.01%	0.00%	0.01%
Prices			
Highest share price	192.60p	186.93p	174.60p
Lowest share price	168.30p	167.70p	134.00p

Retail X Accumulation	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	190.40p	184.40p	149.30p
Return before operating charges*	21.04p	6.81p	35.86p
Operating charges**	(0.84p)	(0.81p)	(0.76p)
Return after operating charges*	20.20p	6.00p	35.10p
Distributions on accumulation shares	(2.75p)	(2.32p)	(2.42p)
Retained distributions on accumulation shares	2.75p	2.32p	2.42p
Closing net asset value per share	210.60p	190.40p	184.40p
*after direct transaction costs of:***	0.01p	0.01p	0.02p
Performance			
Return after charges	10.61%	3.25%	23.51%
Other information			
Closing net asset value	£9,807,371	£6,213,813	£2,253,585
Closing number of shares	4,656,975	3,263,298	1,222,372
Operating charges - OCF	0.49%	0.50%	0.52%
Direct transaction costs	0.01%	0.00%	0.01%
Prices			
Highest share price	210.70p	203.90p	188.10p
Lowest share price	186.00p	181.30p	142.90p

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

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

Comparative Tables

for the year ended 15 April 2019

Income C	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	173.60p	170.20p	139.70p
Return before operating charges*	18.94p	6.17p	33.31p
Operating charges**	(0.21p)	(0.21p)	(0.20p)
Return after operating charges*	18.73p	5.96p	33.11p
Distributions on income shares	(2.93)	(2.56p)	(2.61p)
Closing net asset value per share	189.40p	173.60p	170.20p
*after direct transaction costs of:***	0.01p	0.01p	0.02p
Performance			
Return after charges	10.79%	3.50%	23.70%
Other information			
Closing net asset value	£4,305,389	£3,360,761	£1,881,461
Closing number of shares	2,273,173	1,935,437	1,105,636
Operating charges - OCF	0.19%	0.20%	0.21%
Direct transaction costs	0.01%	0.00%	0.01%
Prices			
Highest share price	192.30p	186.64p	174.30p
Lowest share price	168.00p	167.30p	133.70p

Accumulation C	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	192.20p	185.60p	150.00p
Return before operating charges*	21.03p	6.83p	35.83p
Operating charges**	(0.23p)	(0.23p)	(0.23p)
Return after operating charges*	20.80p	6.60p	35.60p
Distributions on accumulation shares	(3.26p)	(2.80p)	(2.82p)
Retained distributions on accumulation shares	3.26p	2.80p	2.82p
Closing net asset value per share	213.00p	192.20p	185.60p
*after direct transaction costs of:***	0.01p	0.01p	0.02p
Performance			
Return after charges	10.82%	3.56%	23.73%
Other information			
Closing net asset value	£187,682,408	£72,635,026	£36,564,264
Closing number of shares	88,105,760	37,799,080	19,697,778
Operating charges - OCF	0.19%	0.20%	0.22%
Direct transaction costs	0.01%	0.00%	0.01%
Prices			
Highest share price	213.10p	205.65p	189.40p
Lowest share price	188.10p	182.50p	143.50p

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

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

Statement of Total Return

for the year ended 15 April 2019

	Notes	15.4.19		15.4.18	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		10,646		312
Revenue	3	1,838		882	
Expenses	4	(149)		(87)	
Net revenue before taxation		1,689		795	
Taxation	5	(57)		(38)	
Net revenue after taxation			1,632		757
Total return before distributions			12,278		1,069
Distributions	6		(1,632)		(757)
Change in net assets attributable to shareholders from investment activities			10,646		312

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 15 April 2019

	15.4.19		15.4.18	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		82,386		41,043
Amounts receivable on creation of shares	116,539		44,534	
Amounts payable on cancellation of shares	(9,590)		(4,454)	
		106,949		40,080
Dilution adjustment		66		10
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		10,646		312
Retained distribution on accumulation shares		2,000		941
Closing net assets attributable to shareholders		202,047		82,386

Balance Sheet

as at 15 April 2019

	Notes	15.4.19		15.4.18	
		£'000	£'000	£'000	£'000
Assets					
Investments			199,102		81,623
Current assets					
Debtors	8	2,787		187	
Cash and bank balances		4,146		980	
Total current assets			6,933		1,167
Total assets			206,035		82,790
Liabilities					
Investment liabilities			(4)		-
Creditors					
Distribution payable on income shares		(20)		(15)	
Other creditors	9	(3,964)		(389)	
Total creditors			(3,984)		(404)
Total liabilities			(3,988)		(404)
Net assets attributable to shareholders			202,047		82,386

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 October 2018				
Group 2: Shares purchased from 16 October 2018 to 15 April 2019				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.6.19</i>	<i>Distribution paid 15.6.18</i>
Retail Income				
Group 1	0.278943	-	0.278943	0.177201
Group 2	0.276539	0.002404	0.278943	0.177201
Retail Accumulation				
Group 1	0.304902	-	0.304902	0.000000
Group 2	0.226450	0.078452	0.304902	0.000000
Retail X Income				
Group 1	0.652388	-	0.652388	0.546039
Group 2	0.489726	0.162662	0.652388	0.546039
Retail X Accumulation				
Group 1	0.715749	-	0.715749	0.597388
Group 2	0.417918	0.297831	0.715749	0.597388
Income C				
Group 1	0.864891	-	0.864891	0.758793
Group 2	0.434207	0.430684	0.864891	0.758793
Accumulation C				
Group 1	0.959355	-	0.959355	0.840044
Group 2	0.412563	0.546792	0.959355	0.840044

Distribution Tables (pence per share)

for the year ended 15 April 2019

Group 1: Shares purchased prior to 16 April 2018				
Group 2: Shares purchased from 16 April 2018 to 15 October 2018				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.12.18</i>	<i>Distribution paid 15.12.17</i>
Retail Income				
Group 1	1.480000	-	1.480000	1.230000
Group 2	1.480000	0.000000	1.480000	1.230000
Retail Accumulation				
Group 1	1.600000	-	1.600000	1.310000
Group 2	0.000000	1.600000	1.600000	1.310000
Retail X Income				
Group 1	1.850000	-	1.850000	1.590000
Group 2	1.640000	0.210000	1.850000	1.590000
Retail X Accumulation				
Group 1	2.030000	-	2.030000	1.720000
Group 2	0.000000	2.030000	2.030000	1.720000
Income C				
Group 1	2.070000	-	2.070000	1.800000
Group 2	0.370000	1.700000	2.070000	1.800000
Accumulation C				
Group 1	2.300000	-	2.300000	1.960000
Group 2	0.330000	1.970000	2.300000	1.960000

Notes to the Financial Statements

for the year ended 15 April 2019

	15.4.19 £'000	15.4.18 £'000
1. Accounting Policies		
The accounting policies are set out on pages 10 and 11.		
2. Net Capital Gains		
The net capital gains during the year comprise:		
Realised (losses)/gains on currency	(15)	5
Unrealised losses on currency	-	(2)
Transaction charges	1	-
Realised (losses)/gains on forward foreign currency contracts	(1,311)	769
Unrealised gains on forward foreign currency contracts	396	77
Unrealised gains on derivative securities	13	-
Realised gains on non-derivative securities	939	125
Unrealised gains/(losses) on non-derivative securities	10,623	(662)
Net capital gains	10,646	312
Realised gains/(losses) in the current accounting year include unrealised gains/(losses) arising in previous years. In such circumstances a corresponding loss/gain is included in unrealised gains/(losses) figure.		
3. Revenue		
Franked distributions from UK authorised ICVCs and unit trusts	1,404	605
Interest on bonds and other debt securities	431	276
Bank interest	3	1
Total revenue	1,838	882
4. Expenses		
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
Authorised Corporate Director's charge	124	71
Registration fee	7	4
Safe custody fee	5	3
	136	78
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	14	8
Other expenses:		
Report and accounts fee	(1)	1
Total expenses	149	87

	15.4.19 £'000	15.4.18 £'000
5. Taxation		
a) Analysis of charge in year:		
Corporation tax	57	38
Total tax for the year (note 5b)	57	38
b) Factors affecting taxation charge for the year:		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%).		
The differences are explained below:		
Net revenue before taxation	1,689	795
Corporation tax at 20%	338	159
Effects of:		
Revenue not subject to taxation	(281)	(121)
Current tax charge for the year (note 5a)	57	38
c) Provision for deferred taxation		
At 15 April 2019, there is no potential deferred tax asset (15.4.18: £nil) in relation to surplus management expenses.		
6. Distributions		
The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:		
Interim dividend distribution	1,162	632
Final dividend distribution	899	352
	2,061	984
Add: Amounts deducted on cancellation of shares	44	22
Deduct: Amounts received on issue of shares	(473)	(249)
Net distribution for the year	1,632	757
7. Movement Between Net Revenue and Distributions		
Net revenue after taxation	1,632	757
Net distribution for the year	1,632	757
8. Debtors		
Amounts receivable for creation of shares	1,644	181
Sales awaiting settlement	1,142	-
Accrued revenue	1	-
Income tax recoverable	-	6
Total debtors	2,787	187
9. Other Creditors		
Amounts payable for cancellation of shares	-	28
Purchases awaiting settlement	3,894	299
Accrued expenses	13	24
Corporation tax payable	57	38
Total other creditors	3,964	389

10. Reconciliation of Shares

	<i>Retail Income</i>	<i>Retail Accumulation</i>	<i>Retail X Income</i>
Opening shares issued at 16.4.18	30,050	18,185	51,897
Share movements 16.4.18 to 15.4.19			
Shares issued	8,718	18,940	3,774
Shares cancelled	-	(1,222)	(5)
Shares converted	-	-	(197)
Closing shares issued at 15.4.19	38,768	35,903	55,469

	<i>Retail X Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>
Opening shares issued at 16.4.18	3,263,298	1,935,437	37,799,080
Share movements 16.4.18 to 15.4.19			
Shares issued	2,148,570	830,242	53,899,959
Shares cancelled	(749,552)	(492,703)	(3,598,560)
Shares converted	(5,341)	197	5,281
Closing shares issued at 15.4.19	4,656,975	2,273,173	88,105,760

11. Ultimate Controlling Party and Transactions

The Authorised Corporate Director (ACD) is regarded as a controlling party of the Fund by virtue of having the ability to act in concert in respect of Fund operations. The ultimate controlling party of the ACD is HSBC Group plc. This entity and its subsidiaries are also related parties of the Fund.

At the year end, the ACD and its associates held the following of the Fund's shares in issue:

	<i>Retail Income</i>	<i>Retail Accumulation</i>	<i>Retail X Income</i>	<i>Retail X Accumulation</i>	<i>Income C</i>	<i>Accumulation C</i>
	%	%	%	%	%	%
As at 15.4.19	-	-	-	-	13.59	6.03
As at 15.4.18	-	-	-	-	10.79	9.03

Details of all other material related party transactions during the year and any payment amounts outstanding at the balance sheet date are disclosed in notes 8 and 9 to the financial statements and the Statement of Change in Net Assets Attributable to Shareholders and the Portfolio Statement. The balance due from the ACD (including amounts due to associates and agents) at the year end was £1,633,719 (15.4.18: £132,188), further details of such amounts can be found in notes 8 and 9.

At the year end, the Fund held £137,598,865 (15.4.18: £63,713,752) in Authorised Investment Funds managed by HSBC or HSBC Holdings, the parent company of the ACD. During the year, transactions in Authorised Investment Funds managed by HSBC or HSBC Holdings totalled £137,371,989 (15.1.17: £34,356,494).

12. Financial Instruments

The financial instrument risks and risk management policies are set out on pages 12 and 13.

Foreign Currency Risk

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

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>		<i>Net other assets/(liabilities)</i>		<i>Net assets</i>	
	15.4.19	15.4.18	15.4.19	15.4.18	15.4.19	15.4.18
	£'000	£'000	£'000	£'000	£'000	£'000
Sterling*	119,924	63,714	3,516	1,062	123,440	64,776
Euro	2	17	-	-	2	17
Japanese yen	50	37	-	-	50	37
United States dollar	79,122	17,855	(567)	(299)	78,555	17,556
Total	199,098	81,623	2,949	763	202,047	82,386

*No currency risk as base currency.

Interest Rate Risk

At the year end, 2.05% (15.4.18: 1.19%) of the Fund's assets by value were interest-bearing.

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

13. Shareholders' Funds

This Fund has a retail share class, a retail X share class and a C share class.

The annual ACD charge on the retail share class is 0.80%, 0.30% on the retail X share class and 0.10% on the C share class. The net asset value of the share class, the net asset value per share and the number of shares in each class are given in the Comparative Tables on pages 221 to 223. The distribution per share class is given in the Distribution Tables on pages 225 and 226. All share classes within the OEIC have the same rights on winding up.

14. Financial Derivatives

The Fund has used financial derivatives for hedging and meeting investment objectives including risk reduction and implementation of investment policies.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

The types of derivatives held at the year end were index futures and forward currency contracts.

Details of the individual contracts are shown on the Portfolio Statement on pages 219 and 220, and the total position by the counterparty at the year end is summarised below: The underlying exposure for each category of derivatives is as follows:

Counterparty	<i>Forward Currency</i>		<i>Total</i>	
	2019	2018	2019	2018
	£'000		£'000	
HSBC Bank	348	77	348	77
Royal Bank of Scotland	2	-	2	-
State Street	50	-	50	-

Eligible collateral types are approved by the ACD and may consist of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities.

The economic exposure of future derivative contracts is equal to the market value. The value of exposure and the related counterparty are disclosed in the Portfolio Statement.

At 15 April 2019, there was no collateral held in respect of the above derivatives (15.4.18: nil).

15. Contingent Liabilities and Commitments

At the year end the Fund had no contingent liabilities or commitments (15.4.18: none).

16. Portfolio Transaction Costs

For the year ended 15 April 2019	Purchases	Commissions		Taxes		Other Expenses	
	<i>£'000</i>	<i>£'000</i>	%	<i>£'000</i>	%	<i>£'000</i>	%
Analysis of total purchases costs							
Pooled investment vehicles	138,967	5	0.00	-	-	-	-
Total purchases before transaction costs	138,967	5		-		-	
Transaction costs	5						
Total purchases after commission, tax and fees	138,972						
	Sales	Commissions		Taxes		Other Expenses	
	<i>£'000</i>	<i>£'000</i>	%	<i>£'000</i>	%	<i>£'000</i>	%
Analysis of total sales costs							
Pooled investment vehicles	34,620	1	0.00	-	-	-	-
Total sales before transaction costs	34,620	1		-		-	
Transaction costs	(1)						
Total sales after commission, tax and fees	34,619						

The Fund had paid £92 as commission on purchases and sales derivative transactions for the year ended 15.4.19.

Commissions, taxes and fees as % of average Net Assets

Commissions 0.01%

Taxes 0.00%

Other expenses 0.00%

At the balance sheet date the portfolio dealing spread was 0.00%, being the difference between the respective bid and offer prices for the Fund's investments.

For the year ended 15 April 2018	Purchases	Commissions		Taxes		Other Expenses	
	<i>£'000</i>	<i>£'000</i>	%	<i>£'000</i>	%	<i>£'000</i>	%
Analysis of total purchases costs							
Pooled investment vehicles	42,958	2	0.00	-	-	-	-
Total purchases before transaction costs	42,958	2		-		-	
Transaction costs	2						
Total purchases after commission, tax and fees	42,960						
	Sales	Commissions		Taxes		Other Expenses	
	<i>£'000</i>	<i>£'000</i>	%	<i>£'000</i>	%	<i>£'000</i>	%
Analysis of total sales costs							
Pooled investment vehicles	1,742	-	-	-	-	-	-
Total sales before transaction costs	1,742	-		-		-	
Transaction costs	-						
Total sales after commission, tax and fees	1,742						

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 15.4.18.

Commissions, taxes and fees as % of average Net Assets

Commissions 0.00%

Taxes 0.00%

Other expenses 0.00%

At the balance sheet date the portfolio dealing spread was 0.02%, being the difference between the respective bid and offer prices for the Fund's investments.

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

17. Fair Value of Investments

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

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

For the year ended 15 April 2019

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Pooled investment vehicles	26,806	171,883	-	198,689
Derivatives	13	400	-	413
	26,819	172,283	-	199,102
Investment Liabilities	£'000	£'000	£'000	£'000
Derivatives	-	(4)	-	(4)
	-	(4)	-	(4)

For the year ended 15 April 2018

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Pooled investment vehicles	19,046	62,500	-	81,546
Derivatives	-	77	-	77
	19,046	62,577	-	81,623

18. Sensitivity Analysis**Price risk sensitivity:**

If the price of investments at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £19,909,760 (15.4.18: £8,162,342).

Currency risk sensitivity:

If the exchange rate at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £7,860,612 (15.4.18: £1,761,038).

Interest rate risk sensitivity:

At the balance sheet date, the Fund did not have a significant exposure to interest rate risk, therefore no sensitivity analysis is disclosed (15.4.18: no significant exposure).

Global Sustainable Multi-Asset Balanced Portfolio

Investment Objective

To provide capital growth through investment in assets that meet sustainable investment principles. The fund invests in a range of sustainable investment strategies which aim to consider financial returns alongside environmental, social and governance factors.

Investment Policy*

This is one of a range of actively managed Global Sustainable Multi-Asset Portfolios offered at different risk levels. The asset allocation of each fund in the range reflects the risk level. The Fund is rated as 3 where 1 is a lower level of risk and 5 is a higher level of risk. The Fund is managed with the aim of maximising returns in line with its agreed long term risk profile therefore any potential returns are likely to be limited by the risk profile of the Fund.

To achieve its objective the Fund invests primarily in collective investment schemes, which in turn invest in fixed interest securities, equities and property securities that meet one or more sustainable investment strategies. The Fund may also invest directly in fixed interest securities and equities where the investment objective can be more efficiently achieved.

Additionally, the Fund may use exchange traded and over the counter derivatives and forward currency contracts for efficient portfolio management purposes, including hedging, and for investment purposes. Investing in derivatives for investment purposes means, in particular, maintaining positions in these investments for the long term rather than just for tactical short-term purposes. However, it is envisaged that the use of derivatives for investment purposes will not be extensive and will not affect the overall risk profile of the Fund.

*The full policy can be found in the prospectus

Investment Strategy

The starting point for the Global Sustainable Multi-Asset Portfolios is the Strategic Asset Allocation (SAA). SAA is the long-term blend of assets for each risk level. Tactical Asset Allocation (TAA) is another layer on top of the SAA and is driven by the investment team's shorter term market outlook. Portfolio Implementation is the final stage in the investment process, where we decide how best to take exposure to each asset class.

The focus on sustainable investment strategies is taken into consideration at each stage, when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes.

Derivatives may be used with the aim of hedging to reduce market risk and to reduce the impact of currency movements but also with the aim of generating returns to assist the Fund in meeting its investment objective. Exchange traded futures may be used to gain or reduce exposure to certain asset classes. Forward currency contracts may be used to gain exposure to currencies or for hedging to reduce the impact of currency movements for certain asset classes that are not denominated in Sterling.

*The full strategy can be found in the prospectus.

Portfolio Activity

The portfolio was launched on 24 October 2018.

During the period, the portfolio maintained an overweight exposure to a diversified basket of risk assets, relative to its long term strategic asset allocation. At launch, the portfolio held overweight allocations to Japan and emerging markets equities.

In April, we introduced a small overweight to UK equity as, despite Brexit uncertainties, UK data remains solid and valuations are attractive.

Major purchases included: UBS MSCI UK IMI Socially Responsible UCITS ETF.

Investment Performance

As the Fund only launched on 24 October 2018, there is no performance information for this period.

Fund Particulars

as at 16 April 2019

	Income C	Accumulation C
Price	105.70p xd	105.90p
Distribution payable (on 15 June 2019) per share net	0.257214p	0.258003p
Current net estimated yield	0.25%	0.25%
Annual ACD charge	0.45%	0.45%

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
UK Equities - 1.45%			
^*UBS MSCI UK IMI Socially Responsible UCITS ETF	17,432	274	1.45
Total UK Equities		274	1.45
Global Corporate Bonds - 9.77%			
+HSBC GIF Global Lower Carbon Bond Fund	229,881	1,842	9.77
Total Global Corporate Bonds		1,842	9.77
Global Emerging Markets Equities - 7.07%			
^*iShares Core MSCI Emerging Markets SRI UCITS ETF	262,852	1,333	7.07
Total Global Emerging Markets Equities		1,333	7.07
Global Equities - 46.40%			
+HSBC GIF Global Equity Climate Change Fund	134,214	1,124	5.96
+HSBC GIF Global Lower Carbon Equity Fund	313,645	2,493	13.21
+HSBC SRI Global Equity Fund	5,408	5,136	27.23
Total Global Equities		8,753	46.40
Global Government Bonds - 0.29%			
^*iShares Global Government Bond UCITS ETF	10,662	54	0.29
Total Global Government Bonds		54	0.29
Global Property Equities Funds - 4.94%			
+HSBC Global Investment Real Estate Equity Fund	110,219	932	4.94
Total Global Property Equities Funds		932	4.94
Japanese Equities - 2.59%			
^*iShares MSCI Japan SRI ETF	120,810	489	2.59
Total Japanese Equities		489	2.59
European Equities - 1.04%			
^*UBS MSCI EMU Socially Responsible UCITS ETF	2,385	196	1.04
Total European Equities		196	1.04
EURO Corporate Bonds - 3.02%			
^*Xtrackers II ESG EUR Corporate UCITS ETF	4,291	570	3.02
Total EURO Corporate Bonds		570	3.02
US Corporate Bonds - 9.29%			
^*Lyxor Core US TIPS (DR) UCITS ETF	3,725	285	1.51
^*UBS Barclays MSCI US Liquid Corporates Sustainable UCITS ETF	116,393	1,467	7.78
Total US Corporate Bonds		1,752	9.29
US Equities - 3.59%			
^*iShares MSCI USA SRI ETF	117,853	677	3.59
Total US Equities		677	3.59

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Dutch Government Bonds - 0.42%			
Government of Netherlands 0.25% 15/1/2020	€92,579	80	0.42
Total Dutch Government Bonds		80	0.42
German Government Bonds - 0.86%			
Government of Germany 4.75% 4/7/2034	€112,920	162	0.86
Total German Government Bonds		162	0.86
Japanese Government Bonds - 1.55%			
Government of Japan 1.1% 20/3/2033	¥27,300,000	210	1.11
Government of Japan 1.2% 20/12/2020	¥11,800,000	82	0.44
Total Japanese Government Bonds		292	1.55
Spanish Government Bonds - 1.05%			
Government of Spain 2.15% 31/10/2025	€207,000	198	1.05
Total Spanish Government Bonds		198	1.05
UK Government Bonds - 0.56%			
Treasury 2% 22/7/2020	£47,594	48	0.25
Treasury 4.25% 7/12/2049	£35,813	58	0.31
Total UK Government Bonds		106	0.56
US Government Bonds - 5.08%			
^*Lyxor Core US TIPS (DR) UCITS ETF	3,725	285	1.51
US Treasury 2% 15/2/2023	\$407,900	307	1.63
US Treasury 2.625% 15/6/2021	\$304,500	233	1.23
US Treasury 3% 15/5/2045	\$174,500	134	0.71
Total US Government Bonds		959	5.08
Forward Foreign Exchange Contracts - 0.14%			
#Sold ¥116,270,754 for £799,869 settled 9/5/2019		8	0.04
#Sold \$9,878,917 for £7,543,073 settled 9/5/2019		19	0.10
#Sold €2,310,405 for £1,993,675 settled 9/5/2019		-	-
Total Forward Foreign Exchange Contracts		27	0.14
Portfolio of investments		18,411	97.60
Net other assets		452	2.40
Net assets		18,863	100.00

*offshore fund

+related party

^listed

#unlisted

All holdings are Authorised Investment Funds, unless otherwise stated.

The counterparties for the Forward Foreign Exchange Contracts are HSBC Bank and Goldman Sachs.

Comparative Tables

for the period ended 15 April 2019

Income C#	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	100.00p	N/A	N/A
Return before operating charges*	6.03	N/A	N/A
Operating charges**	(0.27p)	N/A	N/A
Return after operating charges*	5.76p	N/A	N/A
Distributions on income shares	(0.26p)	N/A	N/A
Closing net asset value per share	105.50p	N/A	N/A
*after direct transaction costs of:***	0.02p	N/A	N/A
Performance			
Return after charges	5.76%	N/A	N/A
Other information			
Closing net asset value	£5,129,424	N/A	N/A
Closing number of shares	4,863,287	N/A	N/A
Operating charges - OCF	0.71%	N/A	N/A
Direct transaction costs	0.02%	N/A	N/A
Prices			
Highest share price	105.90p	N/A	N/A
Lowest share price	96.60p	N/A	N/A

Accumulation C#	15.4.19	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	100.00p	N/A	N/A
Return before operating charges*	5.98	N/A	N/A
Operating charges**	(0.28p)	N/A	N/A
Return after operating charges*	5.70p	N/A	N/A
Distributions on accumulation shares	(0.26p)	N/A	N/A
Retained distributions on accumulation shares	0.26p	N/A	N/A
Closing net asset value per share	105.70p	N/A	N/A
*after direct transaction costs of:***	0.02p	N/A	N/A
Performance			
Return after charges	5.70%	N/A	N/A
Other information			
Closing net asset value	£13,733,262	N/A	N/A
Closing number of shares	12,988,871	N/A	N/A
Operating charges - OCF	0.72%	N/A	N/A
Direct transaction costs	0.02%	N/A	N/A
Prices			
Highest share price	105.90p	N/A	N/A
Lowest share price	96.60p	N/A	N/A

#The Fund was launched on 24 October 2018.

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

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

Statement of Total Return

for the period ended 15 April 2019

	Notes	15.4.19*	
		£'000	£'000
Income			
Net capital gains	2		724
Revenue	3	65	
Expenses	4	(24)	
Net revenue before taxation		41	
Taxation	5	(4)	
Net revenue after taxation			37
Total return before distributions			761
Distributions	6		(37)
Change in net assets attributable to shareholders from investment activities			724

*The Fund launched on 24 October 2018.

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 15 April 2019

		15.4.19*	
		£'000	£'000
Opening net assets attributable to shareholders			-
Amounts receivable on creation of shares		18,082	
Amounts payable on cancellation of shares		-	
			18,082
Dilution adjustment			23
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)			724
Retained distribution on accumulation shares			34
Closing net assets attributable to shareholders			18,863

*The Fund launched on 24 October 2018.

Balance Sheet

as at 15 April 2019

	Notes	15.4.19	
		£'000	£'000
Assets			
Investments			18,411
Current assets			
Debtors	8	569	
Cash and bank balances		365	
Total current assets			934
Total assets			19,345
Liabilities			
Creditors			
Bank overdrafts		(106)	
Distribution payable on income shares		(13)	
Other creditors	9	(363)	
Total liabilities			(482)
Net assets attributable to shareholders			18,863

Distribution Tables (pence per share)

for the period ended 15 April 2019

Group 1: Shares purchased prior to 24 October 2018*			
Group 2: Shares purchased from 24 October 2018 to 15 April 2019			
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.6.19</i>
Income C			
Group 1	0.257214	-	0.257214
Group 2	0.212912	0.044302	0.257214
Accumulation C			
Group 1	0.258003	-	0.258003
Group 2	0.177448	0.080555	0.258003
*The Fund launched on 24 October 2018.			

Notes to the Financial Statements

for the year ended 15 April 2019

15.4.19*

£'000

1. Accounting Policies

The accounting policies are set out on pages 10 and 11.

2. Net Capital Gains

The net capital gains during the period comprise:

Realised losses on currency	(5)
Transaction charges	(4)
Realised gains on forward foreign currency contracts	54
Unrealised gains on forward foreign currency contracts	27
Realised gains on non-derivative securities	16
Unrealised gains on non-derivative securities	636
Net capital gains	724

3. Revenue

Dividend distributions from overseas authorised ICVCs and unit trusts	22
Interest on bonds and other debt securities	38
Management fee rebates	5
Total revenue	65

4. Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:

Authorised Corporate Director's charge	23
--	----

Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary fee	1
Total expenses	24

5. Taxation

a) Analysis of charge in period:

Corporation tax	4
Total tax for the period (note 5b)	4

b) Factors affecting taxation charge for the year:

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

The differences are explained below:

Net revenue before taxation	41
Corporation tax at 20%	8
Effects of:	
Revenue not subject to taxation	(4)
Current tax charge for the period (note 5a)	4

c) Provision for deferred taxation

At 15 April 2019, there is no potential deferred tax asset in relation to surplus management expenses.

*the Fund launched on 24 October 2018.

15.4.19*

£'000

6. Distributions

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

Final dividend distribution	46
	46
Add: Amounts deducted on cancellation of shares	(9)
Deduct: Amounts received on issue of shares	-
Net distribution for the period	37

7. Movement Between Net Revenue and Distributions

Net revenue after taxation	37
Net distribution for the period	37

8. Debtors

Amounts receivable for creation of shares	554
Accrued revenue	15
Total debtors	569

9. Other Creditors

Purchases awaiting settlement	354
Accrued expenses	5
Corporation tax payable	4
Total other creditors	363

*The Fund launched on 24 October 2018.

10. Reconciliation of Shares

	Income C	Accumulation C
Opening shares issued at 24.10.18	-	-
Share movements 24.10.18 to 15.4.19		
Shares issued	4,863,689	12,988,871
Shares cancelled	(402)	-
Closing shares issued at 15.4.19	4,863,287	12,988,871

11. Ultimate Controlling Party and Transactions

The Authorised Corporate Director (ACD) is regarded as a controlling party of the Fund by virtue of having the ability to act in concert in respect of Fund operations. The ultimate controlling party of the ACD is HSBC Group plc. This entity and its subsidiaries are also related parties of the Fund.

At the period end, the ACD and its associates held the following of the Fund's shares in issue:

	<i>Income C</i>	<i>Accumulation C</i>
	%	%
As at 15.4.19	78.67	29.70

Details of all other material related party transactions during the period and any payment amounts outstanding at the balance sheet date are disclosed in notes 8 and 9 to the financial statements and the Statement of Change in Net Assets Attributable to Shareholders and the Portfolio Statement.

The balance due from the ACD (including amounts due to associates and agents) at the period end was £548,742, further details of such amounts can be found in notes 8 and 9.

At the period end, the Fund held £11,527,266 in Authorised Investment Funds managed by HSBC, the parent company of the ACD. During the period, transactions in Authorised Investment Funds managed by HSBC and HSBC Holdings totalled £11,038,287.

12. Financial Instruments

The financial instrument risks and risk management policies are set out on pages 12 and 13.

Foreign Currency Risk

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

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>	<i>Net other assets/(liabilities)</i>	<i>Net assets</i>
	15.4.19	15.4.19	15.4.19
	£'000	£'000	£'000
Sterling*	4,596	750	5,346
Euro	6,146	(97)	6,049
Japanese yen	300	-	300
United States dollar	7,369	(201)	7,168
Total	18,411	452	18,863

*No currency risk as base currency.

Interest Rate Risk

The interest rate profile of the Fund's financial assets and liabilities at 15 April 2019 was:

	<i>Floating rate financial assets/(liabilities)**</i>	<i>Fixed rate financial assets</i>	<i>Financial assets not carrying interest</i>	<i>Total</i>
	15.4.19	15.4.19	15.4.19	15.4.19
	£'000	£'000	£'000	£'000
Sterling	365	106	4,875	5,346
Euro	(106)	440	5,715	6,049
Japanese yen	-	292	8	300
United States dollar	-	674	6,494	7,168
Total	259	1,512	17,092	18,863

**Floating rate interest was earned at rates based on LIBOR (London Interbank Offered Rate) or international equivalent.

The bond ratings for the portfolio at 15 April 2019 were:

	<i>Bid value £'000</i>	<i>Total net assets %</i>
Bond credit ratings		
AAA	242	1.28
AA+	674	3.57
AA	106	0.56
A+	292	1.55
BBB+	198	1.05
Total bonds	1,512	8.01

13. Shareholders' Funds

This Fund has a C share class.

The annual ACD charge on the Income C share class is 0.45% and 0.45% on the Accumulation C share class.

The net asset value of the share class, the net asset value per share and the number of shares in each class are given in the Comparative Tables on page 237. The distribution per share class is given in the Distribution Tables on page 239. All share classes within the OEIC have the same rights on winding up.

14. Financial Derivatives

The Fund has used financial derivatives for hedging and meeting investment objectives including risk reduction and implementation of investment policies.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

The type of derivatives held at the period end was forward currency contracts.

Details of the individual contracts are shown on the Portfolio Statement on pages 235 and 236, and the total position by the counterparty at the period end is summarised below. The underlying exposure for each category of derivatives is as follows:

Counterparty	Forward Currency £'000 2019	Total £'000 2019
Goldman Sachs	3	3
HSBC Bank	24	24

Eligible collateral types are approved by the ACD and may consist of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities.

At 15 April 2019, there was no collateral held in respect of the above derivatives.

15. Contingent Liabilities and Commitments

At the period end, the Fund had no contingent liabilities or commitments.

16. Portfolio Transaction Costs

For the period ended 15 April 2019	Purchases £'000	Commissions £'000 %	Taxes £'000 %	Other Expenses £'000 %
Analysis of total purchases costs				
Bond transactions	1,814	- -	- -	- -
Pooled investment vehicles	17,170	2 0.01	- -	- -
Total purchases before transaction costs	18,984	2	-	-
Transaction costs	2			
Total purchases after commission, tax and fees	18,986			
	Sales £'000	Commissions £'000 %	Taxes £'000 %	Other Expenses £'000 %
Analysis of total sales costs				
Bond transactions	300	- -	- -	- -
Pooled investment vehicles	954	- -	- -	- -
Total sales before transaction costs	1,254	-	-	-
Transaction costs	-			
Total sales after commission, tax and fees	1,254			

The Fund had paid £nil as commission on purchases and sales derivative transactions for the period ended 15.4.19.

Commissions, taxes and fees as % of average Net Assets

Commissions	0.02%
Taxes	0.00%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.11 %, being the difference between the respective bid and offer prices for the Fund's investments.

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

17. Fair Value of Investments

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

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

For the period ended 15 April 2019

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Bonds	1,234	278	-	1,512
Pooled investment vehicles	5,345	11,527	-	16,872
Derivatives	-	27	-	27
	6,579	11,832	-	18,411

18. Sensitivity Analysis

Price risk sensitivity:

If the price of investments at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £1,841,055.

Currency risk sensitivity:

If the exchange rate at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £1,351,731.

Interest rate risk sensitivity:

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

Global Sustainable Multi-Asset Conservative Portfolio

Investment Objective

To provide capital growth through investment in assets that meet sustainable investment principles. The fund invests in a range of sustainable investment strategies which aim to consider financial returns alongside environmental, social and governance factors.

Investment Policy*

This is one of a range of actively managed Global Sustainable Multi-Asset Portfolios offered at different risk levels. The asset allocation of each fund in the range reflects the risk level. The Fund is rated as 2 where 1 is a lower level of risk and 5 is a higher level of risk. The Fund is managed with the aim of maximising returns in line with its agreed long term risk profile therefore any potential returns are likely to be limited by the risk profile of the Fund.

To achieve its objective the Fund invests primarily in collective investment schemes, which in turn invest in fixed interest securities, equities and property securities that meet one or more sustainable investment strategies. The Fund may also invest directly in fixed interest securities and equities where the investment objective can be more efficiently achieved.

Additionally, the Fund may use exchange traded and over the counter derivatives and forward currency contracts for efficient portfolio management purposes, including hedging, and for investment purposes. Investing in derivatives for investment purposes means, in particular, maintaining positions in these investments for the long term rather than just for tactical short-term purposes. However, it is envisaged that the use of derivatives for investment purposes will not be extensive and will not affect the overall risk profile of the Fund.

*The full policy can be found in the prospectus.

Investment Strategy

The starting point for the Global Sustainable Multi-Asset Portfolios is the Strategic Asset Allocation (SAA). SAA is the long-term blend of assets for each risk level. Tactical Asset Allocation (TAA) is another layer on top of the SAA and is driven by the investment team's shorter term market outlook. Portfolio Implementation is the final stage in the investment process, where we decide how best to take exposure to each asset class.

The focus on sustainable investment strategies is taken into consideration at each stage, when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes.

Derivatives may be used with the aim of hedging to reduce market risk and to reduce the impact of currency movements but also with the aim of generating returns to assist the Fund in meeting its investment objective. Exchange traded futures may be used to gain or reduce exposure to certain asset classes. Forward currency contracts may be used to gain exposure to currencies or for hedging to reduce the impact of currency movements for certain asset classes that are not denominated in Sterling.

*The full strategy can be found in the prospectus.

Portfolio Activity

The portfolio was launched on 24 October 2018.

During the period, the portfolio maintained an overweight exposure to a diversified basket of risk assets, relative to its long term strategic asset allocation. At launch, the portfolio held overweight allocations to Japan and emerging markets equities.

In April, we introduced a small overweight to UK equity as, despite Brexit uncertainties, UK data remains solid and valuations are attractive.

Major purchases included: UBS MSCI UK IMI Socially Responsible UCITS ETF.

Investment Performance

As the Fund only launched on 24 October 2018, there is no performance information for this period.

Fund Particulars

as at 16 April 2019

	Income C	Accumulation C
Price	104.9p xd	105.3p
Distribution payable (on 14 June 2019) per share net	0.369176p	0.370152p
Current net estimated yield	0.35%	0.35%
Annual ACD charge	0.45%	0.45%

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Global Corporate Bonds - 15.88%			
*+HSBC GIF Global Lower Carbon Bond Fund	282,873	2,266	15.88
Total Global Corporate Bonds		2,266	15.88
Global Government Bonds - 0.73%			
*^iShares Global Government Bond UCITS ETF	20,438	104	0.73
Total Global Government Bonds		104	0.73
Global Emerging Markets Equities - 4.63%			
*^iShares Core MSCI Emerging Markets SRI UCITS ETF	130,356	661	4.63
Total Global Emerging Markets Equities		661	4.63
Global Equities - 24.72%			
+HSBC GIF Global Equity Climate Change Fund	51,328	430	3.01
+HSBC GIF Global Lower Carbon Equity Fund	108,335	861	6.03
+HSBC SRI Global Equity Fund	2,358	2,239	15.68
Total Global Equities		3,530	24.72
Global Property Equities Funds - 4.92%			
+HSBC GIF Global Real Estate Equity Fund	82,977	702	4.92
Total Global Property Equities Funds		702	4.92
Japanese Equities - 2.10%			
*^iShares MSCI Japan SRI ETF	74,051	300	2.10
Total Japanese Equities		300	2.10
EURO Corporate Bond - 5.53%			
*^Xtrackers II ESG EUR Corporate Bond UCITS ETF	5,943	789	5.53
Total EURO Corporate Bond		789	5.53
US Corporate Bonds - 14.02%			
*^UBS ETF - Bloomberg Barclays MSCI US Liquid Corporates Sustainable UCITS ETF	158,833	2,001	14.02
Total US Corporate Bonds		2,001	14.02
UK Equities 1.09%			
*^UBS MSCI UK IMI Socially Responsible UCITS ETF	9,865	155	1.09
Total UK Equities		155	1.09
European Equities - 1.03%			
*^UBS MSCI EMU Socially Responsible UCITS ETF	1,809	148	1.03
Total European Equities		148	1.03
US Equities - 2.58%			
*^iShares MSCI USA SRI UCITS ETF	64,162	369	2.58
Total US Equities		369	2.58

Portfolio Statement

as at 15 April 2019

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
German Government Bonds - 1.94%			
Government of Germany 4.75% 4/7/2034	€193,800	277	1.94
Total German Government Bonds		277	1.94
Japanese Government Bonds - 3.51%			
Government of Japan 1.1% 20/3/2033	¥46,750,000	360	2.52
Government of Japan 1.2% 20/12/2020	¥20,250,000	141	0.99
Total Japanese Government Bonds		501	3.51
Netherland Government Bonds - 0.97%			
Government of Netherlands 0.25% 15/1/2020	€159,308	138	0.97
Total Netherland Government Bonds		138	0.97
Spanish Government Bonds - 2.38%			
Government of Spain 2.15% 31/10/2025	€355,000	339	2.38
Total Spanish Government Bonds		339	2.38
UK Government Bonds - 1.27%			
Treasury 2% 22/7/2020	£81,470	83	0.58
Treasury 4.25% 7/12/2049	£61,110	98	0.69
Total UK Government Bonds		181	1.27
US Government Bonds - 9.69%			
*^Lyxor Core US TIPS UCITS ETF	2,933	224	1.57
US Treasury 2% 15/2/2023	\$700,200	527	3.69
US Treasury 2.625% 15/6/2021	\$523,000	401	2.81
US Treasury 3% 15/5/2045	\$299,500	231	1.62
Total US Government Bonds		1,383	9.69
Forward Foreign Exchange Contracts - 0.18%			
#Sold ¥85,235,471 for £585,926 settled 9/5/2019		5	0.04
#Sold ¥20,944,625 for £143,916 settled 9/5/2019		1	0.01
#Sold \$8,411,510 for £6,422,780 settled 9/5/2019		17	0.12
#Sold \$728,867 for £556,497 settled 9/5/2019		2	0.01
#Sold €1,982,256 for £1,711,069 settled 9/5/2019		-	-
#Sold €289,078 for £249,080 settled 9/5/2019		-	-
Total Forward Foreign Exchange Contracts		25	0.18
Portfolio of investments		13,869	97.17
Net other assets		404	2.83
Net assets		14,273	100.00

*offshore funds

+related party

^listed

#unlisted

The Fund launched on 24 October 2018.

All holdings are Authorised Investment Funds, unless otherwise stated.

The counterparties for the Forward Foreign Exchange Contracts are HSBC and Goldman Sachs.

Comparative Tables

for the period ended 15 April 2019

Income C	15.4.19*	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	100.00p	N/A	N/A
Return before operating charges*	4.92p	N/A	N/A
Operating charges**	0.25p	N/A	N/A
Return after operating charges*	5.17p	N/A	N/A
Distributions on income shares	(0.37p)	N/A	N/A
Closing net asset value per share	104.80p	N/A	N/A
*after direct transaction costs of:***	0.02p	N/A	N/A
Performance			
Return after charges	5.17%	N/A	N/A
Other information			
Closing net asset value	£4,379	N/A	N/A
Closing number of shares	4,179,020	N/A	N/A
Operating charges - OCF	0.74%	N/A	N/A
Direct transaction costs	0.02%	N/A	N/A
Prices			
Highest share price	105.20p	N/A	N/A
Lowest share price	98.30p	N/A	N/A

Accumulation C	15.4.19*	15.4.18	15.4.17
Change in net assets per share			
Opening net asset value per share	100.00p	N/A	N/A
Return before operating charges*	4.94p	N/A	N/A
Operating charges**	0.26p	N/A	N/A
Return after operating charges*	5.20p	N/A	N/A
Distributions on accumulation shares	(0.37p)	N/A	N/A
Retained distributions on accumulation shares	0.37p	N/A	N/A
Closing net asset value per share	105.20p	N/A	N/A
*after direct transaction costs of:***	0.02p	N/A	N/A
Performance			
Return after charges	5.20%	N/A	N/A
Other information			
Closing net asset value	£9,894	N/A	N/A
Closing number of shares	9,409,567	N/A	N/A
Operating charges - OCF	0.75%	N/A	N/A
Direct transaction costs	0.02%	N/A	N/A
Prices			
Highest share price	105.20p	N/A	N/A
Lowest share price	98.30p	N/A	N/A

*The Fund launched on 24 October 2018.

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

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

Statement of Total Return

for the period ended 15 April 2019

	Notes	15.4.19*	
		£'000	£'000
Income			
Net capital gains	2		464
Revenue	3	67	
Expenses	4	(20)	
Net revenue before taxation		47	
Taxation	5	(8)	
Net revenue after taxation			39
Total return before distributions			503
Distributions	6		(39)
Change in net assets attributable to shareholders from investment activities			464
*The Fund launched on 24 October 2018.			

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 15 April 2019

	15.4.19*	
	£'000	£'000
Opening net assets attributable to shareholders		-
Amounts receivable on creation of shares	13,760	
Amounts payable on cancellation of shares	-	
		13,760
Dilution adjustment		14
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		464
Retained distribution on accumulation shares		35
Closing net assets attributable to shareholders		14,273
*The Fund launched on 24 October 2018.		

Balance Sheet

as at 15 April 2019

	Notes	15.4.19*	
		£'000	£'000
Assets			
Investments			13,869
Current assets			
Debtors	8	928	
Cash and bank balances		366	
Total current assets			1,294
Total assets			15,163
Liabilities			
Creditors			
Bank overdrafts		(111)	
Distribution payable on income shares		(15)	
Other creditors	9	(764)	
Total liabilities			(890)
Net assets attributable to shareholders			14,273
*The Fund launched on 24 October 2018.			

Distribution Tables (pence per share)

for the period ended 15 April 2019

Group 1: Shares purchased prior to 24 October 2018*			
Group 2: Shares purchased from 24 October 2018 to 15 April 2019			
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.6.19</i>
Income C			
Group 1	0.369176	-	0.369176
Group 2	0.094289	0.274887	0.369176
Accumulation C			
Group 1	0.370152	-	0.370152
Group 2	0.215361	0.154791	0.370152
*The Fund launched on 24 October 2018.			

Notes to the Financial Statements

for the period ended 15 April 2019

15.4.19*

£'000

1. Accounting Policies

The accounting policies are set out on pages 10 and 11.

2. Net Capital Gains

The net capital gains during the period comprise:

Realised losses on currency	(2)
Transaction charges	(3)
Gains on forward foreign currency contracts	65
Realised gains on derivative securities	25
Realised gains on non-derivative securities	20
Unrealised gains on non-derivative securities	359
Net capital gains	464

3. Revenue

Dividend distributions from overseas authorised ICVCs and unit trusts	8
Interest on bonds and other debt securities	57
Management fee rebates	2
Total revenue	67

4. Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:

Authorised Corporate Director's charge	19
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Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary fee	1
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Total expenses	20
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5. Taxation

a) Analysis of charge in period:

Corporation tax	8
Total tax for the period (note 5b)	8

b) Factors affecting taxation charge for the period:

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

The differences are explained below:

Net revenue before taxation	47
Corporation tax at 20%	9
Effects of:	
Revenue not subject to taxation	(1)
Current tax charge for the period (note 5a)	8

c) Provision for deferred taxation

At 15 April 2019, there is no potential deferred tax asset in relation to surplus management expenses.

*The Fund launched on 24 October 2018.

15.4.19***£'000****6. Distributions**

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

Final dividend distribution	50
	50
Add: Amounts deducted on cancellation of shares	-
Deduct: Amounts received on issue of shares	(11)
Net distribution for the period	39

7. Movement Between Net Revenue and Distributions

Net revenue after taxation	39
Net distribution for the period	39

8. Debtors

Amounts receivable for creation of shares	904
Accrued revenue	24
Total debtors	928

9. Other Creditors

Purchases awaiting settlement	752
Accrued expenses	4
Corporation tax payable	8
Total other creditors	764

*The Fund launched on 24 October 2018.

10. Reconciliation of Shares

	<i>Income C</i>	<i>Accumulation C</i>
Opening shares issued at 24.10.18	-	-
Share movements 24.10.18 to 15.4.19		
Shares issued	4,179,040	9,409,567
Shares cancelled	(20)	-
Closing shares issued at 15.4.19	4,179,020	9,409,567

11. Ultimate Controlling Party and Transactions

The Authorised Corporate Director (ACD) is regarded as a controlling party of the Fund by virtue of having the ability to act in concert in respect of Fund operations. The ultimate controlling party of the ACD is HSBC Group plc.

This entity and its subsidiaries are also related parties of the Fund.

At the period end, the ACD and its associates held the following of the Fund's shares in issue:

	<i>Income C</i>	<i>Accumulation C</i>
	%	%
As at 15.4.19	27.62	27.67

Details of all other material related party transactions during the period and any payment amounts outstanding at the balance sheet date are disclosed in notes 8 and 9 to the financial statements and the Statement of Change in Net Assets Attributable to Shareholders and the Portfolio Statement.

The balance due from the ACD (including amounts due to associates and agents) at the period end was £900,325, further details of such amounts can be found in notes 8 and 9.

At the period end, the Fund held £6,498,234 in Authorised Investment Funds managed by HSBC, the parent company of the ACD. During the period, transactions in Authorised Investment Funds managed by HSBC and HSBC Holdings totalled £6,244,764.

12. Financial Instruments

The financial instrument risks and risk management policies are set out on pages 12 and 13.

Foreign Currency Risk

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

Net currency monetary assets and liabilities consist of:

	<i>Portfolio of investments</i>	<i>Net other assets/(liabilities)</i>	<i>Net assets</i>
	15.4.19	15.4.19	15.4.19
	£'000	£'000	£'000
Sterling*	3,919	981	4,900
Euro	3,782	(142)	3,640
Japanese yen	507	(134)	373
United States dollar	5,661	(301)	5,360
Total	13,869	404	14,273

*No currency risk as base currency.

Interest Rate Risk

The interest rate profile of the Fund's financial assets and liabilities at 15 April 2019 was:

	<i>Floating rate financial assets/(liabilities)**</i>	<i>Fixed rate financial assets</i>	<i>Financial assets/(liabilities) not carrying interest</i>	<i>Total</i>
	15.4.19	15.4.19	15.4.19	15.4.19
	£'000	£'000	£'000	£'000
Sterling	366	181	4,353	4,900
Euro	(111)	754	2,997	3,640
Japanese yen	-	501	(128)	373
United States dollar	-	1,159	4,201	5,360
Total	255	2,595	11,423	14,273

**Floating rate interest was earned at rates based on LIBOR (London Interbank Offered Rate) or international equivalent.

The bond ratings for the portfolio at 15 April 2019 were:

	<i>Bid value £'000</i>	<i>% of Total net assets</i>
Bond credit ratings		
AAA	416	2.92
AA+	1,158	8.12
AA	181	1.27
A+	501	3.51
BBB+	339	2.37
Total bonds	2,595	18.19

13. Shareholders' Funds

This Fund has a C share class.

The annual ACD charge on the Income C share class is 0.45% and 0.45% on the Accumulation C share class.

The net asset value of the share class, the net asset value per share and the number of shares in each class are given in the Comparative Tables on page 249. The distribution per share class is given in the Distribution Tables on page 251. All share classes within the OEIC have the same rights on winding up.

14. Financial Derivatives

The Fund has used financial derivatives for hedging and meeting investment objectives including risk reduction and implementation of investment policies.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

The type of derivatives held at the period end was forward currency contracts.

Details of the individual contracts are shown on the Portfolio Statement on pages 247 and 248, and the total position by the counterparty at the period end is summarised below. The underlying exposure for each category of derivatives is as follows:

Counterparty	<i>Forward Currency £'000 2019</i>	<i>Total £'000 2019</i>
Goldman Sachs	2	2
HSBC Bank	23	23

Eligible collateral types are approved by the ACD and may consist of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities.

At 15 April 2019, there was no collateral held in respect of the above derivatives.

15. Contingent Liabilities and Commitments

At the period end, the Fund had no contingent liabilities or commitments.

16. Portfolio Transaction Costs

For the period ended 15 April 2019	Purchases	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total purchases costs							
Bond transactions	3,292	-	-	-	-	-	-
Pooled investment vehicles	12,015	2	0.02	-	-	-	-
Total purchases before transaction costs	15,307	2		-		-	
Transaction costs	2						
Total purchases after commission, tax and fees	15,309						
	Sales	Commissions		Taxes		Other Expenses	
	£'000	£'000	%	£'000	%	£'000	%
Analysis of total sales costs							
Bond transactions	701	-	-	-	-	-	-
Pooled investment vehicles	1,139	-	-	-	-	-	-
Total sales before transaction costs	1,840	-		-		-	
Transaction costs	-						
Total sales after commission, tax and fees	1,840						

The Fund had paid £nil as commission on purchases and sales derivative transactions for the period ended 15.4.19.

Commissions, taxes and fees as % of average Net Assets

Commissions	0.02%
Taxes	0.00%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.15%, being the difference between the respective bid and offer prices for the Fund's investments.

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

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

Direct transaction costs: Broker commissions, fees and taxes.

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

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

17. Fair Value of Investments

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

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

For the period ended 15 April 2019

Category	1	2	3	Total
	£'000	£'000	£'000	£'000
Investment Assets				
Bonds	2,118	477	-	2,595
Pooled investment vehicles	4,751	6,498	-	11,249
Derivatives	-	25	-	25
	6,869	7,000	-	13,869

18. Sensitivity Analysis

Price risk sensitivity:

If the price of investments at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £1,386,882.

Currency risk sensitivity:

If the exchange rate at 15 April 2019 had increased or decreased by 10% with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £937,348.

Interest rate risk sensitivity:

If the interest rate at 15 April 2019 had increased or decreased by 1 basis point with all other variables held constant, this would have increased or decreased the net assets attributable to shareholders by £1,938.

Employee Remuneration Disclosure

Remuneration Policy

HSBC OpenFunds are managed by HSBC Global Asset Management (UK) Limited, which is a wholly owned subsidiary of HSBC Holdings plc.

The firm's remuneration practices and policies are governed by the HSBC Group Remuneration Committee in compliance with the relevant regulatory requirements. For details please refer to the HSBC Group Remuneration Policy as published on our website (<http://www.hsbc.com/our-approach/remuneration>).

HSBC Global Asset Management (UK) Limited's remuneration requirements as specified by the Alternative Investment Fund Managers Directive (AIFMD) are covered in the specific remuneration policy published in the HSBC Global Asset Management website (<http://www.global.assetmanagement.hsbc.com/about-us/governance-structure>).

Remuneration Disclosures

The following tables show the remuneration details, including fixed and variable remuneration, made by HSBC Global Asset Management (UK) Limited to its employees and AIFMD Identified staff (Material Risk Takers) for performance year 2018. Individuals have been identified as Material Risk Takers based on the criteria set out in the Financial Conduct Authority's (FCA) AIFM Remuneration Code. The disclosures reflect the requirements of the FCA's FUND Sourcebook.

	Headcount No.	Fixed Remuneration £	Variable Remuneration £
HSBC Global Asset Management (UK) Limited Employees	343.00	31,608,000.00	15,198,000.00
HSBC OpenFunds - Employees	23.00	7,549,000.00	6,050,000.00
of which Executive and non-executive members of the management body of the management company	7.00	3,648,000.00	3,589,000.00
Senior Management	5.00	1,279,000.00	1,000,000.00
Other Risk Taker	4.00	1,402,000.00	911,000.00
Control Functions, and staff responsible for heading the administration and marketing	7.00	1,220,000.00	550,000.00
Global Property Fund*			
Employees	1.04	340,207.35	272,652.60
of which Executive and non-executive members of the management body of the management company	0.32	164,402.76	161,743.83
Senior Management	0.23	57,640.11	45,066.55
Other Risk Taker	0.18	63,183.30	41,055.62
Control Functions, and staff responsible for heading the administration and marketing	0.32	54,981.19	24,786.60
World Selection - Adventurous Portfolio*			
Employees	0.27	88,248.51	70,725.06
of which Executive and non-executive members of the management body of the management company	0.08	42,645.46	41,955.74
Senior Management	0.06	14,951.63	11,690.09
Other Risk Taker	0.05	16,389.51	10,649.67
Control Functions, and staff responsible for heading the administration and marketing	0.08	14,261.91	6,429.55

*the individual Fund's figures have been calculated using the net asset value as at 15 April 2019, these have then been divided by the total HSBC Global Asset Management figures to give the split by fund.

	Headcount No.	Fixed Remuneration £	Variable Remuneration £
World Selection - Balanced Portfolio*			
Employees	8.89	2,917,968.13	2,338,549.09
of which Executive and non-executive members of the management body of the management company	2.71	1,410,087.12	1,387,281.45
Senior Management	1.93	494,380.88	386,537.05
Other Risk Taker	1.55	541,924.92	352,135.25
Control Functions, and staff responsible for heading the administration and marketing	2.71	471,575.20	212,595.38
World Selection - Cautious Portfolio*			
Employees	2.11	693,826.05	556,053.46
of which Executive and non-executive members of the management body of the management company	0.64	335,286.45	329,863.78
Senior Management	0.46	117,552.46	91,909.66
Other Risk Taker	0.37	128,857.35	83,729.70
Control Functions, and staff responsible for heading the administration and marketing	0.64	112,129.79	50,550.31
World Selection - Conservative Portfolio*			
Employees	2.52	825,667.24	661,715.03
of which Executive and non-executive members of the management body of the management company	0.77	398,997.76	392,544.67
Senior Management	0.55	139,889.84	109,374.39
Other Risk Taker	0.44	153,342.89	99,640.07
Control Functions, and staff responsible for heading the administration and marketing	0.77	133,436.75	60,155.91
World Selection - Dividend Distribution Portfolio*			
Employees	1.26	412,127.03	330,291.24
of which Executive and non-executive members of the management body of the management company	0.38	199,157.43	195,936.40
Senior Management	0.27	69,825.21	54,593.59
Other Risk Taker	0.22	76,540.22	49,734.76
Control Functions, and staff responsible for heading the administration and marketing	0.38	66,604.18	30,026.48
World Selection - Dynamic Portfolio*			
Employees	3.16	1,037,583.04	831,550.85
of which Executive and non-executive members of the management body of the management company	0.96	501,404.55	493,295.21
Senior Management	0.69	175,793.97	137,446.42
Other Risk Taker	0.55	192,699.88	125,213.69
Control Functions, and staff responsible for heading the administration and marketing	0.96	167,684.63	75,595.53

*the individual Fund's figures have been calculated using the net asset value as at 15 April 2019, these have then been divided by the total HSBC Global Asset Management figures to give the split by fund.

	Headcount No.	Fixed Remuneration £	Variable Remuneration £
World Selection - Interest Income Portfolio*			
Employees	1.52	500,870.67	401,413.11
of which Executive and non-executive members of the management body of the management company	0.46	242,042.15	238,127.55
Senior Management	0.33	84,860.72	66,349.27
Other Risk Taker	0.27	93,021.68	60,444.19
Control Functions, and staff responsible for heading the administration and marketing	0.46	80,946.11	36,492.10
Global Strategy Adventurous Portfolio*			
Employees	0.04	14,703.25	11,783.63
of which Executive and non-executive members of the management body of the management company	0.01	7,105.24	6,990.32
Senior Management	0.01	2,491.12	1,947.71
Other Risk Taker	0.01	2,730.69	1,774.36
Control Functions, and staff responsible for heading the administration and marketing	0.01	2,376.20	1,071.24
Global Strategy Balanced Portfolio*			
Employees	1.03	339,107.00	271,770.75
of which Executive and non-executive members of the management body of the management company	0.31	163,871.02	161,220.70
Senior Management	0.22	57,453.68	44,920.78
Other Risk Taker	0.18	62,978.94	40,922.83
Control Functions, and staff responsible for heading the administration and marketing	0.31	54,803.36	24,706.43
Global Strategy Cautious Portfolio*			
Employees	0.42	137,794.15	110,432.46
of which Executive and non-executive members of the management body of the management company	0.13	66,588.03	65,511.09
Senior Management	0.09	23,345.97	18,253.30
Other Risk Taker	0.07	25,591.13	16,628.76
Control Functions, and staff responsible for heading the administration and marketing	0.13	22,269.02	10,039.31
Global Strategy Conservative Portfolio*			
Employees	0.10	32,850.50	26,327.40
of which Executive and non-executive members of the management body of the management company	0.03	15,874.77	15,618.02
Senior Management	0.02	5,565.74	4,351.64
Other Risk Taker	0.02	6,100.99	3,964.34
Control Functions, and staff responsible for heading the administration and marketing	0.03	5,309.00	2,393.40

*the individual Fund's figures have been calculated using the net asset value as at 15 April 2019, these have then been divided by the total HSBC Global Asset Management figures to give the split by fund.

	Headcount No.	Fixed Remuneration £	Variable Remuneration £
Global Strategy Dynamic Portfolio*			
Employees	0.55	179,004.86	143,459.98
of which Executive and non-executive members of the management body of the management company	0.17	86,502.81	85,103.78
Senior Management	0.12	30,328.15	23,712.39
Other Risk Taker	0.09	33,244.78	21,601.99
Control Functions, and staff responsible for heading the administration and marketing	0.17	28,929.12	13,041.82
Global Sustainable Multi- Asset Balanced Portfolio*			
Employees	0.05	16,536.52	13,252.88
of which Executive and non-executive members of the management body of the management company	0.02	7,991.16	7,861.91
Senior Management	0.01	2,801.72	2,190.56
Other Risk Taker	0.01	3,071.16	1,995.60
Control Functions, and staff responsible for heading the administration and marketing	0.02	2,672.48	1,204.81
Global Sustainable Multi- Asset Conservative Portfolio*			
Employees	0.04	12,505.70	10,022.46
of which Executive and non-executive members of the management body of the management company	0.01	6,043.29	5,945.55
Senior Management	0.01	2,118.80	1,656.60
Other Risk Taker	0.01	2,322.56	1,509.17
Control Functions, and staff responsible for heading the administration and marketing	0.01	2,021.06	911.13

*The individual Fund's figures have been calculated using the net asset value as at 15 April 2019, these have then been divided by the total HSBC Global Asset Management figures to give the split by fund.

Statement of Authorised Corporate Director's Responsibilities

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

In preparing the financial statements the ACD is responsible for:

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

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

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

For the Year 16 April 2018 to 15 April 2019

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

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

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

The Depositary must ensure that:

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

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

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

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

State Street Trustees Limited

Quartermile 3,
10 Nightingale Way
Edinburgh
EH3 9EG

27 June 2019



Ewan Gillies (Officer)



Faron Jackson (Assistant Vice President)

Independent Auditor's Report to the Shareholders of the HSBC OpenFunds OEIC ('the Company')

Opinion

We have audited the financial statements of the Company for the year ended 15 April 2019 which comprise the Statements of Total Return, the Statements of Changes in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for each of the Company's sub-funds listed on page 3 and the accounting policies set out on pages 10 to 11.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of each of the sub-funds as at 15 April 2019 and of the net revenue and the net capital gains on the property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

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

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

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The Authorised Corporate Director has prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or its sub-funds or to cease their operations, and as they have concluded that the Company and its sub-funds' financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Authorised Corporate Director's conclusions, we considered the inherent risks to the company's and its sub-funds' business model, including the impact of Brexit, and analysed how those risks might affect the company's and its sub-funds' financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company or its sub-funds will continue in operation.

Other information

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

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

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

Matters on which we are required to report by exception

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

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

Authorised Corporate Director's (HSBC Global Asset Management (UK) Limited) responsibilities

As explained more fully in their statement set out on page 262 the Authorised Corporate Director is responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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

Grant Archer
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
27 June 2019



General Information

How to Buy, Sell or Switch your Investment

- Call our Dealers on 0800 358 3011*
- or
- Write to our Administration Office at: HSBC Global Asset Management (UK) Limited, PO Box 3733, Royal Wootton Bassett, Swindon, SN4 4BG.

Switching your Investment

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

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

- Telephoning our Customer Services, on 0800 358 3011*

Minimum Additional Subscription

- The minimum additional subscription is £500 for the X and retail share classes, £1,000 for the C, P and institutional A share classes and £1,000,000 for the institutional share class.

Selling your Investment

You can sell or make a withdrawal at any time.

- You must take at least £100 each time.
- We reserve the right to request that you leave the minimum investment of £1,000 for retail holdings, £1,000,000 for P and institutional A holdings and £10,000,000 for institutional holdings, or close the investment.
- Settlement is normally made within 3 business days from the receipt of your instructions.

When we will Buy or Sell your Investment

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

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

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

Cancellation Rights

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

Publication of Prices

The prices of shares are updated daily on the following website: www.assetmanagement.hsbc.com/uk.

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

Prospectus

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

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

Income

Income is distributed or accumulated in the following way:-

- You will receive income payments net of tax. The payment dates for each of the Funds are detailed in the table on pages 278 to 280.
- If you hold accumulation shares, income will be retained within the Fund. No additional shares will be bought. The price of shares will reflect the net income received.

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

Income Tax

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

Interest Distributions:

Income that is distributed from our funds as interest is paid or accumulated gross of tax to all shareholders.

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

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

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

Dividend Distributions:

A dividend allowance applies for UK resident individual shareholders which charges the first £5,000 of dividends received in the tax year at 0%. A UK resident individual shareholder will have to pay income tax at the applicable basic, higher or additional rate (depending on the shareholder's individual tax position) on dividend income in excess of the £5,000 allowance. Note that dividend income within the £5,000 allowance will still count towards basic, higher and additional rate bands and may therefore affect the rate of income tax that a shareholder pays on dividends they receive in excess of the £5,000 allowance.

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

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

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

Capital Gains Tax

You will not need to pay capital gains tax unless your net gains from all sources exceed the annual exemption limit. The limit for the 2019/2020 tax year is £12,000.

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

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

Important Notes

The Annual Report covers the year 16 April 2018 to 15 April 2019.

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

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

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

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

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

The value and relative yield of fixed interest securities (including bonds) are strongly affected by interest rate fluctuations and by changes in the credit ratings of the underlying issuer of the assets. Higher-yielding securities are more likely to default.

The long-term nature of investment in property and the income generated tend to make this type of investment less volatile than equities although it can be difficult to buy and/or sell quickly. Where the underlying Funds invest directly in property, the property in the Fund may not be readily realisable, and the Manager of the Fund may apply a deferral on redemption requests. The value of property is generally a matter of the valuer's opinion rather than fact. Listed property securities are part of the equity market and are more volatile than direct (unlisted) property, which can mean that the price of shares and the income from them can fluctuate, sometimes dramatically.

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

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

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

The information in this report is based on our understanding of current law and HM Revenue and Customs practice as at 15 April 2019. Both law and practice may of course change.

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

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

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

Important Changes to the Company and/or Fund Documentation

The following changes to the Company have resulted in the ACD (Authorised Corporate Director) making changes to the Company's Instrument of Incorporation and its Prospectus.

Amendments to the Company's Instrument of Incorporation

The Instrument has been updated to amend the name of the World Selection – Income Portfolio to the World Selection – Interest Income Portfolio and Open Global Distribution Fund to World Selection – Dividend Distribution Portfolio.

Amendments to the Company Prospectus

The Prospectus has been amended to reflect the changes detailed below.

Definitions

The Administrator Northern Trust Global Services Limited has changed its name to Northern Trust Global Services SE.

A new definition for MiFID II has been added.

The definition for UK Valuations Committee has been updated with a change to the Committee name to "Pricing and Valuation Committee".

Directory

The Registrar and Administrator, Northern Trust Global Services Limited, changed its name to Northern Trust Global Services SE.

The Constitution of the Funds

Wording has been added to clarify that the Funds of the Company are considered to be non-complex funds under the MiFID II distinction.

The name of the World Selection – Income Portfolio has been amended to the World Selection – Interest Income Portfolio in the table of current funds and throughout the Prospectus.

The name of the Open Global Distribution Portfolio has been amended to the World Selection – Dividend Distribution Portfolio in the table of current funds and throughout the Prospectus.

Share Classes

The table of Share Classes currently offered in the Funds has been updated. References to new Share Classes have been included throughout the Prospectus.

Valuation

The reference to the "UK Valuations Committee" has been updated with a change to the Committee name to "Pricing and Valuation Committee".

Risks

A new risk has been added for the United Kingdom leaving the European Union.

On 29 March 2017, the Government of the United Kingdom (UK) formally notified the European Union (EU) of its intention to leave the Union (i.e. "Brexit"). As things stand, the UK will formally leave the EU on 29 March 2019. The UK and EU27 have reached a political agreement to include a transition period lasting until end-2020 in the withdrawal agreement, during which EU law would continue to apply to the UK as if it were a member state. However, a number of issues around the UK's withdrawal remain subject to further negotiation and the overall Article 50 withdrawal agreement will only come into effect once it is approved by the European Council and ratified by the European and UK Parliaments.

The UK's future economic and political relationship with the EU (and with other non-EU countries by agreement) remains uncertain. This uncertainty is likely to generate further global currency and asset price volatility. This may negatively impact the returns of the Funds and their investments resulting in greater costs if the Funds decide to employ currency hedging policies. Ongoing uncertainty could adversely impact the general economic outlook and as such this may impact negatively on the ability of the Fund and its investments to execute their strategies effectively, and may also result in increased costs to the Fund.

It is possible there will be more divergence between UK and EU regulations post-Brexit, limiting what cross-border activities can take place. This will possibly affect the Fund's ability to receive investment advice or portfolio management services or increase the costs for such services.

The nature and extent of the impact of any Brexit related changes are uncertain, but may be significant.

Management and Administration

The address for the FCA has been updated.

The list of directors of the ACD has been updated to reflect that Melissa G McDonald has been appointed as a director. The significant activities for each director have been reviewed and amended.

The reference to our order execution policy has been amended to best execution policy.

Fees and Expenses

The table of charges has been updated and includes estimated figures for new Share Classes.

Dilution adjustment rates have been updated.

Taxation

This has been updated to reflect changes in tax law.

Interest Distribution

From 6 April 2017, Interest Distributions are no longer paid after the deduction of income tax at source. Also, since 6 April 2016, a Personal Saving Allowance exempts from tax the first £1,000 (in tax year 2018/2019) of savings income for basic rate taxpayers and the first £500 (in tax year 2018/19) for higher rate taxpayers. All UK taxpayers (including basic rate taxpayers) will therefore be liable to pay UK tax on an interest distribution made or treated as made by the Company, subject to the Personal Savings Allowance and, where applicable, the starting savings rate for savings.

Dividend Distribution

From 6 April 2016, there is no longer a 10% tax credit on UK dividend distributions. Instead a dividend allowance applies for UK resident individual Shareholders which charges the first £2,000 (in tax year 2018/2019) of dividends received in the tax year at 0%. A UK resident individual Shareholder will have to pay income tax at the applicable basic, higher or additional rate (depending on the Shareholder's individual tax position) on dividend income in excess of the £2,000 allowance. Note that dividend income within the £2,000 allowance will still count towards basic, higher and additional rate bands and may therefore affect the rate of income tax that a Shareholder pays on dividends they receive in excess of the £2,000 allowance.

Appendix 1

The asset allocation table has been updated within the Investment Strategy for the Global Strategy Adventurous Portfolio.

The Investment Policy, Investment Strategy and Use of Derivatives have been amended for the Global Strategy Balanced Portfolio, Global Strategy Cautious Portfolio, Global Strategy Dynamic Portfolio, World Selection – Balanced Portfolio, World Selection – Cautious Portfolio and World Selection – Dynamic Portfolio.

The Fund name, Investment Policy, Investment Strategy and Use of Derivatives have been amended for the World Selection – Interest Income Portfolio.

The Investment Policy and Investment Strategy have been amended for the World Selection – Adventurous Portfolio and the World Selection – Conservative Portfolio.

The SRRI rating for World Selection Dynamic Portfolio has changed from 5 to 4.

The new 'United Kingdom leaving the European Union' risk has been added to the list of risk categories applicable to each Fund.

Appendix 2

Historical fund performance information has been updated.

Appendix 3

The use of derivatives information has been updated for the Global Strategy Balanced Portfolio, Global Strategy Cautious Portfolio, Global Strategy Dynamic Portfolio, World Selection – Balanced Portfolio, World Selection – Cautious Portfolio, World Selection – Dividend Distribution Portfolio, World Selection – Dynamic Portfolio and the World Selection – Interest Income Portfolio.

Other Information

Equalisation

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

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

Corporate Shareholders

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

Fund	Date payable/paid	Share class	Investment income	
			Franked	Unfranked
World Selection - Dividend Distribution Portfolio	15.6.19	Retail Income	55.63%	44.37%
	15.6.19	Retail Accumulation	55.15%	44.85%
	15.6.19	Income C	47.74%	52.26%
	15.6.19	Accumulation C	48.08%	51.92%
	15.3.19	Retail Income	58.66%	41.34%
	15.3.19	Retail Accumulation	58.66%	41.34%
	15.3.19	Income C	50.12%	49.88%
	15.3.19	Accumulation C	50.12%	49.88%
Open Global Property Fund	15.6.19	Retail Income	100.00%	0.00%
	15.6.19	Retail Accumulation	100.00%	0.00%
	15.6.19	Institutional A Income	81.15%	18.85%
	15.6.19	Institutional A Accumulation	71.92%	28.08%
	15.6.19	Income C	73.07%	26.93%
	15.6.19	Accumulation C	75.01%	24.99%
World Selection - Balanced Portfolio	15.6.19	Retail Income	97.81%	2.19%
	15.6.19	Retail Accumulation	95.09%	4.91%
	15.6.19	Institutional Income	30.53%	69.47%
	15.6.19	Institutional Accumulation	30.60%	69.40%
	15.6.19	Income C	45.93%	54.07%
	15.6.19	Accumulation C	46.13%	53.87%
	15.6.19	Income P	36.18%	63.82%
	15.6.19	Accumulation P	36.10%	63.90%
World Selection - Cautious Portfolio	15.6.19	Retail Income	39.83%	60.17%
	15.6.19	Retail Accumulation	39.85%	60.15%
	15.6.19	Institutional Income	10.70%	89.30%
	15.6.19	Institutional Accumulation	11.75%	88.25%
	15.6.19	Income C	18.53%	81.47%
	15.6.19	Accumulation C	18.51%	81.49%
	15.6.19	Income P	14.46%	85.54%
	15.6.19	Accumulation P	14.30%	85.70%
World Selection - Dynamic Portfolio	15.6.19	Retail Income	100.00%	0.00%
	15.6.19	Retail Accumulation	100.00%	0.00%
	15.6.19	Institutional Income	57.65%	42.35%
	15.6.19	Institutional Accumulation	53.35%	46.65%
	15.6.19	Income C	93.55%	6.45%
	15.6.19	Accumulation C	94.29%	5.71%
	15.6.19	Income P	64.80%	35.20%
	15.6.19	Accumulation P	64.60%	35.40%

Fund	Date payable/paid	Share class	Investment income	
			Franked	Unfranked
World Selection - Interest Income Portfolio	15.6.19	Retail Income	0.00%	100.00%
	15.6.19	Retail Accumulation	0.00%	100.00%
	15.6.19	Income C	0.00%	100.00%
	15.6.19	Accumulation C	0.00%	100.00%
	15.6.19	Accumulation P	0.00%	100.00%
	15.6.19	Income P	0.00%	100.00%
	15.3.19	Retail Income	0.00%	100.00%
	15.3.19	Retail Accumulation	0.00%	100.00%
	15.3.19	Income C	0.00%	100.00%
	15.3.19	Income P	0.00%	100.00%
	15.3.19	Accumulation C	0.00%	100.00%
	15.3.19	Accumulation P	0.00%	100.00%
World Selection - Adventurous Portfolio	15.6.19	Income C	100.00%	0.00%
	15.6.19	Accumulation C	100.00%	0.00%
	15.6.19	Accumulation P	100.00%	0.00%
	15.6.19	Retail Income	100.00%	0.00%
	15.6.19	Retail Accumulation	100.00%	0.00%
	15.6.19	Institutional Income	100.00%	0.00%
	15.6.19	Institutional Accumulation	100.00%	0.00%
World Selection - Conservative Portfolio	15.6.19	Institutional Income	13.63%	86.37%
	15.6.19	Institutional Accumulation	13.66%	86.34%
	15.6.19	Income C	15.89%	84.11%
	15.6.19	Accumulation C	15.62%	84.38%
	15.6.19	Accumulation P	12.69%	87.31%
Global Strategy Balanced Portfolio	15.6.19	Retail Accumulation	70.80%	29.20%
	15.6.19	Income C	38.99%	61.01%
	15.6.19	Retail X Accumulation	45.59%	54.41%
	15.6.19	Retail X Income	47.80%	52.20%
	15.6.19	Accumulation C	39.00%	61.00%
Global Strategy Cautious Portfolio	15.6.19	Retail Accumulation	27.15%	72.85%
	15.6.19	Income C	16.04%	83.96%
	15.6.19	Retail X Accumulation	14.62%	85.38%
	15.6.19	Accumulation C	15.75%	84.25%
Global Strategy Dynamic Portfolio	15.6.19	Retail Income	100.00%	0.00%
	15.6.19	Retail Accumulation	100.00%	0.00%
	15.6.19	Income C	77.16%	22.84%
	15.6.19	Retail X Accumulation	100.00%	0.00%
	15.6.19	Retail X Income	100.00%	0.00%
	15.6.19	Accumulation C	76.10%	23.90%
Global Strategy Conservative Portfolio	15.6.19	Income C	28.84%	71.16%
	15.6.19	Accumulation C	22.44%	77.56%
Global Strategy Adventurous Portfolio	15.6.19	Income C	100.00%	0.00%
	15.6.19	Accumulation C	100.00%	0.00%
Global Sustainable Multi-Asset Balanced Portfolio	15.6.19	Retail Income C	59.99%	40.01%
	15.6.19	Retail Accumulation C	57.36%	42.64%
Global Sustainable Multi-Asset Conservative Portfolio	15.6.19	Income C	20.81%	79.19%
	15.6.19	Accumulation C	19.51%	80.49%

Risk and Reward Profile

Fund	Rating*
Global Property Fund	4
World Selection - Adventurous Portfolio	5
World Selection - Balanced Portfolio	4
World Selection - Cautious Portfolio	3
World Selection - Conservative Portfolio	4
World Selection - Dividend Distribution Portfolio	4
World Selection - Dynamic Portfolio	4†
World Selection - Interest Income Portfolio	3
Global Strategy Adventurous Portfolio	5
Global Strategy Balanced Portfolio	4
Global Strategy Cautious Portfolio	3
Global Strategy Conservative Portfolio	4
Global Strategy Dynamic Portfolio	5
Global Sustainable Multi-Asset Balanced Portfolio	4
Global Sustainable Multi-Asset Conservative Portfolio	3

Lower risk **Higher risk**

← →

Typically lower rewards Typically higher rewards

1	2	3	4	5	6	7
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†The previous rating for this Fund was 5 until 24 December 2018.

*More About this Rating

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

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

Directory

The Company

HSBC OpenFunds, 8 Canada Square, London E14 5HQ

Authorised Corporate Director (ACD) and Head Office

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

Investment Manager

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

Depositary

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

Regulator

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

Auditor

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Registrar

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

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

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Website

www.assetmanagement.hsbc.com/uk

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

Quick Reference Guide to HSBC OpenFunds

Name of OEIC Fund	Global Property Fund	World Selection - Adventurous Portfolio	World Selection - Balanced Portfolio	World Selection - Cautious Portfolio	World Selection - Conservative Portfolio	World Selection - Dividend Distribution Portfolio
Number of distributions per year	2	2	2	2	2	2
Distribution dates	15 Jun 15 Dec	15 Jun 15 Dec	15 Jun 15 Dec	15 Jun 15 Dec	15 Jun 15 Dec	15 Jun 15 Dec
Lump sum minimum investment level †	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000
Regular saver minimum investment level †	N/A	N/A	N/A	N/A	N/A	N/A
Authorised Corporate Director charge % †	0.55	0.55	0.55	0.55	0.55	0.55
Available as an ISA	Yes	Yes	Yes	Yes	Yes	Yes
In ISA can income be paid	Yes	Yes	Yes	Yes	Yes	Yes
Income shares available	Yes	Yes	Yes	Yes	Yes	Yes
Accumulation shares available	Yes	Yes	Yes	Yes	Yes	Yes
Historic research of files*	£25 per hour including VAT - all Funds					
Duplicate tax voucher*	£5 per voucher including VAT - all Funds					
Duplicate tax vouchers* (more than one)	£25 per voucher including VAT - all Funds					

* Charges for additional services. The ACD reserves the right to apply these charges and amend them subject to the annual rate of the retail price index.

† The above information relates to the C share class.

Quick Reference Guide to HSBC OpenFunds

Name of OEIC Fund	World Selection - Dynamic Portfolio	World Selection - Interest Income Portfolio	Global Strategy Adventurous Portfolio	Global Strategy Balanced Portfolio	Global Strategy Cautious Portfolio
Number of distributions per year	2	4	2	2	2
Distribution dates	15 Jun 15 Dec	15 Jun 15 Sep 15 Dec 15 Mar	15 Jun 15 Dec	15 Jun 15 Dec	15 Jun 15 Dec
Lump sum minimum investment level †	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000
Regular saver minimum investment level †	N/A	N/A	N/A	N/A	N/A
Authorised Corporate Director charge % †	0.55	0.55	0.10	0.10	0.10
Available as an ISA	Yes	Yes	Yes	Yes	Yes
In ISA can income be paid	Yes	Yes	Yes	Yes	Yes
Income shares available	Yes	Yes	Yes	Yes	Yes
Accumulation shares available	Yes	Yes	Yes	Yes	Yes
Historic research of files*	£25 per hour including VAT - all Funds				
Duplicate tax voucher*	£5 per voucher including VAT - all Funds				
Duplicate tax vouchers* (more than one)	£25 per voucher including VAT - all Funds				

* Charges for additional services. The ACD reserves the right to apply these charges and amend them subject to the annual rate of the retail price index.

† The above information relates to the C share class.

Quick Reference Guide to HSBC OpenFunds

Name of OEIC Fund	Global Strategy Conservative Portfolio	Global Strategy Dynamic Portfolio	Global Sustainable Multi-Asset Balanced Portfolio	Global Sustainable Multi-Asset Conservative Portfolio
Number of distributions per year	2	2	2	2
Distribution dates	15 Jun 15 Dec	15 Jun 15 Dec	15 Jun 15 Dec	15 Jun 15 Dec
Lump sum minimum investment level †	£1,000,000	£1,000,000	£1,000,000	£1,000,000
Regular saver minimum investment level †	N/A	N/A	N/A	N/A
Authorised Corporate Director charge % †	0.10	0.10	0.45	0.45
Available as an ISA	Yes	Yes	Yes	Yes
In ISA can income be paid	Yes	Yes	Yes	Yes
Income shares available	Yes	Yes	Yes	Yes
Accumulation shares available	Yes	Yes	Yes	Yes
Historic research of files*	£25 per hour including VAT - all Funds			
Duplicate tax voucher*	£5 per voucher including VAT - all Funds			
Duplicate tax vouchers* (more than one)	£25 per voucher including VAT - all Funds			

* Charges for additional services. The ACD reserves the right to apply these charges and amend them subject to the annual rate of the retail price index.

† The above information relates to the C share class.

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