

# HSBC OpenFunds

Interim Report and Accounts

**15 October 2018**

## 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).

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### HSBC Global Asset Management (UK) Limited - Directors

C.A. Berman (resigned 27 September 2018)

C.S. Cheetham

A.S. Clark

A.C. Corfield

P.J.F. Glaze

M.G. McDonald

J.M. Munro

T.J. Palmer

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# Market Review

**Welcome to the Interim Report for the HSBC OpenFunds Open-Ended Investment Company (OEIC). The report covers the period 16 April 2018 to 15 October 2018.**

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

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

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

## Global Equities

Until mid-September, the six-month period to 15 October had been generally strong for global equities. However, from the latter half of September, markets experienced a material sell-off as mounting concerns around tightening monetary policy, the durability of the economic recovery and the earnings cycle overwhelmed investors. Until that point, equity markets worldwide had generally looked through central-bank tightening and challenging geopolitical issues. New highs were achieved, notably in the US and UK markets. Emerging markets had struggled, however, as they were weighed down by trade concerns, high levels of US-dollar-denominated debt and gradually tightening liquidity.

The trade feud between the US and its major trading counterparts was a constant factor affecting market movements. The key trading relationship between the US and China continued to worsen through the period, with higher tariffs being implemented on an ever-wider range of goods.

Major central banks continued along their path of gradual quantitative tightening. The US Federal Reserve (the Fed) persevered in tightening its policy, with interest rates rising to a range of 2.0–2.25% by the end of the period. The Bank of England (BoE) raised rates in August to 0.75%. The European Central Bank (ECB) kept rates unchanged but stated that it would terminate its asset-purchase programme in 2018, while indicating that interest rates were unlikely to rise until at least late 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. Overall, inflation remained reasonably low across major economies, but there were creeping pressures from higher food and oil prices. Oil rose to near four-year highs in late September, peaking in early October.

In Europe, political uncertainty was widespread. In Germany, Chancellor Merkel's position and approval rating weakened due to compromises on policy within the coalition government. In Italy, a coalition between the Five Star Movement and the League was ultimately formed, but only after concerns that a lack of progress would trigger a new round of elections, which caused steep short-term market falls. By the end of the period, a worrying impasse between the EU and Italy had developed over the latter's spending plans and potential breach of EU budget deficit restrictions. Italian government bond yields and spreads rose substantially as a result. The uncertainties of Brexit continued to affect investor sentiment as UK and EU officials worked towards a transition deal. The likelihood of a 'no-deal' Brexit had increased considerably by the end of the period.

## US Equities

US equities pushed higher through most of the period up until the end of September, before experiencing a material sell-off at the beginning of October, on the back of investor concerns over tightening monetary policy and the prospects of economic and earnings growth. The US market had led other global markets through much of the period, with the S&P 500, the Dow Jones and Nasdaq indices all setting new all-time highs. In August, the S&P 500 broke the record for its longest-ever bull-market run as it clocked up its 3,453rd day of upward movement (without any setback of more than 20% from peak).

Strong economic growth – evident in the second-quarter GDP figure of 4.2% annualised growth – underpinned equities and caused the US dollar to strengthen materially against major currencies. Unemployment data was also notably robust, with the unemployment level for September falling further to 3.7%, the lowest reading since 1969. Strong earnings momentum was another factor driving markets, with especially strong earnings growth visible in the technology sector, which led the market.

Expectations of rising inflation prompted the Fed to further increase interest rates, which had climbed to a range of 2.0–2.25% by the end of the period. The core inflation rate fell back from 2.4% in July to 2.2% in September. Comments from the Fed’s chairman, Jerome Powell, following the Fed’s Open Market Committee meeting in September suggested that the Fed would remain hawkish, and that further interest-rate increases in 2018 and 2019 could be expected.

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-worth of Chinese imports in September, and China responded with its own measures. This created a dampening effect on equities and created volatility in the market. The IMF downgraded its outlook for global economic growth from 3.9% to 3.7% for 2018–2019 as a result of the trade dispute, with downgrades to both the US and China.

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### Europe ex-UK Equities

After a relatively volatile period, European equities turned down markedly in the final weeks of the period as investors became more risk averse, with concerns about a peaking in economic and earnings growth and tightening monetary policy.

In terms of monetary policy, the ECB announced that its quantitative-easing programme, consisting of monthly bond purchases, would finish by the end of 2018. At the same time, the ECB took pains to reassure markets that interest-rate hikes should not be expected before the autumn of 2019.

Economic growth slowed somewhat through the period. Eurozone GDP, which had grown at an annualised pace of 2.7% in the final quarter of 2017, rose by 2.1% in the second quarter of 2018. Unemployment improved gradually within the eurozone (from 8.4% in April to 8.1% in August) but remained at double the rate prevailing in both the UK and the US.

There was political drama too, where populist parties continued to emerge, gaining or sharing power in countries such as Italy and Germany. In Italy, an unlikely coalition government emerged between the left-leaning Five Star Movement and the right-leaning League. Italian bond yields spiked materially higher as the coalition spelled out its intentions on tax cuts and higher spending. This caused friction with the EU, especially towards the end of the period, when the Italian government refused to back down over its budgetary plans. The EU deemed these to be excessive and potentially in breach of its members’ budget deficit parameters. In Germany, Angela Merkel’s power base was eroded further with polls and local elections showing diminishing support for her. Meanwhile, populist parties such as the right-wing, anti-immigration Alternative for Deutschland party gained support.

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### UK Equities

As with other world markets, UK equities made initial gains in the period before selling off, with a marked lurch downward in October, as global investors became concerned about tightening monetary conditions, peaking economic growth and geopolitics. The FTSE 100 set a new all-time high in May, driven by strong earnings momentum and the weak pound, which boosted the overseas earnings of a large portion of companies in the index. It subsequently fell back on the prospect of slowing economic growth triggered, in the main, by Brexit.

Brexit negotiations caused sterling to weaken as a lack of progression on key issues and political instability in the UK dampened sentiment. By the end of the period, the prospects of a ‘no-deal’ Brexit had risen greatly. Prime Minister Theresa May’s so-called Chequers proposal, rather than unifying the government, led to the resignation of the foreign secretary, Boris Johnson, and the Brexit minister, David Davis.

While labour data was strong, with unemployment falling to levels not seen since the mid-1970s (4.0% in August), wage and productivity growth lagged. Consumer-spending growth and, consequently, GDP growth remained modest. GDP grew 1.2% in the second quarter on an annualised basis following a first quarter of 1.1% annualised growth, the lowest rate of growth for nearly six years. The annual rate of CPI was largely unchanged over the period, despite the weakness in sterling, and higher oil and food prices; September’s CPI came in at 2.4%. The BoE, however, raised interest rates further, taking the benchmark interest rate from 0.50% to 0.75%. This hike was justified by the BoE on the basis of the tight labour market and rising input inflation, not least from higher oil prices.

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### Japan Equities

Japanese equities were marginally weaker over the period, based on the MSCI Japan index. The market was negatively influenced by the global trade dispute, with Japanese steel exports to the US directly affected by the US' tariffs, although the negative sentiment from this was offset somewhat by the weaker yen against the US dollar.

Domestic economic conditions were relatively sluggish, and inflation continued to struggle to get close to the BoJ's long-term target of 2.0%. The BoJ kept monetary conditions loose, maintaining its flat to negative interest rate of -0.1%. It also decided to push back its inflationary target of 2.0% to the latter half of fiscal year 2021, while suggesting that the target was no longer a rigid one. CPI grew by 1.2% in September.

The recent run of eight consecutive quarters of GDP growth, the best run for nearly 30 years, came to an end in the first quarter of 2018 when GDP growth contracted by 0.9% on an annualised basis. However, growth recovered in the second quarter, with GDP rising by 3.0% on an annualised basis. The unemployment rate hit new 30-year lows in May, with the rate down to 2.2% before rising back to 2.5% in July.

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, Abe convincingly won the LDP leadership election in September, remaining on target to become Japan's longest-serving prime minister of all time.

### Asia ex-Japan Equities

Asian Pacific ex-Japan markets were weaker over the period, having been affected by the backdrop of global trade friction and the potential consequences of this on Asian manufacturing businesses. Of the major markets, China was weak as investors were concerned about the trade dispute with the US and the slowdown in the economy. The trade friction with the US and the rising tide of tit-for-tat tariffs created a bleak backdrop for the Chinese market, as it did for the whole region. The People's Bank of China took steps to ease liquidity by cutting banks' reserve requirement ratio twice over the period, from 16.0% to 14.5%, and refrained from raising rates. Investors remained concerned that the Chinese economy could deteriorate due to policymakers' earlier moves to curb leverage and clamp down on excessive lending in certain parts of the economy. The IMF downgraded its forecast of long-term GDP growth in China.

India, which had been a star performer through to the end of August, gave back much of its gains, based on its Sensex index, as the Indian rupee weakened and investors discounted a peak in hitherto robust growth rates. The Reserve Bank of India began to raise rates for the first time in over four years, in response to the strong economy (GDP grew 8.2%, on an annualised basis, in the second quarter of 2018) and rising inflation. Inflation had eased back somewhat by the end of the period.

Markets 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 in an attempt to stem currency falls. The rise in the US dollar threatened higher inflation and fuelled worries about the high aggregate level of US dollar-denominated debt across the region, excluding Japan. This and the trade issue overshadowed the positive sentiment surrounding the historic meetings between the president of North Korea with leaders in South Korea and the US.

### Emerging Market Equities

This was a weak period for emerging market equities, which fell due to the brewing trade dispute between China and the US, and as US monetary policy tightened further, causing 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 – late in the summer, the Turkish lira and the Argentinian peso both collapsed against the US dollar. The Turkish and Argentinian central banks responded by raising interest rates, in the case of Turkey to 24%, and in Argentina to 60%. These actions had some success in stabilising the respective currencies.

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 surrounding the tightly fought presidential election kept investors on the sidelines. Domestic disruption and strikes created an ugly backdrop to the market. GDP in Brazil grew just 1.0% in the second quarter of 2018.

The South African rand also experienced a weak time as political and economic concerns undermined the currency. Meanwhile, this was an unsettling time for European emerging markets, with headwinds including the prospect of tightening liquidity conditions – as the ECB moves towards the closure of its quantitative easing scheme – as well as rising Italian bond yield spreads and economic pressures in peripheral Europe.

## UK Bonds

The UK fixed-income market was affected by the global trend towards quantitative tightening and the interest-rate hike carried out by the BoE. The benchmark 10-year gilt yield rose, ensuring weaker domestic bond markets. However, with yields rising by more at the shorter end as interest rates rose, the yield curve flattened over the period. This flattening partly reflected demand from investors at the long end for higher-yielding bonds.

Bond markets did rally in the final weeks of the period, as investors took advantage of the fears of peaking economic and earnings growth rates that had led to the fall in equity markets. The increasing possibility of a 'no-deal' Brexit also caused investors to seek the relative security of bonds over equities.

The BoE raised interest rates for the second time in a year, by a further 0.25% hike in August, taking the benchmark interest rate to 0.75%. While the UK inflation rate remained largely subdued (apart from a spike of 2.7% in August), falling back to the 2.4% mark by September, having been above 3.0% in the final months of 2017, the BoE was wary of the tight labour market and rising fuel prices.

The backdrop of global trade friction, difficult Brexit negotiations, as well as potentially higher inflation meant that UK bonds were quite volatile through the period.

## Global Bonds

Tightening global monetary policy was the key factor driving returns in global bond markets. The hike in interest rates in the US as well as notable interest-rate rises in certain emerging markets such as Turkey and Argentina, and the decision by some developed market central banks to shrink their balance sheets, caused bond markets to sell off. Emerging market bonds fell further than those in the developed world, having been affected particularly by the currency turmoil in emerging markets in the late summer.

The Fed raised rates twice in the period by a combined 50 basis points (bps) to 2.25%. Comments from the Fed were suggestive of a further rate hike this year and more in 2019, as the US economy continued to show resilient growth relative to other world economies. US government bond yields rose above 3.2% in early October for the first time in over seven years.

On the other hand, global growth expectations were compromised by the trade dispute between the US and China, leading the IMF to cut its growth outlook for 2018–2019. While inflation rates in most developed markets remained generally subdued, the rise in the oil price and other commodity prices in September created an inflation scare and sell-off in bond markets.

In Europe, peripheral European government bond yield spreads rose largely on the back of Italy's spat with the EU over its budget spending plans. Italian government bond yield spreads rose to over 300 bps above German government bond yields in early October.

## Property

Over the 6 months to 15 October 2018, global listed property returns were 8.2% in sterling terms, according to the FTSE EPRA Nareit Developed Total Return Index. Strongest performance was recorded in the US, which saw sterling total returns of 15.3% over this period, boosted by the pound's depreciation against the US dollar. The UK experienced weakest performance, with a decline of -5.9%.

UK direct (unlisted) property generated positive returns during the review period. Over the six months to the end of September, the IPD UK Monthly Index posted a total return of 3.9%, driven mainly by rental income (2.6% points). This index does not reflect the costs, fees or the cash drag which dampened the returns of UK daily-dealt direct property funds. The industrial sector showed strongest performance (a total return of 8.8% over the six months), boosted by demand for logistics premises to support growing e-commerce. With a total return of 0.6%, retail property performance lagged other sectors largely due to the pressures on traditional 'bricks and mortar' retailers.

(Source: FTSE EPRA Nareit, Thomson Reuters Datastream, MSCI, IPD UK Monthly Index.)

*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 October 2018.*

# Open Global Distribution Fund

## 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

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

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.

Major purchases include: HSBC Global Emerging Markets Local Debt Fund, HSBC UCITS Common Contractual Fund, Stone Harbour Emerging Markets Local Currency and HSBC Corporate Bond Fund.

Major sales included: Schroder Income Maximiser, HSBC Global Real Estate Equity, Fidelity ICVC Moneybuilder Dividend Fund and Polar Capital FD Emerging Markets Income Fund.

## Investment Performance

During the period the value of the shares in the Fund increased by 1.59%.

(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 October 2018 (unaudited)

	Retail Income	Retail Accumulation	Income C	Accumulation C
Price	108.9p xd	176.6p	112.7p xd	182.1p
Distribution payable (on 15 December 2018) per share net	1.040000p	1.680000p	1.080000p	1.720000p
Current net estimated yield	3.70%	3.76%	3.85%	3.76%
Annual ACD charge	1.25%	1.25%	0.55%	0.55%

Please note that with effect from the 29 October 2018, the Open Global Distribution Fund has been renamed and is now called World Selection – Dividend Distribution Portfolio.



## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Asia-Pacific (excluding Japan) Equities - 2.88% (2.93%)</b>			
*Prusik Asian Equity Income Fund B	95,498	13,318	2.88
<b>Total Asia-Pacific (excluding Japan) Equities</b>		<b>13,318</b>	<b>2.88</b>
<b>Global Assets-Backed Bonds - 5.16% (5.07%)</b>			
+HSBC GIF Global Asset-Backed Bond Z Acc	85,326	9,402	2.03
*+HSBC GIF Global Asset -Backed Crossover Bond	1,908,961	14,483	3.13
<b>Total Global Assets-Backed Bonds</b>		<b>23,885</b>	<b>5.16</b>
<b>Global Emerging Markets Debt - 18.51% (17.60%)</b>			
*Ashmore SICAV Emerging Markets Local Currency Bond Fund	193,040	11,208	2.42
*GS Global Emerging Markets Debt Portfolio	767,044	9,981	2.15
*Stone Harbor Emerging Markets Local Currency Debt Fund	83,707	15,105	3.26
*+HSBC GIF Brazil Bond	313,473	2,116	0.46
*+HSBC GIF Global Emerging Markets Bond Fund	398,673	2,874	0.62
*+HSBC GIF Global Emerging Markets Local Debt Fund	5,075,017	34,074	7.36
*Wellington Opportunistic Emerging Markets Debt Portfolio	1,353,647	10,356	2.24
<b>Total Global Emerging Markets Debt</b>		<b>85,714</b>	<b>18.51</b>
<b>Global Emerging Markets Equities - 1.22% (1.71%)</b>			
*Polar Capital Emerging Markets Income Fund	889,354	5,674	1.22
<b>Total Global Emerging Markets Equities</b>		<b>5,674</b>	<b>1.22</b>
<b>Global Equities - 27.33% (25.01%)</b>			
Artemis Global Income Fund	41,851,778	41,128	8.88
+HSBC UCITS Common Contractual Fund	1,009,740	85,470	18.45
<b>Total Global Equities</b>		<b>126,598</b>	<b>27.33</b>
<b>Global High Yield Bonds - 12.19% (11.81%)</b>			
*+HSBC GIF Global Short Duration High Yield Bond Fund	1,003,186	9,772	2.11
*^iShares Fallen Angels High Yield Corporate Bond UCITS ETF	1,524,074	6,093	1.32
*JPMorgan Global High Yield Bond Fund	377,044	23,950	5.17
*^NB Global Floating Rate Income Fund	18,101,171	16,635	3.59
<b>Total Global High Yield Bonds</b>		<b>56,450</b>	<b>12.19</b>
<b>Global Property Equities Funds - 4.75% (4.98%)</b>			
*+HSBC GIF Global Real Estate Equity Fund	2,987,814	22,014	4.75
<b>Total Global Property Equities Funds</b>		<b>22,014</b>	<b>4.75</b>
<b>Infrastructure - 5.70% (5.17%)</b>			
^Bilfinger Berger Global Infrastructure SICAV	9,941,753	14,614	3.15
^+HICL Infrastructure	7,650,853	11,798	2.55
<b>Total Infrastructure</b>		<b>26,412</b>	<b>5.70</b>

## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>UK Corporate Bonds - 10.29% (9.90%)</b>			
+HSBC Corporate Bond Fund	21,738,273	47,672	10.29
<b>Total UK Corporate Bonds</b>		<b>47,672</b>	<b>10.29</b>
<b>UK Equities - 10.95% (14.27%)</b>			
Fidelity MoneyBuilder Dividend Fund	29,143,763	35,584	7.68
Schroder Income Maximiser Fund	13,934,382	6,066	1.31
^*Vanguard FTSE 100 UCITS ETF	291,218	9,099	1.96
<b>Total UK Equities</b>		<b>50,749</b>	<b>10.95</b>
<b>Forward Foreign Exchange Contracts - (0.05%) (0.04%)</b>			
#Sold \$66,948,623 for £50,656,140 settles 31/10/2018		(251)	(0.05)
<b>Total Forward Foreign Exchange Contracts</b>		<b>(251)</b>	<b>(0.05)</b>
<b>Portfolio of investments</b>		<b>458,235</b>	<b>98.93</b>
<b>Net other assets</b>		<b>4,953</b>	<b>1.07</b>
<b>Net assets</b>		<b>463,188</b>	<b>100.00</b>
*offshore funds			
+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.

Total purchases for the period, including transaction charges, were £11,953,951.

Total sales for the period, net of transaction charges, were £28,238,458.

The counterparty for the Forward Foreign Exchange Contracts is HSBC.

## Comparative Tables

for the six months ended 15 October 2018 (unaudited)

<b>Retail Income</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	109.90p	116.50p	105.90p	110.70p
Return before operating charges*	2.32p	(0.79p)	16.39p	0.69p
Operating charges**	(0.75p)	(1.52p)	(1.48p)	(1.38p)
Return after operating charges*	1.57p	(2.31p)	14.91p	(0.69p)
Distributions on income share	(2.17p)	(4.29p)	(4.31p)	(4.11p)
Closing net asset value per share	109.30p	109.90p	116.50p	105.90p
*after direct transaction costs of:***	0.00p	0.02p	0.05p	0.01p
<b>Performance</b>				
Return after charges	1.43%	(1.98%)	14.08%	(0.62%)
<b>Other information</b>				
Closing net asset value	£3,971,235	£4,453,901	£93,005,504	£101,333,102
Closing number of shares	3,634,720	4,053,281	79,813,019	95,682,825
Operating charges - OCF	1.85%	1.91%	1.88%	1.98%
Direct transaction costs	0.00%	0.02%	0.05%	0.01%
<b>Prices</b>				
Highest share price	115.80p	119.40p	118.20p	110.80p
Lowest share price	109.30p	109.90p	103.00p	98.07p

<b>Retail Accumulation</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	174.90p	178.30p	156.10p	156.90p
Return before operating charges*	3.59p	(1.05p)	24.40p	1.18p
Operating charges**	(1.19p)	(2.35p)	(2.20p)	(1.98p)
Return after operating charges*	2.40p	(3.40p)	22.20p	(0.80p)
Distributions on accumulation share	(3.47p)	(6.90p)	(6.46p)	(5.90p)
Retained distributions on accumulation share	3.47p	6.90p	6.46p	5.90p
Closing net asset value per share	177.30p	174.90p	178.30p	156.10p
*after direct transaction costs of:***	0.00p	0.03p	0.08p	0.01p
<b>Performance</b>				
Return after charges	1.37%	(1.91%)	14.22%	(0.51%)
<b>Other information</b>				
Closing net asset value	£14,388,769	£15,023,844	£51,601,862	£58,845,520
Closing number of shares	8,115,863	8,591,247	28,941,411	37,702,932
Operating charges - OCF	1.85%	1.91%	1.88%	1.98%
Direct transaction costs	0.00%	0.02%	0.05%	0.01%
<b>Prices</b>				
Highest share price	186.20p	184.40p	179.00p	156.90p
Lowest share price	173.90p	173.30p	151.90p	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 six months ended 15 October 2018 (unaudited)

<b>Income C</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	113.40p	119.60p	108.20p	112.70p
Return before operating charges*	2.33p	(0.80p)	16.58p	0.40p
Operating charges**	(0.39p)	(0.79p)	(0.77p)	(0.72p)
Return after operating charges*	1.94p	(1.59p)	15.81p	(0.32p)
Distributions on income share	(2.24p)	(4.61p)	(4.41p)	(4.18p)
Closing net asset value per share	113.10p	113.40p	119.60p	108.20p
*after direct transaction costs of:***	0.00p	0.02p	0.05p	0.01p
<b>Performance</b>				
Return after charges	1.71 %	(1.33 %)	14.61 %	(0.28 %)
<b>Other information</b>				
Closing net asset value	£228,733,829	£230,197,695	£158,752,617	£145,033,393
Closing number of shares	202,318,373	202,983,692	132,710,417	134,086,848
Operating charges - OCF	1.20 %	1.27 %	1.23 %	1.33 %
Direct transaction costs	0.00 %	0.02 %	0.05 %	0.01 %
<b>Prices</b>				
Highest share price	119.70p	122.70p	121.30p	112.70p
Lowest share price	112.80p	113.40p	105.20p	100.10p

<b>Accumulation C</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	179.90p	182.50p	159.00p	159.10p
Return before operating charges*	3.52p	(1.37p)	24.64p	0.92p
Operating charges**	(0.62p)	(1.23p)	(1.14p)	(1.02p)
Return after operating charges*	2.90p	(2.60p)	23.50p	(0.10p)
Distributions on accumulation share	(3.57p)	(7.10p)	(6.58p)	(6.00p)
Retained distributions on accumulation share	3.57p	7.10p	6.58p	6.00p
Closing net asset value per share	182.80p	179.90p	182.50p	159.00p
*after direct transaction costs of:***	0.00p	0.04p	0.08p	0.01p
<b>Performance</b>				
Return after charges	1.61 %	(1.42 %)	14.78 %	(0.06 %)
<b>Other information</b>				
Closing net asset value	£216,094,440	£227,338,308	£213,077,010	£196,705,186
Closing number of shares	118,184,616	126,381,783	116,742,415	123,743,927
Operating charges - OCF	1.20 %	1.27 %	1.23 %	1.33 %
Direct transaction costs	0.00 %	0.02 %	0.05 %	0.01 %
<b>Prices</b>				
Highest share price	191.90p	189.40p	183.20p	159.10p
Lowest share price	178.90p	178.20p	154.70p	145.50p

\*\*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 six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		255		848
Revenue	9,998		11,262	
Expenses	(1,682)		(2,172)	
Interest payable and similar charges	-		(1)	
Net revenue before taxation	8,316		9,089	
Taxation	(420)		(461)	
Net revenue after taxation		7,896		8,628
Total return before distributions		8,151		9,476
Distributions		(9,283)		(10,371)
Change in net assets attributable to shareholders from investment activities		(1,132)		(895)

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		477,014		516,437
Amounts receivable on creation of shares	7,041		7,847	
Amounts payable on cancellation of shares	(24,359)		(20,952)	
		(17,318)		(13,105)
Dilution adjustment		46		39
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		(1,132)		(895)
Retained distribution on accumulation shares		4,578		5,292
Closing net assets attributable to shareholders		463,188		507,768

## Balance Sheet

as at 15 October 2018 (unaudited)

	15.10.18		15.4.18	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		458,486		469,807
Current assets				
Debtors	1,311		1,228	
Cash and bank balances	7,493		10,412	
Total current assets		8,804		11,640
Total assets		467,290		481,447
<b>Liabilities</b>				
Investment liabilities		(251)		-
Creditors				
Distribution payable on income shares	(2,223)		(2,250)	
Other creditors	(1,628)		(2,183)	
Total creditors		(3,851)		(4,433)
Total liabilities		(4,102)		(4,433)
Net assets attributable to shareholders		463,188		477,014

**Distribution Table (pence per share)**

for the six months ended 15 October 2018 (unaudited)

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 payable 15.12.18</i>	<i>Distribution paid 15.12.17</i>
<b>Retail Income</b>				
Group 1	1.040000	-	1.040000	0.970000
Group 2	0.460000	0.580000	1.040000	0.970000
<b>Retail Accumulation</b>				
Group 1	1.680000	-	1.680000	1.500000
Group 2	0.600000	1.080000	1.680000	1.500000
<b>Income C</b>				
Group 1	1.080000	-	1.080000	1.000000
Group 2	0.650000	0.430000	1.080000	1.000000
<b>Accumulation C</b>				
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>
<b>Retail Income</b>				
Group 1	1.130000	-	1.130000	1.390000
Group 2	0.570000	0.560000	1.130000	1.390000
<b>Retail Accumulation</b>				
Group 1	1.790000	-	1.790000	2.130000
Group 2	0.810000	0.980000	1.790000	2.130000
<b>Income C</b>				
Group 1	1.160000	-	1.160000	1.440000
Group 2	0.770000	0.390000	1.160000	1.440000
<b>Accumulation C</b>				
Group 1	1.850000	-	1.850000	2.180000
Group 2	1.280000	0.570000	1.850000	2.180000

# 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 weighting to listed property equities changed little over the review period, rising from 65.3% on 15 April to 64.5% on 15 October. There were, however, several changes to the composition of this part of the Fund.

The Manager exited the Brookfield US Real Estate Equities Fund and increased the weighting to the lower-cost iShares US Property Yield Fund. Having reduced gradually the Fund's weighting to the HICL Infrastructure Company over time, the remaining holdings, which represented 1.8% of the Fund at the start of the period, were sold following the company's increased investment in regulated utilities. Finally, the Manager introduced the Kempen Global Property Fund in April 2018. Managed by an experienced team based in Amsterdam, the Fund invests in property equities on a global basis.

The allocation to UK direct property funds rose slightly from 31.8% to 32.3% over the 6 months to 15th October 2018. Small increases in the weighting of most of the Fund's UK direct property fund holdings were recorded. No new funds were added to this part of the portfolio.

## Investment Performance

During the 6 months to 15 October 2018, the Fund's retail accumulation share class rose in value by 3.25% whilst the C share class accumulation units rose in value by 3.52%.

*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 October 2018 (unaudited)

	Retail Income	Retail Accumulation	Institutional A Income	Income C	Accumulation C
Price	147.2p xd	170.8p	138.1p xd	148.9p xd	178.0p
Distribution payable (on 15 December 2018) per share net	1.640000p	1.890000p	1.860000p	2.070000p	2.440000p
Current net estimated yield	2.11%	2.08%	2.57%	2.65%	2.60%
Annual ACD charge	1.25%	1.25%	0.75%	0.55%	0.55%

## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Asia-Pacific Equities - 11.57% (13.51%)</b>			
^Ascendas Real Estate Investment Trust	164,005	227	0.08
^CapitaLand Commercial Real Estate Investment Trust	385,502	360	0.12
^CapitaLand Mall Real Estate Investment Trust	311,638	360	0.12
^Dexus Property	116,481	624	0.21
^General Property Group	233,958	622	0.21
^GLP J Real Estate Investment Trust	961	722	0.24
^Hong Kong Land (Singapore registered US\$)	168,235	772	0.26
^Hysan Development	175,227	641	0.22
^*tiShares Asia Property Yield UCITS ETF	1,271,831	24,642	8.33
^Japan Real Estate Investment Trust	249	970	0.33
^Link Real Estate Investment Trust	122,650	858	0.29
^Nippon Building Real Estate Investment Trust	225	988	0.33
^Scentre Group	273,328	562	0.19
^Swire Properties	241,327	632	0.21
^United Urban Investment	618	729	0.25
^Vicinity Centres Real Estate Investment Trust	378,911	536	0.18
<b>Total Asia-Pacific Equities</b>		<b>34,245</b>	<b>11.57</b>
<b>Direct Property Funds - 32.28% (31.82%)</b>			
Aberdeen UK Property Fund	4,127,634	4,262	1.44
Janus Henderson UK Property PAIF	14,994,335	17,324	5.86
Kames Property Income Fund	18,623,530	18,990	6.42
Legal & General UK Property Fund	27,502,552	15,498	5.24
M&G Property Portfolio	9,979,083	11,712	3.96
Standard Life Investments UK Real Estate Fund	7,763,732	7,911	2.67
Threadneedle UK Property Authorised Investment Fund	24,400,335	19,806	6.69
<b>Total Direct Property Funds</b>		<b>95,503</b>	<b>32.28</b>
<b>European (Including UK) Equities - 17.50% (18.51%)</b>			
^British Land Real Estate Investment Trust	146,497	821	0.28
^Derwent London Real Estate Investment Trust	22,461	620	0.21
^Deutsche Wohnen	40,193	1,376	0.46
^F&C Commercial Property Trust	4,670,811	6,231	2.11
*†F&C Real Estate Securities Fund	481,938	10,754	3.63
^Great Portland Estates	91,789	603	0.20
^Inmobiliaria Colonial	89,239	651	0.22
^Klepierre	47,392	1,185	0.40
^Land Securities Real Estate Investment Trust	100,838	818	0.28
^LEG Immobilien	3,436	284	0.10
Premier Pan European Property Fund	24,983,602	18,498	6.25
^Segro Real Estate Investment Trust	119,822	710	0.24
^TR Property Investment Trust	2,053,523	7,865	2.66
^Unibail-Rodamco-Westfield	9,852	1,349	0.46
<b>Total European (Including UK) Equities</b>		<b>51,765</b>	<b>17.50</b>



## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Global Property Equities Funds - 17.13% (13.77%)</b>			
*AXA World Framlington Global Flexible Property Fund	243,817	24,452	8.27
*AXA World Framlington Global Real Estate Securities Fund	129,609	17,373	5.87
*Kempen Global Property Fund	9,834	8,845	2.99
<b>Total Global Property Equities Funds</b>		<b>50,670</b>	<b>17.13</b>
<b>Money Markets - 0.71% (0.69%)</b>			
+HSBC Global Liquidity Fund	2,086,811	2,087	0.71
<b>Total Money Markets</b>		<b>2,087</b>	<b>0.71</b>
<b>North American Equities - 18.52% (19.52%)</b>			
^Alexandria Real Estate Equities	8,229	758	0.26
^AvalonBay Communities	7,553	994	0.34
^Boston Properties	7,075	624	0.21
^Camden Property Trust	14,410	991	0.33
^Cousins Properties Real Estate Investment Trust	97,377	618	0.21
^CubeSmart	60,318	1,276	0.43
^Douglas Emmett	26,976	751	0.25
^Duke Realty	64,146	1,310	0.44
^Equity Residential	20,743	994	0.34
^Essex Property Real Estate Investment Trust	5,461	1,000	0.34
^Federal Realty Investment Trust	7,912	718	0.24
^HCP	49,418	939	0.32
^*iShares US Property Yield UCITS ETF	1,477,144	30,281	10.24
^Kimco Realty	67,090	765	0.26
^Macerich	22,782	868	0.29
^National Retail Properties	34,530	1,146	0.39
^Prologis	32,704	1,568	0.53
^Public Storage	8,452	1,275	0.43
^Realty Income	26,795	1,145	0.39
^Regency Centers	15,389	725	0.24
^RioCan Real Estate Investment Trust	49,768	695	0.23
^Simon Property Group	6,924	901	0.30
^SL Green Realty	6,992	481	0.16
^Store Capital	54,954	1,157	0.39
^Tanger Factory Outlet Centers	26,686	437	0.15
^Ventas	23,211	951	0.32
^Vornado Realty Trust	9,601	492	0.17
^Welltower	20,064	945	0.32
<b>Total North American Equities</b>		<b>54,805</b>	<b>18.52</b>

## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Portfolio of investments</b>		<b>289,075</b>	<b>97.71</b>
<b>Net other assets</b>		<b>6,765</b>	<b>2.29</b>
<b>Net assets</b>		<b>295,840</b>	<b>100.00</b>
*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.

Total purchases for the period, including transaction charges, were £35,994,904.

Total sales for the period, net of transaction charges, were £48,784,695.

## Comparative Tables

for the six months ended 15 October 2018 (unaudited)

<b>Retail Income</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	143.10p	152.70p	143.80p	137.80p
Return before operating charges*	5.75p	(4.70p)	12.95p	9.55p
Operating charges**	(1.01p)	(1.98p)	(1.97p)	(1.78p)
Return after operating charges*	4.74p	(6.68p)	10.98p	7.77p
Distributions on income share	(1.64p)	(2.92p)	(2.08p)	(1.77p)
Closing net asset value per share	146.20p	143.10p	152.70p	143.80p
*after direct transaction costs of:***	0.00p	0.01p	0.02p	0.01p
<b>Performance</b>				
Return after charges	3.31%	(4.37%)	7.64%	5.64%
<b>Other information</b>				
Closing net asset value	£571,559	£560,792	£760,738	£836,684
Closing number of shares	390,887	391,823	498,128	582,021
Operating charges - OCF	1.91%	1.88%	1.87%	1.92%
Direct transaction costs	0.00%	0.01%	0.01%	0.01%
<b>Prices</b>				
Highest share price	158.40p	153.50p	157.70p	147.60p
Lowest share price	144.10p	143.10p	140.20p	130.90p

<b>Retail Accumulation</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	164.40p	172.00p	159.70p	152.20p
Return before operating charges*	6.57p	(5.36p)	14.50p	9.50p
Operating charges**	(1.17p)	(2.24p)	(2.20p)	(2.00p)
Return after operating charges*	5.40p	(7.60p)	12.30p	7.50p
Distributions on accumulation share	(1.89p)	(3.31p)	(2.33p)	(2.14p)
Retained distributions on accumulation share	1.89p	3.31p	2.33p	2.14p
Closing net asset value per share	169.80p	164.40p	172.00p	159.70p
*after direct transaction costs of:***	0.00p	0.01p	0.02p	0.02p
<b>Performance</b>				
Return after charges	3.28%	(4.42%)	7.70%	4.93%
<b>Other information</b>				
Closing net asset value	£10,985,878	£13,124,257	£18,281,363	£15,571,805
Closing number of shares	6,470,941	7,985,745	10,631,370	9,751,085
Operating charges - OCF	1.91%	1.88%	1.87%	1.92%
Direct transaction costs	0.00%	0.01%	0.01%	0.01%
<b>Prices</b>				
Highest share price	181.90p	173.90p	175.20p	163.40p
Lowest share price	165.50p	162.60p	155.80p	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.

## Comparative Tables

for the six months ended 15 October 2018 (unaudited)

<b>Institutional A Income</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	134.40p	143.40p	135.00p	137.80p
Return before operating charges*	5.32p	(4.55p)	12.21p	0.46p
Operating charges**	(0.56p)	(1.09p)	(1.08p)	(1.02p)
Return after operating charges*	4.76p	(5.64p)	11.13p	(0.56p)
Distributions on income share	(1.86p)	(3.36p)	(2.73p)	(2.24p)
Closing net asset value per share	137.30p	134.40p	143.40p	135.00p
*after direct transaction costs of:***	0.00p	0.01p	0.02p	0.01p
<b>Performance</b>				
Return after charges	3.54%	(3.93%)	8.24%	(0.41%)
<b>Other information</b>				
Closing net asset value	£435,642	£430,800	£350,816	£275,626
Closing number of shares	317,393	320,615	244,644	204,201
Operating charges - OCF	1.36%	1.34%	1.32%	1.37%
Direct transaction costs	0.00%	0.01%	0.01%	0.01%
<b>Prices</b>				
Highest share price	149.00p	144.30p	148.30p	140.60p
Lowest share price	135.30p	134.60p	131.70p	122.90p

<b>Income C</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	144.90p	154.60p	145.50p	139.10p
Return before operating charges*	5.69p	(4.93p)	13.21p	9.87p
Operating charges**	(0.52p)	(1.02p)	(1.01p)	(0.94p)
Return after operating charges*	5.17p	(5.95p)	12.20p	8.93p
Distributions on income share	(2.07p)	(3.75p)	(3.10p)	(2.53p)
Closing net asset value per share	148.00p	144.90p	154.60p	145.50p
*after direct transaction costs of:***	0.00p	0.01p	0.02p	0.01p
<b>Performance</b>				
Return after charges	3.57%	(3.85%)	8.38%	6.42%
<b>Other information</b>				
Closing net asset value	£28,696,554	£30,827,080	£36,621,390	£40,554,025
Closing number of shares	19,392,649	21,280,150	23,686,951	27,866,544
Operating charges - OCF	1.26%	1.24%	1.22%	1.27%
Direct transaction costs	0.00%	0.01%	0.01%	0.01%
<b>Prices</b>				
Highest share price	160.60p	155.60p	159.90p	149.90p
Lowest share price	145.90p	145.20p	142.00p	132.60p

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

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

## Comparative Tables

for the six months ended 15 October 2018 (unaudited)

<b>Accumulation C</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	170.80p	177.80p	164.00p	154.20p
Return before operating charges*	6.72p	(5.82p)	14.95p	10.85p
Operating charges**	(0.62p)	(1.18p)	(1.15p)	(1.05p)
Return after operating charges*	6.10p	(7.00p)	13.80p	9.80p
Distributions on accumulation share	(2.44p)	(4.34p)	(3.51p)	(2.81p)
Retained distributions on accumulation share	2.44p	4.34p	3.51p	2.81p
Closing net asset value per share	176.90p	170.80p	177.80p	164.00p
*after direct transaction costs of:***	0.00p	0.01p	0.02p	0.02p
<b>Performance</b>				
Return after charges	3.57%	(3.94%)	8.41%	6.36%
<b>Other information</b>				
Closing net asset value	£255,149,939	£256,544,376	£287,557,185	£191,769,000
Closing number of shares	144,236,766	150,204,089	161,747,791	116,906,378
Operating charges - OCF	1.26%	1.24%	1.22%	1.27%
Direct transaction costs	0.00%	0.01%	0.01%	0.01%
<b>Prices</b>				
Highest share price	189.40p	180.50p	180.20p	167.80p
Lowest share price	172.00p	169.00p	160.10p	146.80p
**The operating charges include all costs borne by the Fund, except for direct transaction costs.				
***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.				

## Statement of Total Return

for the six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		<b>6,544</b>		(7,437)
Revenue	<b>5,515</b>		5,316	
Expenses	<b>(1,077)</b>		(1,128)	
Net revenue before taxation	<b>4,438</b>		4,188	
Taxation	<b>(319)</b>		(407)	
Net revenue after taxation		<b>4,119</b>		3,781
Total return/(deficit) before distributions		<b>10,663</b>		(3,656)
Distributions		<b>(4,115)</b>		(3,786)
Change in net assets attributable to shareholders from investment activities		<b>6,548</b>		(7,442)

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		<b>301,487</b>		343,571
Amounts receivable on creation of shares	<b>25,604</b>		26,256	
Amounts payable on cancellation of shares	<b>(41,743)</b>		(57,396)	
		<b>(16,139)</b>		(31,140)
Dilution adjustment		<b>302</b>		239
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		<b>6,548</b>		(7,442)
Retained distribution on accumulation shares		<b>3,642</b>		3,230
Closing net assets attributable to shareholders		<b>295,840</b>		308,458

## Balance Sheet

as at 15 October 2018 (unaudited)

	15.10.18		15.4.18	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		<b>289,075</b>		294,914
Current assets				
Debtors	<b>1,347</b>		973	
Cash and bank balances	<b>6,855</b>		6,952	
Total current assets		<b>8,202</b>		7,925
Total assets		<b>297,277</b>		302,839
<b>Liabilities</b>				
Creditors				
Distribution payable on income shares	<b>(414)</b>		(422)	
Other creditors	<b>(1,023)</b>		(930)	
Total liabilities		<b>(1,437)</b>		(1,352)
Net assets attributable to shareholders		<b>295,840</b>		301,487

**Distribution Table (pence per share)**

for the six months ended 15 October 2018 (unaudited)

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 payable 15.12.18</i>	<i>Distribution paid 15.12.17</i>
<b>Retail Income</b>				
Group 1	1.640000	-	1.640000	1.400000
Group 2	0.410000	1.230000	1.640000	1.400000
<b>Retail Accumulation</b>				
Group 1	1.890000	-	1.890000	1.580000
Group 2	1.060000	0.830000	1.890000	1.580000
<b>Institutional A Income</b>				
Group 1	1.860000	-	1.860000	1.630000
Group 2	1.460000	0.400000	1.860000	1.630000
<b>Income C</b>				
Group 1	2.070000	-	2.070000	1.820000
Group 2	0.890000	1.180000	2.070000	1.820000
<b>Accumulation C</b>				
Group 1	2.440000	-	2.440000	2.090000
Group 2	1.420000	1.020000	2.440000	2.090000

# 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 PM 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.

Adjustments were made to our fixed income positions in August. We closed our 0.25% position in India fixed income with the proceeds held in cash while we reviewed our local currency debt allocation.

We increased our allocation to hard currency emerging markets debt in September, with the funds coming from the closed India position and high yield credit. This reduced our underweight hard currency EMD allocation after spreads had widened and the asset class became more attractive.

Major purchases include: HSBC FTSE All World Index Fund, HSBC American Index Fund, iShares Core MSCI Emerging Markets IMI UCITS ETF, HSBC GIF Global Emerging Markets Bond and HSBC GIF Global Emerging Markets Local Debt Fund.

Major sales included: HSBC European Index Fund, SPDR S&P US Financials Select Sector ETF, HSBC MSCI Russia Capped ETF, HSBC GIF Global High Yield Bond Fund and HSBC GIF India Fixed Income.

## Investment Performance

During the period the value of the shares in the Fund increased by 2.66%.

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

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

## Fund Particulars

as at 16 October 2018 (unaudited)

	Retail Income	Retail Accumulation	Income C
Price	132.3p xd	140.5p	136.3p xd
Distribution payable (on 15 December 2018) per share net	1.380000p	1.450000p	1.890000p
Current net estimated yield	1.03%	1.02%	1.37%
Annual ACD charge	1.25%	1.25%	0.55%
	Accumulation C		Accumulation P
Price	143.5p		145.4p
Distribution payable (on 15 December 2018) per share net	1.970000p		2.250000p
Current net estimated yield	1.36%		1.71%
Annual ACD charge	0.55%		0.25%



## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Asia-Pacific (excluding Japan) Equities - 1.99% (1.95%)</b>			
^*iShares Core MSCI Pacific ex Japan UCITS ETF	13,479	1,370	1.99
<b>Total Asia-Pacific (excluding Japan) Equities</b>		<b>1,370</b>	<b>1.99</b>
<b>European Equities - 7.31% (8.79%)</b>			
+HSBC European Index Fund	564,130	5,030	7.31
<b>Total European Equities</b>		<b>5,030</b>	<b>7.31</b>
<b>Japanese Equities - 5.49% (5.48%)</b>			
+HSBC Japan Index Fund	2,974,745	3,778	5.49
<b>Total Japanese Equities</b>		<b>3,778</b>	<b>5.49</b>
<b>Global Emerging Markets Equities - 10.19% (10.58%)</b>			
^*iShares Core MSCI Emerging Markets IMI UCITS ETF	270,655	5,330	7.74
*+HSBC GIF Economic Scale Index GEM Equity Fund	210,433	1,685	2.45
<b>Total Global Emerging Markets Equities</b>		<b>7,015</b>	<b>10.19</b>
<b>Global Emerging Markets Debt - 6.07% (5.40%)</b>			
*+HSBC GIF Global Emerging Markets Bond Fund	98,874	713	1.04
*+HSBC GIF Global Emerging Markets Local Debt Fund	513,114	3,464	5.03
<b>Total Global Emerging Markets Debt</b>		<b>4,177</b>	<b>6.07</b>
<b>Global Equities - 32.92% (31.77%)</b>			
*+HSBC FTSE All-World Index Fund	9,811,100	15,835	23.01
*+HSBC GIF Economic Scale Index Global Equity Fund	136,708	4,111	5.97
^*+HSBC Multi Factor Worldwide Equity ETF	191,854	2,712	3.94
<b>Total Global Equities</b>		<b>22,658</b>	<b>32.92</b>
<b>Global Property Equities - 4.99% (5.09%)</b>			
*+HSBC GIF Global Real Estate Equity Fund	453,347	3,432	4.99
<b>Total Global Property Equities Funds</b>		<b>3,432</b>	<b>4.99</b>
<b>US Equities - 24.73% (25.01%)</b>			
+HSBC American Index Fund	2,729,449	16,325	23.72
*iShares Core S&P 500 UCITS ETF	3,387	695	1.01
<b>Total US Equities</b>		<b>17,020</b>	<b>24.73</b>
<b>UK Equities - 2.82% (2.92%)</b>			
+HSBC FTSE 100 Index Fund	873,790	1,940	2.82
<b>Total UK Equities</b>		<b>1,940</b>	<b>2.82</b>
<b>Global High Yield Bonds - 1.79% (1.90%)</b>			
*+HSBC GIF Global High Yield Bond Fund	120,142	921	1.34
^*+iShares Fallen Angels High Yield Fund ETF	76,898	307	0.45
<b>Total Global High Yield Bonds</b>		<b>1,228</b>	<b>1.79</b>

## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Money Markets - 0.38% (0.00%)</b>			
+HSBC Global Liquidity Fund	263,643	264	0.38
<b>Total Money Markets</b>		<b>264</b>	<b>0.38</b>
<b>Forward Foreign Exchange Contracts - -0.11% (0.10%)</b>			
#Sold £656,250 for \$865,038 settled 31/10/2018		1	0.00
#Sold \$15,704,190 for £11,882,450 settled 31/10/2018		(59)	(0.09)
#Sold €2,937,478 for £2,575,014 settled 31/10/2018		(16)	(0.02)
<b>Total Forward Foreign Exchange Contracts</b>		<b>(74)</b>	<b>(0.11)</b>
<b>Futures - -0.03% (0.00%)</b>			
CME S&P 500 E-Mini Index Future December 2018	3	(19)	(0.03)
<b>Total Futures</b>		<b>(19)</b>	<b>(0.03)</b>
<b>Portfolio of investments</b>		<b>67,819</b>	<b>98.54</b>
<b>Net other assets</b>		<b>1,007</b>	<b>1.46</b>
<b>Net assets</b>		<b>68,826</b>	<b>100.00</b>
*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.

Total purchases for the period, including transaction charges, were £9,966,262.

Total sales for the period, net of transaction charges, were £6,452,936.

The counterparty for the Futures is HSBC.

The counterparty for the Forward Foreign Exchange Contracts is HSBC.

## Comparative Tables

for the six months ended 15 October 2018 (unaudited)

<b>Retail Income#</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	130.80p	127.80p	106.00p	100.00p
Return before operating charges*	4.32p	6.13p	24.73p	6.21p
Operating charges**	(0.94p)	(1.81p)	(1.56p)	(0.21p)
Return after operating charges*	3.38p	4.32p	23.17p	6.00p
Distributions on income share	(1.38p)	(1.32p)	(1.37p)	0.00p
Closing net asset value per share	132.80p	130.80p	127.80p	106.00p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	2.58%	3.38%	21.86%	6.00%
<b>Other information</b>				
Closing net asset value	£187,914	£169,861	£300,990	£279,123
Closing number of shares	141,522	129,875	235,502	263,458
Operating charges - OCF	1.44%	1.44%	1.43%	1.46%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	144.20p	141.30p	133.60p	106.30p
Lowest share price	130.50p	125.90p	100.50p	92.92p

<b>Retail Accumulation#</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	137.50p	132.90p	107.10p	100.00p
Return before operating charges*	4.48p	6.46p	27.41p	7.33p
Operating charges**	(0.98p)	(1.86p)	(1.61p)	(0.23p)
Return after operating charges*	3.50p	4.60p	25.80p	7.10p
Distributions on accumulation share	(1.45p)	(1.39p)	(1.39p)	0.00p
Retained distributions on accumulation share	1.45p	1.39p	1.39p	0.00p
Closing net asset value per share	141.00p	137.50p	132.90p	107.10p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	2.55%	3.46%	24.09%	7.10%
<b>Other information</b>				
Closing net asset value	£5,551,299	£5,676,980	£6,281,795	£5,594,301
Closing number of shares	3,936,353	4,129,226	4,726,021	5,222,118
Operating charges - OCF	1.44%	1.44%	1.43%	1.48%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	151.60p	148.50p	135.50p	107.50p
Lowest share price	137.20p	130.90p	101.50p	93.97p

#The Retail Income and Accumulation share classes launched on 12 February 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 six months ended 15 October 2018 (unaudited)

<b>Income C</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	134.70p	131.10p	106.10p	108.70p
Return before operating charges*	4.49p	6.35p	27.56p	(0.75p)
Operating charges**	(0.50p)	(0.94p)	(0.81p)	(0.76p)
Return after operating charges*	3.99p	5.41p	26.75p	(1.51p)
Distributions on income share	(1.89p)	(1.81p)	(1.75p)	(1.09p)
Closing net asset value per share	136.80p	134.70p	131.10p	106.10p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	2.96%	4.13%	25.21%	(1.39%)
<b>Other information</b>				
Closing net asset value	£6,099,900	£6,288,676	£6,495,272	£6,020,654
Closing number of shares	4,460,308	4,667,654	4,953,276	5,677,242
Operating charges - OCF	0.79%	0.79%	0.78%	0.87%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	148.80p	145.30p	133.60p	108.50p
Lowest share price	134.40p	129.20p	100.50p	90.59p

<b>Accumulation C</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	140.00p	134.50p	107.30p	108.70p
Return before operating charges*	4.62p	6.47p	28.03p	(0.66p)
Operating charges**	(0.52p)	(0.97p)	(0.83p)	(0.74p)
Return after operating charges*	4.10p	5.50p	27.20p	(1.40p)
Distributions on accumulation share	(1.97p)	(1.86p)	(1.77p)	(1.10p)
Retained distributions on accumulation share	1.97p	1.86p	1.77p	1.10p
Closing net asset value per share	144.10p	140.00p	134.50p	107.30p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	2.93%	4.09%	25.35%	(1.29%)
<b>Other information</b>				
Closing net asset value	£46,797,870	£42,254,422	£35,207,756	£26,034,624
Closing number of shares	32,483,687	30,183,498	26,181,917	24,275,759
Operating charges - OCF	0.79%	0.79%	0.78%	0.85%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	154.60p	151.00p	137.00p	108.40p
Lowest share price	139.70p	132.50p	101.70p	91.62p

\*\*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 six months ended 15 October 2018 (unaudited)

<b>Accumulation P</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	141.60p	135.50p	107.80p	108.90p
Return before operating charges*	4.56p	6.58p	28.11p	(0.76p)
Operating charges**	(0.26p)	(0.48p)	(0.41p)	(0.34p)
Return after operating charges*	4.30p	6.10p	27.70p	(1.10p)
Distributions on accumulation share	(2.25p)	(2.37p)	(2.13p)	(1.39p)
Retained distributions on accumulation share	2.25p	2.37p	2.13p	1.39p
Closing net asset value per share	145.90p	141.60p	135.50p	107.80p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	3.04%	4.50%	25.70%	(1.01%)
<b>Other information</b>				
Closing net asset value	£10,189,120	£8,189,756	£5,527,483	£1,519,839
Closing number of shares	6,981,873	5,784,998	4,078,545	1,410,497
Operating charges - OCF	0.44%	0.44%	0.43%	0.45%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	156.50p	152.60p	138.10p	108.60p
Lowest share price	141.20p	133.50p	102.20p	92.00p
**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.				

## Statement of Total Return

for the six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		705		2,648
Revenue	1,136		947	
Expenses	(239)		(205)	
Net revenue before taxation	897		742	
Taxation	(2)		-	
Net revenue after taxation		895		742
Total return before distributions		1,600		3,390
Distributions		(894)		(739)
Change in net assets attributable to shareholders from investment activities		706		2,651

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		62,580		53,813
Amounts receivable on creation of shares	9,151		5,395	
Amounts payable on cancellation of shares	(4,466)		(1,986)	
		4,685		3,409
Dilution adjustment		1		1
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		706		2,651
Retained distribution on accumulation shares		854		687
Closing net assets attributable to shareholders		68,826		60,561

## Balance Sheet

as at 15 October 2018 (unaudited)

	15.10.18		15.4.18	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		67,913		61,947
Current assets				
Debtors	1,017		64	
Cash and bank balances	1,104		718	
Total current assets		2,121		782
Total assets		70,034		62,729
<b>Liabilities</b>				
Investment liabilities		(94)		-
Creditors				
Distribution payable on income shares	(86)		-	
Other creditors	(1,028)		(149)	
Total creditors		(1,114)		(149)
Total liabilities		(1,208)		(149)
Net assets attributable to shareholders		68,826		62,580

**Distribution Table (pence per share)**

for the six months ended 15 October 2018 (unaudited)

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 payable 15.12.18</i>	<i>Distribution paid 15.12.17</i>
<b>Retail Income</b>				
Group 1	1.380000	-	1.380000	1.320000
Group 2	0.000000	1.380000	1.380000	1.320000
<b>Retail Accumulation</b>				
Group 1	1.450000	-	1.450000	1.390000
Group 2	0.000000	1.450000	1.450000	1.390000
<b>Income C</b>				
Group 1	1.890000	-	1.890000	1.810000
Group 2	0.240000	1.650000	1.890000	1.810000
<b>Accumulation C</b>				
Group 1	1.970000	-	1.970000	1.850000
Group 2	0.630000	1.340000	1.970000	1.850000
<b>Accumulation P</b>				
Group 1	2.250000	-	2.250000	2.100000
Group 2	0.580000	1.670000	2.250000	2.100000

## 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 we closed our 0.25% position in India fixed income with the proceeds held in cash. We reduced our duration positioning: 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.

We increased our allocation to hard currency emerging markets debt in September, funded from the closed India position and investment grade credit. This brought our hard currency EMD allocation to neutral after spreads had widened and the asset class became more attractive.

Major purchases include: HSBC FTSE All World Index Fund, iShares Core S&P 500 UCITS 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.

Major sales included: HSBC European Index Fund, SPDR S&P US Financials Select Sector ETF, HSBC MSCI Russia Capped ETF, HSBC GIF Global Corporate Bond Fund and HSBC GIF India Fixed Income.

### Investment Performance

During the period the value of the shares in the Fund increased by 1.19%.

(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 October 2018 (unaudited)

	Retail Income	Retail Accumulation	Institutional Accumulation	Income C
Price	184.3p xd	201.3p	221.0p	184.9p xd
Distribution payable (on 15 December 2018) per share net	1.950000p	2.110000p	3.500000p	2.460000p
Current net estimated yield	1.14%	1.06%	2.22%	1.72%
Annual ACD charge	1.25%	1.25%	0.00%	0.55%
	Accumulation C		Income P	Accumulation P
Price	207.6p		184.9p xd	209.9p
Distribution payable (on 15 December 2018) per share net	2.730000p		2.740000p	3.060000p
Current net estimated yield	1.70%		2.01%	1.98%
Annual ACD charge	0.55%		0.25%	0.25%



## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Asia-Pacific (excluding Japan) Equities - 0.89% (0.94%)</b>			
^*iShares Core MSCI Pacific ex-Japan UCITS ETF	252,723	25,690	0.89
<b>Total Asia-Pacific (excluding Japan) Equities</b>		<b>25,690</b>	<b>0.89</b>
<b>European (excluding UK) Equities - 3.30% (4.56%)</b>			
+HSBC European Index Fund	10,735,701	95,730	3.30
<b>Total European (excluding UK) Equities</b>		<b>95,730</b>	<b>3.30</b>
<b>Japanese Equities - 3.20% (3.30%)</b>			
+HSBC Japan Index Fund	73,152,371	92,904	3.20
<b>Total Japanese Equities</b>		<b>92,904</b>	<b>3.20</b>
<b>Global Emerging Markets Equities - 4.60% (4.93%)</b>			
^*iShares Core MSCI Emerging Markets IMI UCITS ETF	6,768,368	133,297	4.60
<b>Total Global Emerging Markets Equities</b>		<b>133,297</b>	<b>4.60</b>
<b>Global Property Equities Funds - 4.94% (4.87%)</b>			
*+HSBC GIF Global Real Estate Equity Fund	18,906,816	143,143	4.94
<b>Total Global Property Equities Funds</b>		<b>143,143</b>	<b>4.94</b>
<b>US Equities - 11.56% (11.58%)</b>			
+HSBC American Index Fund	50,829,219	304,010	10.48
^*iShares VII Core S&P 500 UCITS ETF	152,108	31,221	1.08
<b>Total US Equities</b>		<b>335,231</b>	<b>11.56</b>
<b>UK Equities - 1.24% (1.33%)</b>			
+HSBC FTSE 100 Index Fund	9,150,495	20,314	0.70
+HSBC FTSE All-Share Index Fund	2,684,516	15,640	0.54
<b>Total UK Equities</b>		<b>35,954</b>	<b>1.24</b>
<b>Global Equities - 30.12% (28.05%)</b>			
^*+HSBC ESI Worldwide Equity UCITS ETF	9,929,315	127,224	4.39
+HSBC FTSE All-World Index Fund	420,856,192	679,262	23.42
^*+HSBC Multi Factor Worldwide Equity ETF	4,739,751	66,997	2.31
<b>Total Global Equities</b>		<b>873,483</b>	<b>30.12</b>
<b>Global Government Bonds - 3.24% (1.09%)</b>			
*+HSBC GIF Global Government Bond Fund	12,184,545	93,908	3.24
<b>Total Global Government Bonds</b>		<b>93,908</b>	<b>3.24</b>
<b>Global Assets-Backed Bonds - 3.06% (2.86%)</b>			
*+HSBC GIF Global Asset-Backed Bond Fund	805,111	88,712	3.06
<b>Total Global Assets-Backed Bonds</b>		<b>88,712</b>	<b>3.06</b>

**Portfolio Statement**

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Global Corporate Bonds - 10.59% (11.97%)</b>			
*+HSBC GIF Corporate Bond Fund	38,979,263	307,035	10.59
<b>Total Global Corporate Bonds</b>		<b>307,035</b>	<b>10.59</b>
<b>Global High Yield Bonds - 6.51% (6.94%)</b>			
*+HSBC GIF Global High Yield Bond Fund	20,028,871	153,512	5.29
^*iShares Fallen Angels High Yield Corporate Bond UCITS ETF	8,875,882	35,487	1.22
<b>Total Global High Yield Bonds</b>		<b>188,999</b>	<b>6.51</b>
<b>Global Emerging Markets Debt - 14.06% (13.45%)</b>			
*+HSBC GIF Global Emerging Markets Bond Fund	20,597,492	148,498	5.12
*+HSBC GIF Global Emerging Markets Local Debt Fund	38,413,932	259,318	8.94
<b>Total Global Emerging Markets Debt</b>		<b>407,816</b>	<b>14.06</b>
<b>Money Market - 2.23% (2.68%)</b>			
+HSBC Global Liquidity Fund	64,606,603	64,607	2.23
<b>Total Money Market</b>		<b>64,607</b>	<b>2.23</b>
<b>Forward Foreign Exchange Contracts - -0.18% (0.14%)</b>			
#Sold €56,469,021 for £49,501,139 settled 31/10/2018		(316)	(0.01)
#Sold \$1,274,253,876 for £964,153,992 settled 31/10/2018		(4,790)	(0.17)
<b>Total Forward Foreign Exchange Contracts</b>		<b>(5,106)</b>	<b>(0.18)</b>
<b>Futures - -0.04% (-0.01%)</b>			
CME S&P 500 E-Mini Index Future December 2018	135	(834)	(0.03)
CBT US 2Yr Note Future December 2018	296	(148)	(0.01)
<b>Total Futures</b>		<b>(982)</b>	<b>(0.04)</b>
<b>Portfolio of investments</b>		<b>2,880,421</b>	<b>99.32</b>
<b>Net other assets</b>		<b>19,705</b>	<b>0.68</b>
<b>Net assets</b>		<b>2,900,126</b>	<b>100.00</b>

\*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.

Total purchases for the period, including transaction charges, were £374,835,176.

Total sales for the period, net of transaction charges, were £312,748,003.

The counterparty for the Futures is HSBC.

The counterparty for the Forward Foreign Exchange Contracts is HSBC.

## Comparative Tables

for the six months ended 15 October 2018 (unaudited)

<b>Retail Income</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	184.50p	184.80p	162.30p	169.30p
Return before operating charges*	3.61p	4.26p	27.69p	(2.45p)
Operating charges**	(1.26p)	(2.47p)	(2.30p)	(2.08p)
Return after operating charges*	2.35p	1.79p	25.39p	(4.53p)
Distributions on income share	(1.95p)	(2.09p)	(2.89p)	(2.47p)
Closing net asset value per share	184.90p	184.50p	184.80p	162.30p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	1.27%	0.97%	15.64%	(2.68%)
<b>Other information</b>				
Closing net asset value	£1,226,796	£1,142,942	£3,596,178	£2,989,762
Closing number of shares	663,566	619,519	1,946,075	1,842,218
Operating charges - OCF	1.45%	1.45%	1.46%	1.48%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	197.10p	194.90p	187.00p	168.80p
Lowest share price	184.20p	182.90p	158.10p	146.50p

<b>Retail Accumulation</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	199.50p	197.60p	170.80p	175.50p
Return before operating charges*	3.97p	4.54p	29.24p	(2.52p)
Operating charges**	(1.37p)	(2.64p)	(2.44p)	(2.18p)
Return after operating charges*	2.60p	1.90p	26.80p	(4.70p)
Distributions on accumulation share	(2.11p)	(2.08p)	(3.07p)	(2.54p)
Retained distributions on accumulation share	2.11p	2.08p	3.07p	2.54p
Closing net asset value per share	202.10p	199.50p	197.60p	170.80p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	1.30%	0.96%	15.69%	(2.68%)
<b>Other information</b>				
Closing net asset value	£34,340,982	£36,718,487	£275,381,565	£271,699,824
Closing number of shares	16,994,188	18,401,329	139,338,686	159,052,843
Operating charges - OCF	1.45%	1.45%	1.46%	1.48%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	213.20p	210.40p	199.50p	174.90p
Lowest share price	199.20p	195.60p	166.40p	153.80p

\*\*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 six months ended 15 October 2018 (unaudited)

<b>Institutional Accumulation</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	217.90p	213.70p	182.80p	185.80p
Return before operating charges*	4.01p	4.23p	30.93p	(2.97p)
Operating charges**	(0.01p)	(0.03p)	(0.03p)	(0.03p)
Return after operating charges*	4.00p	4.20p	30.90p	(3.00p)
Distributions on accumulation share	(3.50p)	(4.79p)	(5.38p)	(4.47p)
Retained distributions on accumulation share	3.50p	4.79p	5.38p	4.47p
Closing net asset value per share	221.90p	217.90p	213.70p	182.80p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	1.84%	1.97%	16.90%	(1.61%)
<b>Other information</b>				
Closing net asset value	£97,237,888	£97,437,929	£100,029,227	£90,043,730
Closing number of shares	43,826,926	44,707,121	46,805,307	49,252,058
Operating charges - OCF	0.15%	0.15%	0.16%	0.18%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	233.60p	229.20p	215.50p	185.30p
Lowest share price	217.60p	211.60p	178.30p	164.30p

<b>Income C</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	185.10p	185.50p	162.90p	169.90p
Return before operating charges*	3.50p	4.01p	27.60p	(2.71p)
Operating charges**	(0.64p)	(1.26p)	(1.18p)	(1.06p)
Return after operating charges*	2.86p	2.75p	26.42p	(3.77p)
Distributions on income share	(2.46p)	(3.15p)	(3.82p)	(3.23p)
Closing net asset value per share	185.50p	185.10p	185.50p	162.90p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	1.55%	1.48%	16.22%	(2.22%)
<b>Other information</b>				
Closing net asset value	£27,275,762	£26,852,182	£22,058,102	£6,446,380
Closing number of shares	14,703,467	14,504,816	11,892,014	3,957,900
Operating charges - OCF	0.80%	0.80%	0.81%	0.83%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	198.10p	195.90p	188.10p	169.60p
Lowest share price	184.80p	183.60p	158.80p	147.30p

\*\*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 six months ended 15 October 2018 (unaudited)

<b>Accumulation C</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	205.30p	202.40p	174.00p	177.80p
Return before operating charges*	3.91p	4.28p	29.66p	(2.69p)
Operating charges**	(0.71p)	(1.38p)	(1.26p)	(1.11p)
Return after operating charges*	3.20p	2.90p	28.40p	(3.80p)
Distributions on accumulation share	(2.73p)	(3.44p)	(4.12p)	(3.39p)
Retained distributions on accumulation share	2.73p	3.44p	4.12p	3.39p
Closing net asset value per share	208.50p	205.30p	202.40p	174.00p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	1.56%	1.43%	16.32%	(2.14%)
<b>Other information</b>				
Closing net asset value	£2,441,463,538	£2,358,349,794	£1,957,376,660	£1,424,079,120
Closing number of shares	1,171,118,783	1,148,603,186	967,211,324	818,304,807
Operating charges - OCF	0.80%	0.80%	0.81%	0.83%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	219.70p	216.20p	204.20p	177.30p
Lowest share price	205.00p	200.30p	169.70p	156.60p

<b>Income P#</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	185.20p	185.60p	162.90p	159.10p
Return before operating charges*	3.34p	3.87p	27.58p	7.65p
Operating charges**	(0.30p)	(0.59p)	(0.55p)	(0.33p)
Return after operating charges*	3.04p	3.28p	27.03p	7.32p
Distributions on income share	(2.74p)	(3.68p)	(4.33p)	(3.52p)
Closing net asset value per share	185.50p	185.20p	185.60p	162.90p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	1.64%	1.77%	16.59%	4.60%
<b>Other information</b>				
Closing net asset value	£6,475,643	£6,396,161	£5,509,827	£4,397,442
Closing number of shares	3,490,449	3,454,422	2,969,281	2,699,079
Operating charges - OCF	0.45%	0.45%	0.46%	0.48%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	198.30p	196.00p	188.40p	164.40p
Lowest share price	184.80p	183.70p	158.90p	147.40p

#The Income P share class launched on 17 August 2015.

\*\*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 six months ended 15 October 2018 (unaudited)

<b>Accumulation P</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	207.20p	203.70p	174.70p	178.00p
Return before operating charges*	3.84p	4.16p	29.60p	(2.77p)
Operating charges**	(0.34p)	(0.66p)	(0.60p)	(0.53p)
Return after operating charges*	3.50p	3.50p	29.00p	(3.30p)
Distributions on accumulation share	(3.06p)	(4.06p)	(4.69p)	(3.81p)
Retained distributions on accumulation share	3.06p	4.06p	4.69p	3.81p
Closing net asset value per share	210.70p	207.20p	203.70p	174.70p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	1.69%	1.72%	16.60%	(1.85%)
<b>Other information</b>				
Closing net asset value	£292,105,257	£226,078,886	£136,826,236	£69,201,417
Closing number of shares	138,636,959	109,098,876	67,179,147	39,618,542
Operating charges - OCF	0.45%	0.45%	0.46%	0.48%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	221.90p	218.10p	205.50p	177.50p
Lowest share price	206.90p	201.60p	170.30p	157.10p
**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 six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		2,321		60,320
Revenue	49,490		42,975	
Expenses	(9,030)		(8,913)	
Interest payable and similar charges	(2)		(2)	
Net revenue before taxation	40,458		34,060	
Taxation	(2,655)		(2,708)	
Net revenue after taxation		37,803		31,352
Total return before distributions		40,124		91,672
Distributions		(37,687)		(31,279)
Change in net assets attributable to shareholders from investment activities		2,437		60,393

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		2,752,976		2,500,778
Amounts receivable on creation of shares	121,803		125,320	
Amounts payable on cancellation of shares	(15,197)		(20,406)	
		106,606		104,914
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		2,437		60,393
Retained distribution on accumulation shares		38,107		31,597
Closing net assets attributable to shareholders		2,900,126		2,697,682

## Balance Sheet

as at 15 October 2018 (unaudited)

	15.10.18		15.4.18	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		2,886,509		2,716,954
Current assets				
Debtors	4,429		3,421	
Cash and bank balances	55,683		48,359	
Total current assets		60,112		51,780
Total assets		2,946,621		2,768,734
<b>Liabilities</b>				
Investment liabilities		(6,088)		(183)
Creditors				
Distribution payable on income shares	(470)		(165)	
Other creditors	(39,937)		(15,410)	
Total creditors		(40,407)		(15,575)
Total liabilities		(46,495)		(15,758)
Net assets attributable to shareholders		2,900,126		2,752,976

**Distribution Table (pence per share)**

for the six months ended 15 October 2018 (unaudited)

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 payable 15.12.18</i>	<i>Distribution paid 15.12.17</i>
<b>Retail Income</b>				
Group 1	1.950000	-	1.950000	1.790000
Group 2	0.720000	1.230000	1.950000	1.790000
<b>Retail Accumulation</b>				
Group 1	2.110000	-	2.110000	1.920000
Group 2	1.280000	0.830000	2.110000	1.920000
<b>Institutional Accumulation</b>				
Group 1	3.500000	-	3.500000	3.210000
Group 2	0.870000	2.630000	3.500000	3.210000
<b>Income C</b>				
Group 1	2.460000	-	2.460000	2.290000
Group 2	1.220000	1.240000	2.460000	2.290000
<b>Accumulation C</b>				
Group 1	2.730000	-	2.730000	2.500000
Group 2	1.240000	1.490000	2.730000	2.500000
<b>Income P</b>				
Group 1	2.740000	-	2.740000	2.560000
Group 2	2.080000	0.660000	2.740000	2.560000
<b>Accumulation P</b>				
Group 1	3.060000	-	3.060000	2.810000
Group 2	1.260000	1.800000	3.060000	2.810000



# 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 we closed our 0.25% position in India fixed income with the proceeds held in cash. We reduced our duration positioning: 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.

We increased our allocation to hard currency EMD in September, funded from the closed India position and investment grade credit. This brought our hard currency EMD allocation to neutral after the asset class became more attractive (spreads widened).

Major purchases include: iShares Core MSCI Emerging Markets IMI UCITS ETF, HSBC GIF Global Emerging Markets Bond Fund, HSBC GIF Global Government Bond Fund and HSBC GIF Global Emerging Markets Local Debt Fund.

Major sales included: HSBC European Index Fund, HSBC MSCI Russia Capped ETF, HSBC GIF Global Corporate Bond Fund and HSBC GIF India Fixed Income.

## Investment Performance

During the period the value of the shares in the Fund decreased by 0.35%.

(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 October 2018 (unaudited)

	Retail Income	Retail Accumulation	Institutional Accumulation	Income C
Price	130.1p xd	142.9p	156.2p	130.6p xd
Distribution payable (on 15 December 2018) per share net	0.820000p	0.900000p	1.810000p	1.180000p
Current net estimated yield	0.83%	0.50%	2.06%	1.56%
Annual ACD charge	1.25%	1.25%	0.00%	0.55%
	Accumulation C		Income P	Accumulation P
Price	146.8p		130.5p xd	148.3p
Distribution payable (on 15 December 2018) per share net	1.310000p		1.360000p	1.530000p
Current net estimated yield	1.55%		1.84%	1.82%
Annual ACD charge	0.55%		0.25%	0.25%

## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>European Equities - 0.00% (1.46%)</b>			
<b>Alternatives - 1.02% (0.00%)</b>			
*+HSBC GIF Multi Asset Style Factors Fund	865,850	7,864	1.02
<b>Total Alternatives</b>		<b>7,864</b>	<b>1.02</b>
<b>Global Assets-Backed Bonds - 5.17% (5.07%)</b>			
*+HSBC GIF Global Asset-Backed Bond	360,604	39,734	5.17
<b>Total Global Assets-Backed Bonds</b>		<b>39,734</b>	<b>5.17</b>
<b>Global Corporate Bonds - 12.04% (14.45%)</b>			
*+HSBC GIF Corporate Bond Fund	11,752,496	92,573	12.04
<b>Total Global Corporate Bonds</b>		<b>92,573</b>	<b>12.04</b>
<b>Global Emerging Markets Debt - 12.57% (11.79%)</b>			
*+HSBC GIF Global Emerging Markets Bond Fund	3,820,467	27,544	3.58
*+HSBC GIF Global Emerging Markets Local Debt Fund	10,234,473	69,089	8.99
<b>Total Global Emerging Markets Debt</b>		<b>96,633</b>	<b>12.57</b>
<b>Global Emerging Markets Equities - 1.62% (2.20%)</b>			
*iShares Core MSCI Emerging Markets IMI UCITS ETF	632,762	12,462	1.62
<b>Total Global Emerging Markets Equities</b>		<b>12,462</b>	<b>1.62</b>
<b>Global Equities - 16.61% (14.44%)</b>			
^+HSBC Economic Scale Worldwide Equity UCITS ETF	1,041,818	13,349	1.74
^+HSBC ESI Worldwide ETF	435,833	6,160	0.80
*+HSBC FTSE All-World Index Fund	67,019,652	108,170	14.07
<b>Total Global Equities</b>		<b>127,679</b>	<b>16.61</b>
<b>Global Government Bonds - 17.17% (14.22%)</b>			
*+HSBC GIF Government Bond Fund	17,125,484	131,989	17.17
<b>Total Global Government Bonds</b>		<b>131,989</b>	<b>17.17</b>
<b>Global High Yield Bonds - 4.34% (5.42%)</b>			
*+HSBC GIF Global High Yield Bond Fund	3,073,446	23,556	3.07
^*iShares Fallen Angels High Yield Corporate Bond UCITS ETF	2,444,981	9,775	1.27
<b>Total Global High Yield Bonds</b>		<b>33,331</b>	<b>4.34</b>
<b>Global Property Equities Funds - 3.30% (3.47%)</b>			
*+HSBC GIF Global Real Estate Equity Fund	3,349,093	25,356	3.30
<b>Total Global Property Equities Funds</b>		<b>25,356</b>	<b>3.30</b>

## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Japanese Equities - 1.44% (1.48%)</b>			
*+HSBC Japan Index Fund	8,736,992	11,096	1.44
<b>Total Japanese Equities</b>		<b>11,096</b>	<b>1.44</b>
<b>Money Markets - 3.59% (4.35%)</b>			
*+HSBC Global Liquidity Fund	27,615,840	27,616	3.59
<b>Total Money Markets</b>		<b>27,616</b>	<b>3.59</b>
<b>UK Corporate Bonds - 0.23% (0.00%)</b>			
Barclays Bank 10.179% 12/6/2021	\$500,000	432	0.06
CK Hutchison Capital Securities 4% variable perpetual	\$400,000	293	0.04
+HSBC Holdings 2.175% variable 27/6/2023	£499,000	495	0.06
+HSBC Holdings FRN 18/5/2024	\$414,000	314	0.04
Lloyds Banking Group 4.45% 8/5/2025	\$330,000	251	0.03
<b>Total UK Corporate Bonds</b>		<b>1,785</b>	<b>0.23</b>
<b>UK Government Bonds - 1.14% (1.14%)</b>			
Treasury 1.75% 7/9/2022	£700,000	719	0.09
Treasury 2.25% 7/9/2023	£511,300	538	0.07
Treasury 4% 22/1/2060	£2,202,900	3,485	0.45
Treasury 4.25% 7/12/2027	£837,700	1,037	0.14
Treasury 4.25% 7/6/2032	£1,400,000	1,817	0.24
Treasury 4.75% 7/3/2020	£1,100,000	1,160	0.15
<b>Total UK Government Bonds</b>		<b>8,756</b>	<b>1.14</b>
<b>US Corporate Bonds - 0.09% (0.00%)</b>			
Daimler Finance FRN 4/5/2023	\$371,000	283	0.04
Goldman Sachs FRN 15/5/2026	\$304,000	231	0.03
UnitedHealth Group 3.5% 15/6/2023	\$193,000	147	0.02
<b>Total US Corporate Bonds</b>		<b>661</b>	<b>0.09</b>
<b>US Government Bonds - 6.69% (6.25%)</b>			
US Treasury 1.375% 31/5/2020	\$18,500,000	13,753	1.79
US Treasury 1.625% 15/5/2026	\$1,430,000	978	0.13
US Treasury 2% 31/10/2021	\$18,390,000	13,609	1.77
US Treasury 2.25% 15/2/2027	\$3,600,000	2,560	0.33
US Treasury 2.5% 15/8/2023	\$2,000,000	1,486	0.19
US Treasury 2.5% 15/5/2024	\$8,010,000	5,924	0.77
US Treasury 3% 15/2/2048	\$1,000,000	712	0.09
US Treasury 3.375% 15/5/2044	\$12,040,000	9,222	1.20
US Treasury 5.375% 15/2/2031	\$1,000,000	930	0.12
US Treasury 6.125% 15/11/2027	\$2,410,000	2,262	0.30
<b>Total US Government Bonds</b>		<b>51,436</b>	<b>6.69</b>

## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Australian Government Bonds - 0.51% (0.50%)</b>			
Government of Australia 2.75% 21/10/2019	A\$2,080,000	1,140	0.15
Government of Australia 2.75% 21/4/2024	A\$1,000,000	554	0.07
Government of Australia 3.25% 21/4/2029	A\$590,000	337	0.04
Government of Australia 4.5% 21/4/2033	A\$480,000	311	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	614	0.08
Queensland Treasury Corporation 4.75% 21/7/2025	A\$600,000	364	0.05
<b>Total Australian Government Bonds</b>		<b>3,938</b>	<b>0.51</b>
<b>Belgian Government Bonds - 0.22% (0.21%)</b>			
Government of Belgium 1% 22/6/2031	€600,000	520	0.07
Government of Belgium 2.25% 22/6/2023	€150,000	146	0.02
Government of Belgium 2.6% 22/6/2024	€500,000	499	0.07
Government of Belgium 3.75% 28/9/2020	€120,000	115	0.01
Government of Belgium 3.75% 22/6/2045	€298,000	378	0.05
<b>Total Belgian Government Bonds</b>		<b>1,658</b>	<b>0.22</b>
<b>Canadian Government Bonds - 1.14% (1.26%)</b>			
Government of Canada 0.75% 1/9/2021	C\$1,200,000	673	0.09
Government of Canada 1.5% 1/6/2026	C\$1,350,000	738	0.09
Government of Canada 1.75% 1/3/2019	C\$7,700,000	4,513	0.59
Government of Canada 2.5% 1/6/2024	C\$1,000,000	588	0.08
Government of Canada 2.75% 1/6/2022	C\$1,400,000	832	0.11
Government of Canada 3.5% 1/12/2045	C\$900,000	626	0.08
Government of Canada 5.75% 1/6/2029	C\$1,000,000	761	0.10
<b>Total Canadian Government Bonds</b>		<b>8,731</b>	<b>1.14</b>
<b>Danish Government Bonds - 0.22% (0.21%)</b>			
Government of Denmark 1.5% 15/11/2023	DKK6,900,000	880	0.11
Government of Denmark 4% 15/11/2019	DKK2,200,000	273	0.04
Government of Denmark 4.5% 15/11/2039	DKK2,800,000	560	0.07
<b>Total Danish Government Bonds</b>		<b>1,713</b>	<b>0.22</b>
<b>Dutch Corporate Bonds - 0.02% (0.00%)</b>			
Cooperatieve Rabobank 3.125% 26/4/2021	\$250,000	189	0.02
<b>Total Dutch Corporate Bonds</b>		<b>189</b>	<b>0.02</b>
<b>Dutch Government Bonds - 0.37% (0.35%)</b>			
Government of Netherlands 0.25% 15/1/2020	€100,000	89	0.01
Government of Netherlands 2% 15/7/2024	€710,000	694	0.09
Government of Netherlands 2.75% 15/1/2047	€425,000	518	0.07
Government of Netherlands 3.25% 15/7/2021	€400,000	389	0.05
Government of Netherlands 5.5% 15/1/2028	€900,000	1,152	0.15
<b>Total Dutch Government Bonds</b>		<b>2,842</b>	<b>0.37</b>

## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>French Government Bonds - 0.60% (0.58%)</b>			
Government of France 1% 25/5/2019	€900,400	802	0.10
Government of France 2.25% 25/5/2024	€500,400	492	0.06
Government of France 2.5% 25/5/2030	€900,000	926	0.12
Government of France 3% 25/4/2022	€750,000	736	0.10
Government of France 3.25% 25/5/2045	€50,000	60	0.01
Government of France 4% 25/10/2038	€500,000	643	0.08
Government of France 6% 25/10/2025	€800,000	979	0.13
<b>Total French Government Bonds</b>		<b>4,638</b>	<b>0.60</b>
<b>German Government Bonds - 1.22% (0.82%)</b>			
Government of Germany 0.25% 15/2/2027	€4,200,000	3,681	0.48
Government of Germany 1.75% 4/7/2022	€1,000,000	950	0.12
Government of Germany 1.75% 15/2/2024	€800,000	773	0.10
Government of Germany 2.5% 15/8/2046	€1,220,000	1,438	0.19
Government of Germany 3% 4/7/2020	€1,000,000	937	0.12
Government of Germany 4.75% 4/7/2028	€1,300,000	1,616	0.21
<b>Total German Government Bonds</b>		<b>9,395</b>	<b>1.22</b>
<b>Italian Government Bonds - 1.30% (1.39%)</b>			
Government of Italy 1.25% 1/12/2026	€2,700,000	2,057	0.27
Government of Italy 3.75% 1/9/2024	€1,400,000	1,271	0.17
Government of Italy 4.25% 1/3/2020	€1,200,000	1,097	0.14
Government of Italy 4.75% 1/9/2028	€2,770,000	2,701	0.35
Government of Italy 4.75% 1/9/2044	€1,110,000	1,092	0.14
Government of Italy 5% 1/3/2022	€1,900,000	1,800	0.23
<b>Total Italian Government Bonds</b>		<b>10,018</b>	<b>1.30</b>
<b>Japanese Government Bonds - 4.79% (4.95%)</b>			
Government of Japan 0.1% 20/6/2020	¥260,000,000	1,777	0.23
Government of Japan 0.1% 20/6/2026	¥500,000,000	3,421	0.45
Government of Japan 0.2% 20/3/2019	¥822,000,000	5,604	0.73
Government of Japan 0.2% 20/6/2036	¥20,000,000	128	0.02
Government of Japan 0.9% 20/3/2022	¥830,700,000	5,847	0.76
Government of Japan 1.7% 20/3/2044	¥719,000,000	5,877	0.76
Government of Japan 1.8% 20/3/2032	¥200,000,000	1,622	0.21
Government of Japan 1.9% 20/9/2023	¥260,000,000	1,940	0.25
Government of Japan 2.2% 20/9/2028	¥1,300,000,000	10,638	1.38
<b>Total Japanese Government Bonds</b>		<b>36,854</b>	<b>4.79</b>
<b>Mexican Government Bonds - 0.31% (0.31%)</b>			
Government of Mexico 7.5% 3/6/2027	MXN622,000	2,422	0.31
<b>Total Mexican Government Bonds</b>		<b>2,422</b>	<b>0.31</b>

## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Spanish Government Bonds - 1.41% (1.72%)</b>			
Government of Spain 1.45% 31/10/2027	€1,100,000	961	0.13
Government of Spain 2.75% 30/4/2019	€3,700,000	3,317	0.43
Government of Spain 2.75% 31/10/2024	€1,990,000	1,938	0.25
Government of Spain 5.15% 31/10/2028	€1,540,000	1,791	0.23
Government of Spain 5.15% 31/10/2044	€622,000	804	0.11
Government of Spain 5.5% 30/4/2021	€1,990,000	1,996	0.26
<b>Total Spanish Government Bonds</b>		<b>10,807</b>	<b>1.41</b>
<b>Swedish Government Bonds - 0.24% (0.23%)</b>			
Government of Sweden 2.5% 12/5/2025	SEK5,300,000	513	0.07
Government of Sweden 3.5% 1/6/2022	SEK5,500,000	529	0.07
Government of Sweden 3.5% 30/3/2039	SEK3,100,000	363	0.05
Government of Sweden 5% 1/12/2020	SEK4,500,000	427	0.05
<b>Total Swedish Government Bonds</b>		<b>1,832</b>	<b>0.24</b>
<b>Futures - -0.04% (-0.01%)</b>			
CBT US 2Yr Note Future December 2018	90	(45)	(0.01)
CME S&P 500 E-Mini Index Future December 2018	36	(222)	(0.03)
<b>Total Futures</b>		<b>(267)</b>	<b>(0.04)</b>
<b>Forward Foreign Exchange Contracts - -0.13% (0.38%)</b>			
#Sold \$71,500,000 for £54,633,882 settled 11/12/2018		357	0.05
#Sold SEK22,150,000 for £1,899,932 settled 21/11/2018		12	0.00
#Sold DKK14,940,000 for £1,792,686 settled 21/11/2018		25	0.00
#Sold MXN61,800,000 for £2,483,930 settled 21/11/2018		2	0.00
#Sold C\$15,075,000 for £9,012,509 settled 10/12/2018		188	0.03
#Sold A\$7,325,000 for £4,043,764 settled 10/12/2018		70	0.01
#Sold €45,800,000 for £40,850,133 settled 10/12/2018		394	0.05
#Sold JPY5,425,000,000 for £36,553,820 settled 11/12/2018		(436)	(0.06)
#Sold \$393,155,194 for £297,477,729 settled 31/10/2018		(1,478)	(0.19)
#Sold €8,990,738 for £7,881,344 settled 31/10/2018		(50)	(0.01)
#Sold \$2,100,983 for IDR31,000,000,000 settled 26/10/2018		(52)	(0.01)
#Sold \$2,107,980 for INR147,000,000 settled 26/10/2018		(91)	(0.01)
#Sold €3,645,625 for SEK37,600,000 settled 26/10/2018		(15)	0.00
#Sold A\$2,900,000 for \$2,147,830 settled 26/10/2018		58	0.01
<b>Total Forward Foreign Exchange Contracts</b>		<b>(1,016)</b>	<b>(0.13)</b>

## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Portfolio of investments		762,725	99.20
Net other assets		6,152	0.80
<b>Net assets</b>		<b>768,877</b>	<b>100.00</b>
*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.			
Total purchases for the period, including transaction charges, were £80,286,531.			
Total sales for the period, net of transaction charges, were £129,796,670.			
The counterparty for the Futures is HSBC.			
The counterparty for the Forward Foreign Exchange Contracts is HSBC.			
The bond ratings for the portfolio at 15 October 2018 were:			
		<i>Bid value £'000</i>	<i>Total net assets %</i>
Bond credit ratings**			
AAA		32,133	4.17
AA+		47,754	6.22
AA		13,394	1.74
AA-		1,658	0.22
A+		37,190	4.83
A		1,092	0.14
A-		2,422	0.31
BBB+		11,289	1.47
BBB		10,018	1.30
BBB-		432	0.06
NR		293	0.04
<b>Total Bonds</b>		<b>157,675</b>	<b>20.50</b>

\*\*ratings supplied by Standard & Poor's.

## Comparative Tables

for the six months ended 15 October 2018 (unaudited)

<b>Retail Income</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	131.70p	135.20p	129.40p	132.60p
Return before operating charges*	0.20p	(0.72p)	9.48p	0.37p
Operating charges**	(0.88p)	(1.78p)	(1.75p)	(1.68p)
Return after operating charges*	(0.68p)	(2.50p)	7.73p	(1.31p)
Distributions on income share	(0.82p)	(1.00p)	(1.93p)	(1.89p)
Closing net asset value per share	130.20p	131.70p	135.20p	129.40p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	(0.52%)	(1.85%)	5.97%	(0.99%)
<b>Other information</b>				
Closing net asset value	£141,358	£142,942	£2,779,074	£3,811,130
Closing number of shares	108,570	108,570	2,056,037	2,945,373
Operating charges - OCF	1.45%	1.46%	1.46%	1.46%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	135.20p	137.00p	137.00p	132.60p
Lowest share price	130.60p	131.70p	128.00p	123.10p

<b>Retail Accumulation</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	143.90p	145.80p	137.50p	138.70p
Return before operating charges*	0.26p	0.02p	10.17p	0.56p
Operating charges**	(0.96p)	(1.92p)	(1.87p)	(1.76p)
Return after operating charges*	(0.70p)	(1.90p)	8.30p	(1.20p)
Distributions on accumulation share	(0.90p)	(0.63p)	(2.08p)	(1.98p)
Retained distributions on accumulation share	0.90p	0.63p	2.08p	1.98p
Closing net asset value per share	143.20p	143.90p	145.80p	137.50p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	(0.49%)	(1.30%)	6.04%	(0.87%)
<b>Other information</b>				
Closing net asset value	£4,260,231	£4,646,251	£153,230,782	£173,729,649
Closing number of shares	2,974,938	3,228,678	105,090,394	126,398,108
Operating charges - OCF	1.45%	1.46%	1.46%	1.46%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	147.80p	148.20p	145.80p	138.60p
Lowest share price	142.70p	143.50p	135.90p	130.30p

\*\*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 six months ended 15 October 2018 (unaudited)

<b>Institutional Accumulation</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	156.40p	156.80p	146.80p	146.60p
Return before operating charges*	0.11p	(0.37p)	10.02p	0.23p
Operating charges**	(0.01p)	(0.03p)	(0.02p)	(0.03p)
Return after operating charges*	0.10p	(0.40p)	10.00p	0.20p
Distributions on accumulation share	(1.81p)	(3.11p)	(3.83p)	(3.59p)
Retained distributions on accumulation share	1.81p	3.11p	3.83p	3.59p
Closing net asset value per share	156.50p	156.40p	156.80p	146.80p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	0.06%	(0.26%)	6.81%	0.14%
<b>Other information</b>				
Closing net asset value	£13,217,081	£14,392,626	£15,644,546	£15,476,378
Closing number of shares	8,445,101	9,200,267	9,975,352	10,544,877
Operating charges - OCF	0.15%	0.15%	0.16%	0.16%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	161.20p	160.70p	156.90p	146.70p
Lowest share price	156.00p	155.90p	145.30p	138.50p

<b>Income C</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	132.20p	135.20p	129.80p	132.90p
Return before operating charges*	0.13p	(0.14p)	8.95p	0.30p
Operating charges**	(0.45p)	(0.90p)	(0.89p)	(0.85p)
Return after operating charges*	(0.32p)	(1.04p)	8.06p	(0.55p)
Distributions on income share	(1.18p)	(1.96p)	(2.66p)	(2.55p)
Closing net asset value per share	130.70p	132.20p	135.20p	129.80p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	(0.24%)	(0.77%)	6.21%	(0.41%)
<b>Other information</b>				
Closing net asset value	£8,738,650	£9,348,869	£7,856,350	£6,999,253
Closing number of shares	6,684,492	7,071,521	5,811,919	5,394,432
Operating charges - OCF	0.80%	0.80%	0.81%	0.81%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	136.00p	137.40p	137.70p	133.00p
Lowest share price	131.50p	132.80p	128.40p	123.70p

\*\*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 six months ended 15 October 2018 (unaudited)

<b>Accumulation C</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	147.40p	148.60p	139.90p	140.40p
Return before operating charges*	0.20p	(0.20p)	9.67p	0.40p
Operating charges**	(0.50p)	(1.00p)	(0.97p)	(0.90p)
Return after operating charges*	(0.30p)	(1.20p)	8.70p	(0.50p)
Distributions on accumulation share	(1.31p)	(2.17p)	(2.90p)	(2.70p)
Retained distributions on accumulation share	1.31p	2.17p	2.90p	2.70p
Closing net asset value per share	147.10p	147.40p	148.60p	139.90p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	(0.20%)	(0.81%)	6.22%	(0.36%)
<b>Other information</b>				
Closing net asset value	£722,571,220	£748,630,898	£629,012,674	£584,356,684
Closing number of shares	491,269,237	507,826,828	423,411,746	417,823,081
Operating charges - OCF	0.80%	0.80%	0.81%	0.81%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	151.60p	151.70p	148.80p	140.30p
Lowest share price	146.60p	147.00p	138.40p	132.30p

<b>Income P</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	132.10p	135.10p	129.70p	127.60p
Return before operating charges*	0.07p	(0.23p)	8.84p	5.16p
Operating charges**	(0.21p)	(0.43p)	(0.42p)	(0.27p)
Return after operating charges*	(0.14p)	(0.66p)	8.42p	4.89p
Distributions on income share	(1.36p)	(2.34p)	(3.02p)	(2.79p)
Closing net asset value per share	130.60p	132.10p	135.10p	129.70p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	(0.11%)	(0.49%)	6.49%	3.83%
<b>Other information</b>				
Closing net asset value	£1,485,298	£1,578,173	£1,717,215	£2,019,800
Closing number of shares	1,137,157	1,194,838	1,271,413	1,557,627
Operating charges - OCF	0.45%	0.45%	0.46%	0.46%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	136.00p	137.40p	137.80p	130.60p
Lowest share price	131.50p	132.90p	128.40p	123.70p

\*\*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 six months ended 15 October 2018 (unaudited)

<b>Accumulation P</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	148.70p	149.50p	140.30p	140.60p
Return before operating charges*	0.14p	(0.32p)	9.66p	0.14p
Operating charges**	(0.24p)	(0.48p)	(0.46p)	(0.44p)
Return after operating charges*	(0.10p)	(0.80p)	9.20p	(0.30p)
Distributions on accumulation share	(1.53p)	(2.60p)	(3.34p)	(3.01p)
Retained distributions on accumulation share	1.53p	2.60p	3.34p	3.01p
Closing net asset value per share	148.60p	148.70p	149.50p	140.30p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	(0.07%)	(0.54%)	6.56%	(0.21%)
<b>Other information</b>				
Closing net asset value	£18,463,483	£18,571,798	£15,843,472	£12,662,830
Closing number of shares	12,428,559	12,489,565	10,600,952	9,023,736
Operating charges - OCF	0.45%	0.45%	0.46%	0.46%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	153.10p	152.90p	149.70p	140.40p
Lowest share price	148.00p	148.20p	138.90p	132.60p
**The operating charges include all costs borne by the Fund, except for direct transaction costs.				
***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.				

## Statement of Total Return

for the six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(8,349)		2,771
Revenue	10,684		9,345	
Expenses	(2,590)		(3,167)	
Net revenue before taxation	8,094		6,178	
Taxation	(1,050)		(769)	
Net revenue after taxation		7,044		5,409
Total (deficit)/return before distributions		(1,305)		8,180
Distributions		(7,020)		(5,370)
Change in net assets attributable to shareholders from investment activities		(8,325)		2,810

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		797,312		826,084
Amounts receivable on creation of shares	2,817		12,626	
Amounts payable on cancellation of shares	(29,733)		(19,006)	
		(26,916)		(6,380)
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		(8,325)		2,810
Retained distribution on accumulation shares		6,806		5,292
Closing net assets attributable to shareholders		768,877		827,806

## Balance Sheet

as at 15 October 2018 (unaudited)

	15.10.18		15.4.18	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		765,114		786,754
Current assets				
Debtors	1,439		1,400	
Cash and bank balances	13,410		11,863	
Total current assets		14,849		13,263
Total assets		779,963		800,017
<b>Liabilities</b>				
Investment liabilities		(2,389)		(257)
Creditors				
Distribution payable on income shares	(95)		(87)	
Other creditors	(8,602)		(2,361)	
Total creditors		(8,697)		(2,448)
Total liabilities		(11,086)		(2,705)
Net assets attributable to shareholders		768,877		797,312

**Distribution Table (pence per share)**

for the six months ended 15 October 2018 (unaudited)

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 payable 15.12.18</i>	<i>Distribution paid 15.12.17</i>
<b>Retail Income</b>				
Group 1	0.820000	-	0.820000	0.580000
Group 2	0.820000	0.000000	0.820000	0.580000
<b>Retail Accumulation</b>				
Group 1	0.900000	-	0.900000	0.630000
Group 2	0.500000	0.400000	0.900000	0.630000
<b>Institutional Accumulation</b>				
Group 1	1.810000	-	1.810000	1.510000
Group 2	1.810000	0.000000	1.810000	1.510000
<b>Income C</b>				
Group 1	1.180000	-	1.180000	0.940000
Group 2	0.680000	0.500000	1.180000	0.940000
<b>Accumulation C</b>				
Group 1	1.310000	-	1.310000	1.030000
Group 2	0.800000	0.510000	1.310000	1.030000
<b>Income P</b>				
Group 1	1.360000	-	1.360000	1.130000
Group 2	1.360000	0.000000	1.360000	1.130000
<b>Accumulation P</b>				
Group 1	1.530000	-	1.530000	1.250000
Group 2	0.930000	0.600000	1.530000	1.250000

## 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.

### 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 we closed our 0.25% position in India fixed income with the proceeds held in cash. We reduced our duration positioning: 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.

We increased our allocation to hard currency EMD in September, funded from the closed India position and investment grade credit. This brought our hard currency EMD allocation to neutral after the asset class became more attractive (spreads widened).

Major purchases include: 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.

Major sales included: HSBC European Index Fund, HSBC MSCI Russia Capped ETF, HSBC GIF Global Corporate Bond Fund and HSBC GIF India Fixed Income.

### Investment Performance

During the period the value of the shares in the Fund increased by 0.54%.

(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 October 2018 (unaudited)

	Income C	Accumulation C	Accumulation P
Price	106.3p xd	113.7p	115.0p
Distribution payable (on 15 December 2018) per share net	1.210000p	1.280000p	1.460000p
Current net estimated yield	1.64%	1.62%	1.89%
Annual ACD charge	0.55%	0.55%	0.25%

## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>European Equities - 0.00% (1.54%)</b>			
<b>Alternatives - 0.86% (0.00%)</b>			
*+HSBC GIF Multi Asset Style Factors Fund	758,127	6,886	0.86
<b>Total Alternatives</b>		<b>6,886</b>	<b>0.86</b>
<b>Global Assets-Backed Bonds - 5.21% (4.82%)</b>			
+HSBC GIF Global Asset-Backed Bond Z Accumulation	378,023	41,653	5.21
<b>Total Global Assets-Backed Bonds</b>		<b>41,653</b>	<b>5.21</b>
<b>Global Corporate Bonds - 30.68% (31.03%)</b>			
*+HSBC GIF Global Corporate Bond Fund	25,849,393	203,612	25.48
^*iShares Euro Corporate Bond Large Cap UCITS ETF	152,658	17,978	2.25
^*iShares \$ Corporate Bond UCITS ETF	285,421	23,614	2.95
<b>Total Global Corporate Bonds</b>		<b>245,204</b>	<b>30.68</b>
<b>Global Emerging Markets Debt - 13.42% (12.97%)</b>			
*+HSBC GIF Global Emerging Markets Bond Fund	5,016,921	36,169	4.53
*+HSBC GIF Global Emerging Markets Local Debt Fund	10,522,315	71,032	8.89
<b>Total Global Emerging Markets Debt</b>		<b>107,201</b>	<b>13.42</b>
<b>Global Equities - 24.70% (22.38%)</b>			
+HSBC FTSE All-World Index Fund	108,437,497	175,018	21.90
+HSBC GIF Economic Scale Index Global Equity Fund	480,994	14,464	1.81
^*+HSBC Multi Factor Worldwide Equity ETF	561,170	7,932	0.99
<b>Total Global Equities</b>		<b>197,414</b>	<b>24.70</b>
<b>Global Government Bonds - 8.69% (5.37%)</b>			
*+HSBC GIF Global Government Bond Fund	9,008,408	69,429	8.69
<b>Total Global Government Bonds</b>		<b>69,429</b>	<b>8.69</b>
<b>Global High Yield Bonds - 4.50% (5.47%)</b>			
*+HSBC GIF Global High Yield Bond Fund	3,435,237	26,330	3.29
^*iShares Fallen Angels High Yield Corporate Bond UCITS ETF	2,421,788	9,683	1.21
<b>Total Global High Yield Bonds</b>		<b>36,013</b>	<b>4.50</b>
<b>Global Property Equities Funds - 4.95% (4.89%)</b>			
*+HSBC GIF Global Real Estate Equity Fund	5,226,574	39,570	4.95
<b>Total Global Property Equities Funds</b>		<b>39,570</b>	<b>4.95</b>
<b>Global Emerging Markets Equities - 2.57% (2.91%)</b>			
*+HSBC GIF Economic Scale Index GEM Equity Fund	696,651	5,577	0.70
^*iShares Core MSCI Emerging Markets IMI UCITS ETF	760,365	14,975	1.87
<b>Total Global Emerging Markets Equities</b>		<b>20,552</b>	<b>2.57</b>

## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Japanese Equities Funds - 1.45% (1.53%)</b>			
+HSBC Japan Index Fund	9,099,513	11,556	1.45
<b>Total Japanese Equities</b>		<b>11,556</b>	<b>1.45</b>
<b>UK Corporate Bonds - 0.00% (0.79%)</b>			
<b>Money Markets - 2.53% (4.61%)</b>			
+HSBC Global Liquidity	20,219,722	20,220	2.53
<b>Total Money Markets</b>		<b>20,220</b>	<b>2.53</b>
<b>Futures - -0.04% (-0.01%)</b>			
CME S&P 500 E-Mini Index December 2018	36	(223)	(0.03)
CBT US 2Yr Note Future 2018	103	(51)	(0.01)
<b>Total Futures</b>		<b>(274)</b>	<b>(0.04)</b>
<b>Forward Foreign Exchange Contracts - -0.26% (0.19%)</b>			
Sold €28,249,980 for £24,764,130 settled 31/10/2018		(158)	(0.02)
Sold \$505,772,716 for £382,688,876 settled 31/10/2018		(1,901)	(0.24)
<b>Total Forward Foreign Exchange Contracts</b>		<b>(2,059)</b>	<b>(0.26)</b>
<b>Portfolio of investments</b>		<b>793,365</b>	<b>99.26</b>
<b>Net other assets</b>		<b>5,892</b>	<b>0.74</b>
<b>Net assets</b>		<b>799,257</b>	<b>100.00</b>
*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.

Total purchases for the period, including transaction charges, were £131,347,159.

Total sales for the period, net of transaction charges, were £89,253,030.

The counterparty for the Futures is HSBC.

The counterparty for the Forward Foreign Exchange Contracts is HSBC.



## Comparative Tables

for the six months ended 15 October 2018 (unaudited)

<b>Income C</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	106.90p	109.60p	102.10p	104.20p
Return before operating charges*	1.08p	(0.17p)	10.39p	0.65p
Operating charges**	(0.37p)	(0.73p)	(0.71p)	(0.67p)
Return after operating charges*	0.71p	(0.90p)	9.68p	(0.02p)
Distributions on income share	(1.21p)	(1.80p)	(2.18p)	(2.08p)
Closing net asset value per share	106.40p	106.90p	109.60p	102.10p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	0.66%	(0.82%)	9.48%	(0.02%)
<b>Other information</b>				
Closing net asset value	£2,561,588	£2,021,156	£1,253,496	£803,940
Closing number of shares	2,407,914	1,890,125	1,144,161	787,413
Operating charges - OCF	0.83%	0.84%	0.83%	0.85%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	111.80p	112.00p	110.50p	104.20p
Lowest share price	106.70p	106.90p	100.20p	95.08p

<b>Accumulation C</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	113.30p	114.20p	104.30p	104.30p
Return before operating charges*	1.09p	(0.13p)	10.64p	0.68p
Operating charges**	(0.39p)	(0.77p)	(0.74p)	(0.68p)
Return after operating charges*	0.70p	(0.90p)	9.90p	0.00p
Distributions on accumulation share	(1.28p)	(1.88p)	(2.26p)	(2.06p)
Retained distributions on accumulation share	1.28p	1.88p	2.26p	2.06p
Closing net asset value per share	114.00p	113.30p	114.20p	104.30p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	0.62%	(0.79%)	9.49%	0.00%
<b>Other information</b>				
Closing net asset value	£690,987,402	£644,195,509	£507,190,417	£295,619,376
Closing number of shares	606,187,347	568,616,257	444,172,769	283,393,479
Operating charges - OCF	0.83%	0.84%	0.83%	0.85%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	118.40p	117.90p	114.50p	104.30p
Lowest share price	113.10p	112.60p	102.40p	96.50p

\*\*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 six months ended 15 October 2018 (unaudited)

<b>Accumulation P</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	114.40p	114.90p	104.70p	104.30p
Return before operating charges*	0.99p	(0.13p)	10.55p	0.73p
Operating charges**	(0.19p)	(0.37p)	(0.35p)	(0.33p)
Return after operating charges*	0.80p	(0.50p)	10.20p	0.40p
Distributions on accumulation share	(1.46p)	(2.22p)	(2.60p)	(2.35p)
Retained distributions on accumulation share	1.46p	2.22p	2.60p	2.35p
Closing net asset value per share	115.20p	114.40p	114.90p	104.70p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	0.70%	(0.44%)	9.74%	0.38%
<b>Other information</b>				
Closing net asset value	£105,708,220	£89,694,504	£52,608,091	£15,653,535
Closing number of shares	91,745,814	78,437,791	45,772,738	14,950,260
Operating charges - OCF	0.48%	0.49%	0.48%	0.50%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	119.60p	118.90p	115.30p	104.60p
Lowest share price	114.20p	113.70p	102.80p	96.82p
**The operating charges include all costs borne by the Fund, except for direct transaction costs.				
***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.				

## Statement of Total Return

for the six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(5,204)		4,877
Revenue	12,465		9,631	
Expenses	(2,441)		(1,948)	
Interest payable and similar charges	(1)		-	
Net revenue before taxation	10,023		7,683	
Taxation	(1,215)		(1,054)	
Net revenue after taxation		8,808		6,629
Total return before distributions		3,604		11,506
Distributions		(8,783)		(6,628)
Change in net assets attributable to shareholders from investment activities		(5,179)		4,878

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		735,911		561,052
Amounts receivable on creation of shares	62,259		98,357	
Amounts payable on cancellation of shares	(2,833)		(422)	
		59,426		97,935
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		(5,179)		4,878
Retained distribution on accumulation shares		9,099		7,063
Closing net assets attributable to shareholders		799,257		670,928

## Balance Sheet

as at 15 October 2018 (unaudited)

	15.10.18		15.4.18	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		795,698		724,823
Current assets				
Debtors	1,822		1,345	
Cash and bank balances	16,638		15,819	
Total current assets		18,460		17,164
Total assets		814,158		741,987
<b>Liabilities</b>				
Investment liabilities		(2,333)		(60)
Creditors				
Distribution payable on income shares	(29)		(12)	
Other creditors	(12,539)		(6,004)	
Total creditors		(12,568)		(6,016)
Total liabilities		(14,901)		(6,076)
Net assets attributable to shareholders		799,257		735,911

**Distribution Table (pence per share)**

for the six months ended 15 October 2018 (unaudited)

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 payable 15.12.18</i>	<i>Distribution paid 15.12.17</i>
<b>Income C</b>				
Group 1	1.210000	-	1.210000	1.160000
Group 2	0.480000	0.730000	1.210000	1.160000
<b>Accumulation C</b>				
Group 1	1.280000	-	1.280000	1.210000
Group 2	0.710000	0.570000	1.280000	1.210000
<b>Accumulation P</b>				
Group 1	1.460000	-	1.460000	1.380000
Group 2	0.740000	0.720000	1.460000	1.380000

# 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, property 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 PM 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 we closed our 0.25% position in India fixed income with the proceeds held in cash. We reduced our duration positioning: 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.

We increased our allocation to hard currency emerging markets debt in September, with the funds coming from the closed India position and high yield credit. This reduced our underweight hard currency EMD allocation after spreads had widened and the asset class became more attractive.

Major purchases include: HSBC FTSE All-World Index Fund, iShares Core S&P UCITS ETF, iShares Core MSCI Emerging Markets IMI UCITS ETF, HSBC GIF Global Emerging Markets Bond Fund, HSBC GIF Global Government Bond Fund and HSBC GIF Global Emerging Markets Local Debt Fund.

Major sales included: HSBC European Index Fund, SPDR® S&P® US Financials Select Sector UCITS ETF, HSBC MSCI Russia Capped UCITS ETF and HSBC GIF India Fixed Income Bond Fund.

## Investment Performance

During the period the value of the shares in the Fund increased by 2.22%.

(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 October 2018 (unaudited)

	Retail Income	Retail Accumulation	Institutional Accumulation	Income C
Price	217.9p xd	235.8p	258.9p	218.3p xd
Distribution payable (on 15 December 2018) per share net	2.500000p	2.670000p	4.320000p	3.100000p
Current net estimated yield	1.15%	1.12%	2.23%	1.73%
Annual ACD charge	1.25%	1.25%	0.00%	0.55%
	Accumulation C	Income P	Accumulation P	
Price	243.3p	218.2p xd	245.6p	
Distribution payable (on 15 December 2018) per share net	3.410000p	3.420000p	3.790000p	
Current net estimated yield	1.71%	2.02%	1.99%	
Annual ACD charge	0.55%	0.25%	0.25%	

## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Asia-Pacific (excluding Japan) Equities - 1.30% (1.39%)</b>			
^*iShares Core MSCI Pacific ex Japan UCITS ETF	126,270	12,835	1.30
<b>Total Asia-Pacific (excluding Japan) Equities</b>		<b>12,835</b>	<b>1.30</b>
<b>European Equities - 4.89% (6.05%)</b>			
+HSBC European Index Fund	5,416,501	48,299	4.89
<b>Total European Equities</b>		<b>48,299</b>	<b>4.89</b>
<b>Global Corporate Bonds - 0.49% (0.49%)</b>			
*+HSBC GIF Global Corporate Bond Fund	614,334	4,839	0.49
<b>Total Global Corporate Bonds</b>		<b>4,839</b>	<b>0.49</b>
<b>Global Equities - 43.07% (41.34%)</b>			
*+HSBC Economic Scale Worldwide Equity UCITS ETF	4,889,216	62,645	6.34
+HSBC FTSE All-World Index Fund	203,863,315	329,035	33.30
^*+HSBC Multi Factor Worldwide Equity UCITS ETF	2,398,165	33,898	3.43
<b>Total Global Equities</b>		<b>425,578</b>	<b>43.07</b>
<b>Global Emerging Markets Debt - 11.86% (11.70%)</b>			
*+HSBC GIF Global Emerging Markets Bond Fund	3,567,345	25,719	2.60
*+HSBC GIF Global Emerging Markets Local Debt Fund	13,552,478	91,488	9.26
<b>Total Global Emerging Markets Debt</b>		<b>117,207</b>	<b>11.86</b>
<b>Global Emerging Markets Equities - 6.06% (6.33%)</b>			
^*iShares Core MSCI Emerging Markets IMI UCITS ETF	3,041,893	59,907	6.06
<b>Total Global Emerging Markets Equities</b>		<b>59,907</b>	<b>6.06</b>
<b>Global High Yield Bonds - 3.34% (3.45%)</b>			
*+HSBC GIF Global High Yield Bond Fund	3,224,074	24,711	2.50
^*iShares Fallen Angels High Yield Corporate Bond UCITS ETF	2,078,710	8,311	0.84
<b>Total Global High Yield Bonds</b>		<b>33,022</b>	<b>3.34</b>
<b>Global Property Equities Funds - 4.99% (4.89%)</b>			
*+HSBC GIF Global Real Estate Equity Fund	6,505,326	49,252	4.99
<b>Total Global Property Equities Funds</b>		<b>49,252</b>	<b>4.99</b>
<b>Japanese Equities - 4.11% (4.08%)</b>			
+HSBC Japan Index Fund	31,959,031	40,588	4.11
<b>Total Japanese Equities</b>		<b>40,588</b>	<b>4.11</b>
<b>Money Markets - 0.43% (0.00%)</b>			
+HSBC Global Liquidity Fund	4,198,167	4,198	0.43
<b>Total Money Markets</b>		<b>4,198</b>	<b>0.43</b>

## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>UK Equities - 1.78% (1.92%)</b>			
+HSBC FTSE All-Share Index Fund	916,345	5,339	0.54
+HSBC FTSE 100 Index	5,505,660	12,223	1.24
<b>Total UK Equities</b>		<b>17,562</b>	<b>1.78</b>
<b>US Equities - 16.82% (16.91%)</b>			
+HSBC American Index Fund	26,059,087	155,859	15.77
^iShares Core S&P UCITS ETF	50,320	10,329	1.05
<b>Total US Equities</b>		<b>166,188</b>	<b>16.82</b>
<b>Forward Foreign Exchange Contracts - (0.10%) (0.08%)</b>			
#Sold €27,517,761 for £24,122,262 settled 31/10/2018		(154)	(0.02)
#Sold \$209,932,782 for £158,843,958 settled 31/10/2018		(789)	(0.08)
<b>Total Forward Foreign Exchange Contracts</b>		<b>(943)</b>	<b>(0.10)</b>
<b>Futures - (0.03%) (0.00%)</b>			
CME S&P E-Mini Index Future December 2018	47	(290)	(0.03)
<b>Total Futures</b>		<b>(290)</b>	<b>(0.03)</b>
<b>Portfolio of investments</b>		<b>978,242</b>	<b>99.01</b>
<b>Net other assets</b>		<b>9,799</b>	<b>0.99</b>
<b>Net assets</b>		<b>988,041</b>	<b>100.00</b>
*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.

Total purchases for the period, including transaction charges, were £93,825,782.

Total sales for the period, net of transaction charges, were £68,863,802.

The counterparty for the Futures is HSBC.

The counterparty for the Forward Foreign Exchange Contracts is HSBC.

## Comparative Tables

for the six months ended 15 October 2018 (unaudited)

<b>Retail Income</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	216.30p	213.60p	178.10p	186.20p
Return before operating charges*	6.71p	7.87p	41.20p	(3.35p)
Operating charges**	(1.51p)	(2.86p)	(2.60p)	(2.21p)
Return after operating charges*	5.20p	5.01p	38.60p	(5.56p)
Distributions on income share	(2.50p)	(2.31p)	(3.10p)	(2.54p)
Closing net asset value per share	219.00p	216.30p	213.60p	178.10p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	2.40%	2.35%	21.67%	(2.99%)
<b>Other information</b>				
Closing net asset value	£339,549	£347,022	£1,479,432	£1,317,176
Closing number of shares	154,993	160,414	692,561	739,751
Operating charges - OCF	1.42%	1.42%	1.44%	1.47%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	237.20p	231.80p	218.10p	185.50p
Lowest share price	215.80p	210.80p	171.60p	155.70p

<b>Retail Accumulation</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	231.50p	226.30p	185.80p	191.00p
Return before operating charges*	7.22p	8.23p	43.23p	(2.85p)
Operating charges**	(1.62p)	(3.03p)	(2.73p)	(2.35p)
Return after operating charges*	5.60p	5.20p	40.50p	(5.20p)
Distributions on accumulation share	(2.67p)	(2.43p)	(3.24p)	(2.75p)
Retained distributions on accumulation share	2.67p	2.43p	3.24p	2.75p
Closing net asset value per share	237.10p	231.50p	226.30p	185.80p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	2.42%	2.30%	21.80%	(2.72%)
<b>Other information</b>				
Closing net asset value	£15,453,420	£16,685,655	£104,870,281	£111,000,462
Closing number of shares	6,517,729	7,208,082	46,344,672	59,750,697
Operating charges - OCF	1.42%	1.42%	1.44%	1.47%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	253.80p	248.10p	230.70p	190.30p
Lowest share price	230.96p	223.30p	179.00p	162.20p

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

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



## Comparative Tables

for the six months ended 15 October 2018 (unaudited)

<b>Institutional Accumulation</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	252.80p	244.40p	198.90p	202.70p
Return before operating charges*	7.52p	8.43p	45.53p	(3.76p)
Operating charges**	(0.02p)	(0.03p)	(0.03p)	(0.04p)
Return after operating charges*	7.50p	8.40p	45.50p	(3.80p)
Distributions on accumulation share	(4.32p)	(5.41p)	(5.80p)	(4.51p)
Retained distributions on accumulation share	4.32p	5.41p	5.80p	4.51p
Closing net asset value per share	260.30p	252.80p	244.40p	198.90p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	2.97%	3.44%	22.88%	(1.87%)
<b>Other information</b>				
Closing net asset value	£92,252,790	£90,244,035	£90,452,670	£78,049,937
Closing number of shares	35,444,363	35,698,643	37,017,127	39,248,868
Operating charges - OCF	0.12%	0.13%	0.14%	0.17%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	278.10p	270.30p	248.90p	202.00p
Lowest share price	252.20p	241.20p	191.60p	173.50p

<b>Income C</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	216.70p	214.00p	178.50p	186.40p
Return before operating charges*	6.67p	7.73p	40.95p	(3.31p)
Operating charges**	(0.77p)	(1.47p)	(1.32p)	(1.15p)
Return after operating charges*	5.90p	6.26p	39.63p	(4.46p)
Distributions on income share	(3.10p)	(3.56p)	(4.13p)	(3.44p)
Closing net asset value per share	219.50p	216.70p	214.00p	178.50p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	2.72%	2.93%	22.20%	(2.39%)
<b>Other information</b>				
Closing net asset value	£20,413,892	£19,843,813	£19,364,134	£17,509,639
Closing number of shares	9,300,817	9,155,179	9,048,404	9,812,127
Operating charges - OCF	0.77%	0.78%	0.79%	0.82%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	238.00p	232.80p	219.00p	185.90p
Lowest share price	216.30p	211.20p	171.90p	156.40p

\*\*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 six months ended 15 October 2018 (unaudited)

<b>Accumulation C</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	238.20p	231.40p	189.20p	193.60p
Return before operating charges*	7.24p	8.41p	43.61p	(3.20p)
Operating charges**	(0.84p)	(1.61p)	(1.41p)	(1.20p)
Return after operating charges*	6.40p	6.80p	42.20p	(4.40p)
Distributions on accumulation share	(3.41p)	(3.87p)	(4.41p)	(3.55p)
Retained distributions on accumulation share	3.41p	3.87p	4.41p	3.55p
Closing net asset value per share	244.60p	238.20p	231.40p	189.20p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	2.69%	2.94%	22.30%	(2.27%)
<b>Other information</b>				
Closing net asset value	£775,422,958	£741,188,061	£579,545,229	£465,646,372
Closing number of shares	317,043,242	311,201,807	250,433,935	246,145,737
Operating charges - OCF	0.77%	0.78%	0.79%	0.82%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	261.60p	254.90p	235.80p	193.00p
Lowest share price	237.60p	228.40p	182.30p	165.20p

<b>Income P</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	216.60p	213.90p	178.40p	172.50p
Return before operating charges*	6.58p	7.57p	40.82p	10.03p
Operating charges**	(0.36p)	(0.69p)	(0.63p)	(0.54p)
Return after operating charges*	6.22p	6.88p	40.19p	9.49p
Distributions on income share	(3.42p)	(4.18p)	(4.69p)	(3.59p)
Closing net asset value per share	219.40p	216.60p	213.90p	178.40p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	2.87%	3.22%	22.53%	5.50%
<b>Other information</b>				
Closing net asset value	£1,097,651	£1,017,083	£842,403	£418,759
Closing number of shares	500,363	469,464	393,796	234,710
Operating charges - OCF	0.42%	0.43%	0.44%	0.47%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	238.10p	232.90p	219.10p	180.20p
Lowest share price	216.20p	211.10p	171.90p	156.40p

\*\*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 six months ended 15 October 2018 (unaudited)

<b>Accumulation P</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	240.10p	232.70p	189.70p	193.80p
Return before operating charges*	7.20p	8.17p	43.68p	(3.53p)
Operating charges**	(0.40p)	(0.77p)	(0.68p)	(0.57p)
Return after operating charges*	6.80p	7.40p	43.00p	(4.10p)
Distributions on accumulation share	(3.79p)	(4.57p)	(5.04p)	(3.91p)
Retained distributions on accumulation share	3.79p	4.57p	5.04p	3.91p
Closing net asset value per share	246.90p	240.10p	232.70p	189.70p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	2.83%	3.18%	22.67%	(2.12%)
<b>Other information</b>				
Closing net asset value	£83,060,574	£62,335,906	£37,177,260	£15,677,160
Closing number of shares	33,637,073	25,959,841	15,978,933	8,262,399
Operating charges - OCF	0.42%	0.43%	0.44%	0.47%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	263.90p	256.90p	237.00p	193.20p
Lowest share price	239.60p	229.60p	182.80p	165.60p
**The operating charges include all costs borne by the Fund, except for direct transaction costs.				
***The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.				

## Statement of Total Return

for the six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		10,632		31,131
Revenue	16,909		14,477	
Expenses	(2,956)		(2,844)	
Interest payable and similar charges	(3)		-	
Net revenue before taxation	13,950		11,633	
Taxation	(167)		(331)	
Net revenue after taxation		13,783		11,302
Total return before distributions		24,415		42,433
Distributions		(13,769)		(11,282)
Change in net assets attributable to shareholders from investment activities		10,646		31,151

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		931,662		833,731
Amounts receivable on creation of shares	43,421		35,100	
Amounts payable on cancellation of shares	(11,479)		(14,381)	
		31,942		20,719
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		10,646		31,151
Retained distribution on accumulation shares		13,791		11,205
Closing net assets attributable to shareholders		988,041		896,806

## Balance Sheet

as at 15 October 2018 (unaudited)

	15.10.18		15.4.18	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		979,475		918,878
Current assets				
Debtors	496		1,761	
Cash and bank balances	16,655		15,701	
Total current assets		17,151		17,462
Total assets		996,626		936,340
<b>Liabilities</b>				
Investment liabilities		(1,233)		-
Creditors				
Distribution payable on income shares	(309)		(68)	
Other creditors	(7,043)		(4,610)	
Total creditors		(7,352)		(4,678)
Total liabilities		(8,585)		(4,678)
Net assets attributable to shareholders		988,041		931,662

**Distribution Table (pence per share)**

for the six months ended 15 October 2018 (unaudited)

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 payable 15.12.18</i>	<i>Distribution paid 15.12.17</i>
<b>Retail Income</b>				
Group 1	2.500000	-	2.500000	2.290000
Group 2	0.570000	1.930000	2.500000	2.290000
<b>Retail Accumulation</b>				
Group 1	2.670000	-	2.670000	2.430000
Group 2	0.260000	2.410000	2.670000	2.430000
<b>Institutional Accumulation</b>				
Group 1	4.320000	-	4.320000	3.930000
Group 2	4.320000	0.000000	4.320000	3.930000
<b>Income C</b>				
Group 1	3.100000	-	3.100000	2.870000
Group 2	0.380000	2.720000	3.100000	2.870000
<b>Accumulation C</b>				
Group 1	3.410000	-	3.410000	3.100000
Group 2	1.190000	2.220000	3.410000	3.100000
<b>Income P</b>				
Group 1	3.420000	-	3.420000	3.180000
Group 2	0.060000	3.360000	3.420000	3.180000
<b>Accumulation P</b>				
Group 1	3.790000	-	3.790000	3.460000
Group 2	1.050000	2.740000	3.790000	3.460000

# 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

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.

No adjustments have been made to the tactical positioning of the portfolio during the reporting period. We retain our preference for global equities over fixed income with a view to generating income.

No significant sales or purchases have been made to adjust the position of the portfolio, outside of normal trading, in the reporting period.

## Investment Performance

During the period the value of the shares in the Fund increased by 0.16%

(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 October 2018 (unaudited)

	Retail Income	Retail Accumulation	Income C
Price	107.3p xd	144.4p	112.3p xd
Distribution payable (on 15 December 2018) per share net	1.200000p	1.620000p	1.260000p
Current net estimated yield	3.89%	3.77%	3.83%
Annual ACD charge	1.25%	1.25%	0.55%

	Accumulation C	Income P	Accumulation P
Price	150.0p	113.6p xd	151.9p
Distribution payable (on 15 December 2018) per share net	1.670000p	1.280000p	1.690000p
Current net estimated yield	3.74%	3.83%	3.74%
Annual ACD charge	0.55%	0.25%	0.25%

## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Global Assets-Backed Bonds - 2.52% (2.43%)</b>			
+HSBC GIF Global Asset-Backed Bond Z Acc	121,788	13,419	2.52
<b>Total Global Assets-Backed Bonds</b>		<b>13,419</b>	<b>2.52</b>
<b>Global Corporate Bonds - 14.23% (14.06%)</b>			
*+HSBC GIF Global Corporate Bond Fund	9,610,698	75,702	14.23
<b>Total Global Corporate Bonds</b>		<b>75,702</b>	<b>14.23</b>
<b>Global Emerging Markets Debt - 14.12% (13.73%)</b>			
*+HSBC GIF Global Emerging Markets Bond Fund	3,618,195	26,085	4.91
*+HSBC GIF Global Emerging Markets Local Debt Fund	6,921,851	46,727	8.79
+HSBC GIF India Fixed Income	309,151	2,222	0.42
<b>Total Global Emerging Markets Debt</b>		<b>75,034</b>	<b>14.12</b>
<b>Global Equities - 13.38% (13.61%)</b>			
Artemis Global Income Fund	16,255,612	15,974	3.00
+HSBC Global Equity Income Fund	35,248,323	35,425	6.66
+HSBC UCITS Common Contractual Fund	233,977	19,805	3.72
<b>Total Global Equities</b>		<b>71,204</b>	<b>13.38</b>
<b>Global High Yield Bonds - 11.55% (11.52%)</b>			
*+HSBC GIF Global High Yield Bond ZQ	4,658,301	35,704	6.71
*^iShares Fallen Angels High Yield Corporate Bond ETF UCITS	1,663,884	6,652	1.25
*^NB Global Floating Rate Income Fund	20,769,388	19,087	3.59
<b>Total Global High Yield Bonds</b>		<b>61,443</b>	<b>11.55</b>
<b>Global Property Equities Funds - 1.94% (2.09%)</b>			
*+HSBC GIF Global Real Estate Equity Fund	1,359,024	10,289	1.94
<b>Total Global Property Equities Funds</b>		<b>10,289</b>	<b>1.94</b>
<b>Infrastructure - 5.13% (4.92%)</b>			
^Bilfinger Berger Global Infrastructure SICAV	7,983,672	11,736	2.21
^GCP Infrastructure Investments	3,252,420	4,053	0.76
^+HICL Infrastructure	7,441,933	11,475	2.16
<b>Total Infrastructure</b>		<b>27,264</b>	<b>5.13</b>
<b>Direct Property Funds - 2.94% (3.05%)</b>			
^F&C Commercial Property Trust	6,704,478	8,944	1.68
Henderson UK Property Fund	4,400,147	5,084	0.96
Standard Life Investments UK Real Estate Fund	1,538,665	1,568	0.30
<b>Total Direct Property Funds</b>		<b>15,596</b>	<b>2.94</b>
<b>UK Corporate Bonds - 21.16% (21.25%)</b>			
+HSBC Corporate Bond Fund	38,832,204	85,159	16.01
+HSBC Sterling Corporate Bond Index Fund	28,478,284	27,382	5.15
<b>Total UK Corporate Bonds</b>		<b>112,541</b>	<b>21.16</b>

**Portfolio Statement**

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>UK Equities - 12.37% (12.65%)</b>			
Fidelity MoneyBuilder Dividend Fund	18,657,447	22,781	4.28
^+HSBC FTSE 100 UCITS ETF	108,275	7,624	1.43
^*iShares FTSE 100 UCITS ETF	250,597	1,743	0.33
^*Vanguard FTSE 100 UCITS ETF	1,077,826	33,677	6.33
<b>Total UK Equities</b>		<b>65,825</b>	<b>12.37</b>
<b>Forward Foreign Exchange Contracts - (0.15%) (0.11%)</b>			
#Sold \$203,593,524 for £154,047,410 settled 31/10/2018		(765)	(0.14)
#Sold EUR2,081,384 for £1,824,556 settled 31/10/2018		(12)	(0.01)
<b>Total Forward Foreign Exchange Contracts</b>		<b>(777)</b>	<b>(0.15)</b>
<b>Portfolio of investments</b>		<b>527,540</b>	<b>99.19</b>
<b>Net other assets</b>		<b>4,288</b>	<b>0.81</b>
<b>Net assets</b>		<b>531,828</b>	<b>100.00</b>
*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.

Total purchases for the period, including transaction charges, were £20,071,567.

Total sales for the period, net of transaction charges, were £22,717,457.

The counterparty for the Forward Foreign Exchange Contracts is HSBC.



## Comparative Tables

for the six months ended 15 October 2018 (unaudited)

<b>Retail Income</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	109.70p	115.60p	108.60p	115.20p
Return before operating charges*	0.72p	(0.24p)	13.68p	(0.19p)
Operating charges**	(0.73p)	(1.50p)	(1.52p)	(1.45p)
Return after operating charges*	(0.01p)	(1.74p)	12.16p	(1.64p)
Distributions on income share	(2.39p)	(4.16p)	(5.16p)	(4.96p)
Closing net asset value per share	107.30p	109.70p	115.60p	108.60p
*after direct transaction costs of:***	0.00p	0.00p	0.01p	0.00p
<b>Performance</b>				
Return after charges	(0.01 %)	(1.51 %)	11.20%	(1.42 %)
<b>Other information</b>				
Closing net asset value	£3,222,955	£3,489,164	£23,910,281	£26,662,830
Closing number of shares	3,005,112	3,180,145	20,684,552	24,560,718
Operating charges - OCF	1.52 %	1.52 %	1.52 %	1.67 %
Direct transaction costs	0.00 %	0.00 %	0.00 %	0.00 %
<b>Prices</b>				
Highest share price	112.50p	117.30p	116.80p	115.10p
Lowest share price	108.40p	109.50p	106.90p	102.00p

<b>Retail Accumulation</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	144.70p	146.90p	132.80p	135.80p
Return before operating charges*	0.77p	(0.27p)	16.96p	(0.10p)
Operating charges**	(0.97p)	(1.93p)	(1.90p)	(1.71p)
Return after operating charges*	(0.20p)	(2.20p)	15.06p	(1.81p)
Distributions on accumulation share	(3.18p)	(5.31p)	(6.41p)	(5.94p)
Retained distributions on accumulation share	3.18p	5.31p	5.45p	4.75p
Closing net asset value per share	144.50p	144.70p	146.90p	132.80p
*after direct transaction costs of:***	0.00p	0.00p	0.01p	0.00p
<b>Performance</b>				
Return after charges	(0.14 %)	(1.50 %)	11.34%	(1.33 %)
<b>Other information</b>				
Closing net asset value	£6,826,906	£7,124,179	£14,709,990	£16,581,313
Closing number of shares	4,723,816	4,924,816	10,014,044	12,482,985
Operating charges - OCF	1.52 %	1.52 %	1.52 %	1.67 %
Direct transaction costs	0.00 %	0.00 %	0.00 %	0.00 %
<b>Prices</b>				
Highest share price	149.90p	150.30p	146.80p	135.70p
Lowest share price	144.40p	143.20p	130.80p	123.80p

\*\*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 six months ended 15 October 2018 (unaudited)

<b>Income C</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	114.50p	119.80p	111.70p	117.70p
Return before operating charges*	0.69p	(0.24p)	14.18p	(0.19p)
Operating charges**	(0.39p)	(0.79p)	(0.78p)	(0.74p)
Return after operating charges*	0.30p	(1.03p)	13.40p	(0.93p)
Distributions on income share	(2.50p)	(4.27p)	(5.30p)	(5.07p)
Closing net asset value per share	112.30p	114.50p	119.80p	111.70p
*after direct transaction costs of:***	0.00p	0.00p	0.01p	0.00p
<b>Performance</b>				
Return after charges	0.26%	(0.86%)	12.00%	(0.79%)
<b>Other information</b>				
Closing net asset value	£334,403,845	£323,849,641	£301,981,582	£258,856,671
Closing number of shares	297,808,056	282,840,920	252,165,807	231,803,111
Operating charges - OCF	0.87%	0.87%	0.87%	1.02%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	117.60p	121.70p	121.00p	117.70p
Lowest share price	113.50p	114.30p	110.10p	105.00p

<b>Accumulation C</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	149.80p	151.10p	135.70p	137.80p
Return before operating charges*	0.81p	(0.29p)	17.35p	(0.32p)
Operating charges**	(0.51p)	(1.01p)	(0.96p)	(0.57p)
Return after operating charges*	0.30p	(1.30p)	16.39p	(0.89p)
Distributions on accumulation share	(3.29p)	(5.47p)	(6.55p)	(6.03p)
Retained distributions on accumulation share	3.29p	5.47p	5.56p	4.82p
Closing net asset value per share	150.10p	149.80p	151.10p	135.70p
*after direct transaction costs of:***	0.00p	0.00p	0.01p	0.00p
<b>Performance</b>				
Return after charges	0.20%	(0.86%)	12.08%	(0.65%)
<b>Other information</b>				
Closing net asset value	£178,365,596	£184,867,327	£192,176,356	£179,321,675
Closing number of shares	118,816,755	123,432,218	127,185,429	132,191,253
Operating charges - OCF	0.87%	0.87%	0.87%	1.02%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	155.50p	155.30p	151.00p	137.60p
Lowest share price	149.60p	148.30p	133.70p	126.20p

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

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

## Comparative Tables

for the six months ended 15 October 2018 (unaudited)

<b>Income P</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	115.60p	120.50p	112.00p	100.00p
Return before operating charges*	0.72p	(0.21p)	14.20p	16.08p
Operating charges**	(0.19p)	(0.38p)	(0.37p)	(0.23p)
Return after operating charges*	0.53p	(0.59p)	13.83p	15.85p
Distributions on income share	(2.53p)	(4.31p)	(5.33p)	(3.85p)
Closing net asset value per share	113.60p	115.60p	120.50p	112.00p
*after direct transaction costs of:***	0.00p	0.00p	0.01p	0.00p
<b>Performance</b>				
Return after charges	0.46%	(0.49%)	12.35%	15.85%
<b>Other information</b>				
Closing net asset value	£2,343,777	£2,446,051	£2,672,767	£2,412,414
Closing number of shares	2,063,492	2,115,560	2,217,977	2,154,383
Operating charges - OCF	0.52%	0.52%	0.52%	0.67%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	118.88p	122.50p	121.70p	113.00p
Lowest share price	114.80p	115.40p	110.40p	105.20p

<b>Accumulation P</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	151.40p	152.20p	136.20p	137.80p
Return before operating charges*	0.84p	(0.31p)	17.45p	0.03p
Operating charges**	(0.24p)	(0.49p)	(0.46p)	(0.42p)
Return after operating charges*	0.60p	(0.80p)	16.99p	(0.39p)
Distributions on accumulation share	(3.33p)	(5.52p)	(6.58p)	(6.04p)
Retained distributions on accumulation share	3.33p	5.52p	5.59p	4.83p
Closing net asset value per share	152.00p	151.40p	152.20p	136.20p
*after direct transaction costs of:***	0.00p	0.00p	0.01p	0.00p
<b>Performance</b>				
Return after charges	0.40%	(0.53%)	12.47%	(0.28%)
<b>Other information</b>				
Closing net asset value	£6,664,507	£7,159,307	£7,404,317	£6,600,465
Closing number of shares	4,384,597	4,729,263	4,865,119	4,847,657
Operating charges - OCF	0.52%	0.52%	0.52%	0.67%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	157.30p	156.90p	152.10p	137.70p
Lowest share price	151.21p	149.80p	134.30p	126.60p

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

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

## Statement of Total Return

for the six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17	
	£'000	£'000	£'000	£'000
Income				
Net capital losses		(8,694)		(2,285)
Revenue	11,692		10,666	
Expenses	(1,823)		(1,927)	
Interest payable and similar charges	-		(1)	
Net revenue before taxation	9,869		8,738	
Taxation	(27)		(31)	
Net revenue after taxation		9,842		8,707
Total return before distributions		1,148		6,422
Distributions		(11,671)		(10,867)
Change in net assets attributable to shareholders from investment activities		(10,523)		(4,445)

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		528,936		542,855
Amounts receivable on creation of shares	20,261		14,534	
Amounts payable on cancellation of shares	(11,093)		(10,935)	
		9,168		3,599
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		(10,523)		(4,445)
Retained distribution on accumulation shares		4,247		4,191
Closing net assets attributable to shareholders		531,828		546,200

## Balance Sheet

as at 15 October 2018 (unaudited)

	15.10.18		15.4.18	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		528,317		525,865
Current assets				
Debtors	1,146		688	
Cash and bank balances	10,621		8,645	
Total current assets		11,767		9,333
Total assets		540,084		535,198
<b>Liabilities</b>				
Investment liabilities		(777)		
Creditors				
Distribution payable on income shares	(3,815)		(2,691)	
Other creditors	(3,664)		(3,571)	
Total creditors		(7,479)		(6,262)
Total liabilities		(8,256)		(6,262)
Net assets attributable to shareholders		531,828		528,936

**Distribution Table (pence per share)**

for the six months ended 15 October 2018 (unaudited)

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 payable 15.12.18</i>	<i>Distribution paid 15.12.17</i>
<b>Retail Income</b>				
Group 1	1.200000	-	1.200000	1.310000
Group 2	0.220000	0.980000	1.200000	1.310000
<b>Retail Accumulation</b>				
Group 1	1.620000	-	1.620000	1.670000
Group 2	1.020000	0.600000	1.620000	1.670000
<b>Income C</b>				
Group 1	1.260000	-	1.260000	1.350000
Group 2	0.680000	0.580000	1.260000	1.350000
<b>Accumulation C</b>				
Group 1	1.670000	-	1.670000	1.720000
Group 2	0.900000	0.770000	1.670000	1.720000
<b>Income P</b>				
Group 1	1.280000	-	1.280000	1.370000
Group 2	1.050000	0.230000	1.280000	1.370000
<b>Accumulation P</b>				
Group 1	1.690000	-	1.690000	1.740000
Group 2	0.880000	0.810000	1.690000	1.740000

**Distribution Table (pence per share)**

for the six months ended 15 October 2018 (unaudited)

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>
<b>Retail Income</b>				
Group 1	1.190000	-	1.190000	0.990000
Group 2	0.960000	0.230000	1.190000	0.990000
<b>Retail Accumulation</b>				
Group 1	1.560000	-	1.560000	1.260000
Group 2	1.010000	0.550000	1.560000	1.260000
<b>Income C</b>				
Group 1	1.240000	-	1.240000	1.030000
Group 2	0.790000	0.450000	1.240000	1.030000
<b>Accumulation C</b>				
Group 1	1.620000	-	1.620000	1.300000
Group 2	0.910000	0.710000	1.620000	1.300000
<b>Income P</b>				
Group 1	1.250000	-	1.250000	1.030000
Group 2	1.250000	0.000000	1.250000	1.030000
<b>Accumulation P</b>				
Group 1	1.640000	-	1.640000	1.310000
Group 2	0.790000	0.850000	1.640000	1.310000

# 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 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 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.

Major purchases included: HSBC American Index Fund, HSBC Japan Index Fund, FTSE 100 Index Fund and iShares Pacific Index Fund.

Major sales included: HSBC European Index Fund and Sterling Corporate Bond Index.

## Investment Performance

During the period the value of the shares in the Fund increased by 2.65%.

(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 October 2018 (unaudited)

	Income C	Accumulation C
Price	103.2p xd	103.9p
Distribution payable (on 15 December 2018) per share net	0.680000p	0.680000p
Current net estimated yield	0.65%	0.64%
Annual ACD charge	0.10%	0.10%

## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Asia - Pacific (excluding Japan) Equities - 3.84% (3.89%)</b>			
^*iShares Pacific Index Fund	34,495	420	3.84
<b>Total Asia-Pacific (excluding Japan) Equities</b>		<b>420</b>	<b>3.84</b>
<b>European (excluding UK) Equities - 13.91% (14.78%)</b>			
+HSBC European Index Fund	170,411	1,520	13.91
<b>Total European (excluding UK) Equities</b>		<b>1,520</b>	<b>13.91</b>
<b>Global Emerging Markets Equities - 12.78% (11.54%)</b>			
^*iShares Emerging Markets Index Fund	137,403	1,396	12.78
<b>Total Global Emerging Markets Equities</b>		<b>1,396</b>	<b>12.78</b>
<b>Japanese Equities - 8.74% (8.75%)</b>			
+HSBC Japan Index Fund	751,839	955	8.74
<b>Total Japanese Equities</b>		<b>955</b>	<b>8.74</b>
<b>US Equities - 48.22% (48.63%)</b>			
+HSBC American Index Fund	592,465	3,544	32.44
^*iShares VII Core S&P 500 UCITS ETF	8,400	1,724	15.78
<b>Total North American Equities</b>		<b>5,268</b>	<b>48.22</b>
<b>Direct Property Funds - 5.08% (4.79%)</b>			
^*iShares Developed Real Estate Index Fund	65,030	555	5.08
<b>Total Direct Property Funds</b>		<b>555</b>	<b>5.08</b>
<b>UK Corporate Bonds - 1.04% (0.93%)</b>			
+HSBC Corporate Bond Index Fund	15,096	114	1.04
<b>Total UK Corporate Bonds</b>		<b>114</b>	<b>1.04</b>
<b>UK Equities - 5.31% (5.63%)</b>			
+HSBC FTSE 100 Index Fund	261,072	580	5.31
<b>Total UK Equities</b>		<b>580</b>	<b>5.31</b>
<b>Forward Foreign Exchange Contracts - -0.11% (0.18%)</b>			
#Sold ¥36,832,653 for £248,552 settled 31/10/2018		(2)	(0.02)
#Sold €448,174 for £392,872 settled 31/10/2018		(3)	(0.03)
#Sold \$1,767,898 for £1,337,666 settled 31/10/2018		(7)	(0.06)
#Sold \$93,208 for £70,705 settled 31/10/2018		-	-
<b>Total Forward Foreign Exchange Contracts</b>		<b>(12)</b>	<b>(0.11)</b>



## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Portfolio of investments		10,796	98.81
Net other assets		130	1.19
<b>Net assets</b>		<b>10,926</b>	<b>100.00</b>

^listed

\*offshore fund

+related party

#unlisted

Unless otherwise stated, all holdings are authorised investment funds.

Total purchases for the period, including transaction charges, were £1,992,047.

Total sales for the period, net of transaction charges, were £1,143,449.

The counterparty for the Forward Foreign Exchange Contracts is HSBC.

## Comparative Tables

for the six months ended 15 October 2018 (unaudited)

<b>Income C</b>	<b>15.10.18</b>	<b>15.4.18†</b>
Change in net assets per share		
Opening net asset value per share	101.00p	100.00p
Return before operating charges*	3.35p	1.10p
Operating charges**	(0.07p)	(0.10p)
Return after operating charges*	3.28p	1.00p
Distributions on income share	(0.68p)	0.00p
Closing net asset value per share	103.60p	101.00p
*after direct transaction costs of:***	0.00p	0.01p
<b>Performance</b>		
Return after charges	3.25%	1.00%
<b>Other information</b>		
Closing net asset value	£4,085,349	£3,802,946
Closing number of shares	3,944,506	3,766,486
Operating charges - OCF	0.21%	0.24%
Direct transaction costs	0.00%	0.01%
<b>Prices</b>		
Highest share price	112.00p	108.80p
Lowest share price	100.90p	98.62p

<b>Accumulation C</b>	<b>15.10.18</b>	<b>15.4.18†</b>
Change in net assets per share		
Opening net asset value per share	101.00p	100.00p
Return before operating charges*	3.37p	1.10p
Operating charges**	(0.07p)	(0.10p)
Return after operating charges*	3.30p	1.00p
Distributions on accumulation share	(0.68p)	0.00p
Retained distributions on accumulation share	0.68p	0.00p
Closing net asset value per share	104.30p	101.00p
*after direct transaction costs of:***	0.00p	0.01p
<b>Performance</b>		
Return after charges	3.27%	1.00%
<b>Other information</b>		
Closing net asset value	£6,840,785	£5,749,609
Closing number of shares	6,561,694	5,694,377
Operating charges - OCF	0.21%	0.24%
Direct transaction costs	0.00%	0.01%
<b>Prices</b>		
Highest share price	112.00p	108.80p
Lowest share price	100.90p	98.62p

†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 six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		221		160
Revenue	69		-	
Expenses	(5)		(2)	
Net revenue/(expense) before taxation	64		(2)	
Taxation	-		-	
Net revenue/(expense) after taxation		64		(2)
Total return before distributions		285		158
Distributions		(64)		-
Change in net assets attributable to shareholders from investment activities		221		158

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17*	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		9,553		-
Amounts receivable on creation of shares	1,865		7,525	
Amounts payable on cancellation of shares	(758)		-	
		1,107		7,525
Dilution adjustment		1		-
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		221		158
Retained distribution on accumulation shares		44		-
Closing net assets attributable to shareholders		10,926		7,683

\*The Fund launched on 23 August 2017.

## Balance Sheet

as at 15 October 2018 (unaudited)

	15.10.18		15.4.18	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		10,808		9,469
Current assets				
Debtors	230		14	
Cash and bank balances	134		138	
Total current assets		364		152
Total assets		11,172		9,621
<b>Liabilities</b>				
Investment liabilities		(12)		-
Creditors				
Distribution payable on income shares	(27)		-	
Other creditors	(207)		(68)	
Total creditors		(234)		(68)
Total liabilities		(246)		(68)
Net assets attributable to shareholders		10,926		9,553

**Distribution Table (pence per share)**

for the six months ended 15 October 2018 (unaudited)

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 payable 15.12.18</i>	<i>Distribution paid 15.12.17</i>
<b>Income C</b>				
Group 1	0.680000	-	0.680000	0.000000
Group 2	0.000000	0.680000	0.680000	0.000000
<b>Accumulation C</b>				
Group 1	0.680000	-	0.680000	0.000000
Group 2	0.000000	0.680000	0.680000	0.000000

# 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.

Major purchases included: HSBC American Index Fund, iShares Emerging Markets Index Fund, HSBC Japan Index Fund, HSBC FTSE 100 Index Fund and iShares Pacific Index Fund.

Major sales included: HSBC European Index Fund and HSBC Corporate Bond Fund.

## Investment Performance

During the period the value of the shares in the Fund increased by 1.19%.

(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 October 2018 (unaudited)

	Retail Accumulation	Retail X Income	Retail X Accumulation
Price	169.0p	156.2p xd	173.2p
Distribution payable (on 15 December 2018) per share net	1.440000p	1.670000p	1.830000p
Current net estimated yield	1.04%	1.51%	1.49%
Annual ACD charge	0.80%	0.30%	0.30%
		Income C	Accumulation C
Price		155.9p xd	175.0p
Distribution payable (on 15 December 2018) per share net		1.860000p	2.070000p
Current net estimated yield		1.76%	1.73%
Annual ACD charge		0.10%	0.10%

## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Asia-Pacific (excluding Japan) Equities - 2.51% (2.27%)</b>			
^*iShares Core MSCI Pacific ex-Japan UCITS ETF	29,973	3,047	1.15
^*iShares Pacific Index Fund	296,726	3,616	1.36
<b>Total Asia-Pacific (excluding Japan) Equities</b>		<b>6,663</b>	<b>2.51</b>
<b>European (excluding UK) Equities - 8.79% (9.59%)</b>			
+HSBC European Index Fund	2,621,576	23,377	8.79
<b>Total European (excluding UK) Equities</b>		<b>23,377</b>	<b>8.79</b>
<b>Global Emerging Markets Equities - 9.89% (7.50%)</b>			
^*iShares Core MSCI Emerging Markets IMI UCITS ETF	491,697	9,683	3.64
^*iShares Emerging Markets Index Fund	1,637,521	16,632	6.25
<b>Total Global Emerging Markets Equities</b>		<b>26,315</b>	<b>9.89</b>
<b>Japanese Equities - 6.14% (5.95%)</b>			
+HSBC Japan Index Fund	12,848,145	16,317	6.14
<b>Total Japanese Equities</b>		<b>16,317</b>	<b>6.14</b>
<b>US Equities - 30.74% (29.34%)</b>			
+HSBC American Index Fund	13,668,894	81,754	30.74
<b>Total US Equities</b>		<b>81,754</b>	<b>30.74</b>
<b>Direct Property Funds - 5.01% (5.08%)</b>			
^*+HSBC FTSE ERPA/NAREIT Developed ETF	794,414	13,330	5.01
<b>Total Direct Property Funds</b>		<b>13,330</b>	<b>5.01</b>
<b>Global Corporate Bond - 1.32% (0.00%)</b>			
+HSBC ICAV Global Corporate Bond Index Fund	463,793	3,512	1.32
<b>Total Global Corporate Bond</b>		<b>3,512</b>	<b>1.32</b>
<b>UK Corporate Bonds - 16.32% (28.00%)</b>			
+HSBC Corporate Bond Fund	19,793,191	43,406	16.32
<b>Total UK Corporate Bonds</b>		<b>43,406</b>	<b>16.32</b>
<b>UK Equities - 3.27% (3.28%)</b>			
+HSBC FTSE 100 Index Fund	1,956,222	4,343	1.63
+HSBC FTSE All-Share Index Fund	748,632	4,361	1.64
<b>Total UK Equities</b>		<b>8,704</b>	<b>3.27</b>
<b>French Government Bonds - 0.60% (0.58%)</b>			
Government of France 1.75% 25/5/2023	€1,686,100	1,605	0.60
<b>Total French Government Bonds</b>		<b>1,605</b>	<b>0.60</b>

## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>German Government Bonds - 0.55% (0.37%)</b>			
Government of German 4.75% 4/7/2034	€1,042,853	1,460	0.55
<b>Total German Government Bonds</b>		<b>1,460</b>	<b>0.55</b>
<b>Japanese Government Bonds - 1.36% (1.13%)</b>			
Government of Japan 1.1% 20/3/2033	¥330,700,000	2,476	0.93
Government of Japan 1.2% 20/12/2020	¥161,750,000	1,133	0.43
<b>Total Japanese Government Bonds</b>		<b>3,609</b>	<b>1.36</b>
<b>Spanish Government Bonds - 0.87% (0.74%)</b>			
Government of Spain 2.15% 31/10/2025	€2,456,000	2,305	0.87
<b>Total Spanish Government Bonds</b>		<b>2,305</b>	<b>0.87</b>
<b>UK Government Bonds - 0.48% (0.43%)</b>			
Treasury 2% 22/7/2020	£566,499	578	0.22
Treasury 4.25% 7/12/2049	£463,664	704	0.26
<b>Total UK Government Bonds</b>		<b>1,282</b>	<b>0.48</b>
<b>US Government Bonds - 2.89% (2.37%)</b>			
US Treasury 2% 31/8/2021	\$3,992,800	2,960	1.12
US Treasury 2.75% 15/2/2024	\$4,893,200	3,671	1.38
US Treasury 3% 15/5/2045	\$1,458,600	1,044	0.39
<b>Total US Government Bonds</b>		<b>7,675</b>	<b>2.89</b>
<b>Money Markets - 1.90% (1.89%)</b>			
+HSBC Global Liquidity Fund	5,048,953	5,049	1.90
<b>Total Money Markets</b>		<b>5,049</b>	<b>1.90</b>
<b>Forward Foreign Exchange Contracts - -0.10% (0.10%)</b>			
#Sold €6,168,039 for £5,406,946 settled 31/10/2018		(35)	(0.01)
#Sold ¥529,123,851 for £3,570,603 settled 31/10/2018		(33)	(0.01)
#Sold \$62,266,670 for £47,152,718 settled 31/10/2018		(195)	(0.08)
<b>Total Forward Foreign Exchange Contracts</b>		<b>(263)</b>	<b>(0.10)</b>
<b>Futures - -0.01% (0.01%)</b>			
CBT US 2Yr Note Future December 2018	29	(14)	(0.01)
<b>Total Futures</b>		<b>(14)</b>	<b>(0.01)</b>

**Portfolio Statement**

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Portfolio of investments</b>		<b>246,086</b>	<b>92.53</b>
<b>Net other assets</b>		<b>19,871</b>	<b>7.47</b>
<b>Net assets</b>		<b>265,957</b>	<b>100.00</b>

\*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.

Total purchases for the period, including transaction charges, were £81,695,769.

Total sales for the period, net of transaction charges, were £30,750,283.

The counterparty for the Futures is HSBC.

The counterparty for the Forward Foreign Exchange Contracts is HSBC.

The bond ratings for the portfolio at 15 October 2018 were:

	<i>Bid value £'000</i>	<i>Total net assets %</i>
Bond credit ratings**		
AAA	1,460	0.55
AA+	7,675	2.89
AA	2,887	1.08
A+	3,609	1.36
BBB+	2,305	0.87
<b>Total bonds</b>	<b>17,936</b>	<b>6.75</b>

\*\*ratings supplied by Standard &amp; Poor's



## Comparative Tables

for the six months ended 15 October 2018 (unaudited)

<b>Retail Accumulation</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	166.30p	162.80p	138.10p	140.60p
Return before operating charges*	3.80p	5.02p	26.10p	(1.02p)
Operating charges**	(0.80p)	(1.52p)	(1.40p)	(1.48p)
Return after operating charges*	3.00p	3.50p	24.70p	(2.50p)
Distributions on accumulation share	(1.44p)	(1.59p)	(1.89p)	(1.28p)
Retained distributions on accumulation share	1.44p	1.59p	1.89p	1.28p
Closing net asset value per share	169.30p	166.30p	162.80p	138.10p
*after direct transaction costs of:***	0.00p	0.00p	0.01p	0.03p
<b>Performance</b>				
Return after charges	1.80%	2.15%	17.89%	(1.79%)
<b>Other information</b>				
Closing net asset value	£68,521	£67,292	£533,777	£454,586
Closing number of shares	40,470	40,470	327,821	329,111
Operating charges - OCF	0.99%	0.98%	0.99%	1.05%
Direct transaction costs	0.00%	0.00%	0.01%	0.02%
<b>Prices</b>				
Highest share price	179.20p	175.70p	164.70p	140.20p
Lowest share price	165.90p	160.80p	133.80p	124.20p

<b>Retail X Income</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	155.00p	153.80p	132.00p	135.60p
Return before operating charges*	3.51p	4.06p	24.78p	(1.12p)
Operating charges**	(0.34p)	(0.67p)	(0.61p)	(0.76p)
Return after operating charges*	3.17p	3.39p	24.17p	(1.88p)
Distributions on income share	(1.67p)	(2.19p)	(2.37p)	(1.72p)
Closing net asset value per share	156.50p	155.00p	153.80p	132.00p
*after direct transaction costs of:***	0.00p	0.00p	0.01p	0.03p
<b>Performance</b>				
Return after charges	2.05%	2.20%	18.31%	(1.39%)
<b>Other information</b>				
Closing net asset value	£56,680	£33,714	£20,195	£14,451
Closing number of shares	36,208	21,744	13,131	10,947
Operating charges - OCF	0.49%	0.49%	0.49%	0.55%
Direct transaction costs	0.00%	0.00%	0.01%	0.02%
<b>Prices</b>				
Highest share price	167.30p	164.40p	156.30p	135.20p
Lowest share price	154.70p	151.80p	127.90p	118.80p

\*\*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 six months ended 15 October 2018 (unaudited)

<b>Retail X Accumulation</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	170.10p	166.40p	140.60p	142.40p
Return before operating charges*	3.77p	4.42p	26.46p	(1.06p)
Operating charges**	(0.37p)	(0.72p)	(0.66p)	(0.74p)
Return after operating charges*	3.40p	3.70p	25.80p	(1.80p)
Distributions on accumulation share	(1.83p)	(2.38p)	(2.54p)	(1.85p)
Retained distributions on accumulation share	1.83p	2.38p	2.54p	1.85p
Closing net asset value per share	173.50p	170.10p	166.40p	140.60p
*after direct transaction costs of:***	0.00p	0.00p	0.01p	0.03p
<b>Performance</b>				
Return after charges	2.00%	2.22%	18.35%	(1.26%)
<b>Other information</b>				
Closing net asset value	£6,256,400	£4,722,440	£3,872,065	£1,868,235
Closing number of shares	3,605,246	2,776,561	2,326,996	1,328,813
Operating charges - OCF	0.49%	0.48%	0.49%	0.53%
Direct transaction costs	0.00%	0.00%	0.01%	0.02%
<b>Prices</b>				
Highest share price	183.60p	179.50p	168.30p	142.00p
Lowest share price	169.70p	164.30p	136.20p	126.30p

<b>Institutional Accumulation#</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	174.60p	170.30p	143.40p	144.70p
Return before operating charges*	10.00p	4.34p	26.93p	(1.25p)
Operating charges**	-	(0.04p)	(0.03p)	(0.05p)
Return after operating charges*	10.00p	4.30p	26.90p	(1.30p)
Distributions on accumulation share	-	(3.00p)	(3.10p)	(2.43p)
Retained distributions on accumulation share	-	3.00p	3.10p	2.43p
Cancellation price	(184.60p)	-	-	-
Closing net asset value per share	-	174.60p	170.30p	143.40p
*after direct transaction costs of:***	0.00p	0.00p	0.01p	0.03p
<b>Performance</b>				
Return after charges	5.73%	2.52%	18.76%	(0.90%)
<b>Other information</b>				
Closing net asset value	N/A	£102,176	£107,382	£101,492
Closing number of shares	N/A	58,524	63,070	70,773
Operating charges - OCF	N/A	0.09%	0.09%	0.10%
Direct transaction costs	N/A	0.00%	0.01%	0.02%
<b>Prices</b>				
Highest share price	188.70p	184.10p	172.20p	144.30p
Lowest share price	174.20p	168.10p	139.00p	128.80p

#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 six months ended 15 October 2018 (unaudited)

<b>Income C</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	154.70p	153.50p	131.80p	135.30p
Return before operating charges*	3.45p	3.96p	24.60p	(1.14p)
Operating charges**	(0.09p)	(0.19p)	(0.18p)	(0.32p)
Return after operating charges*	3.36p	3.77p	24.42p	(1.46p)
Distributions on income share	(1.86p)	(2.57p)	(2.72p)	(2.04p)
Closing net asset value per share	156.20p	154.70p	153.50p	131.80p
*after direct transaction costs of:***	0.00p	0.00p	0.01p	0.03p
<b>Performance</b>				
Return after charges	2.17%	2.46%	18.53%	(1.08%)
<b>Other information</b>				
Closing net asset value	£11,304,668	£8,166,551	£4,164,747	£1,015,830
Closing number of shares	7,236,737	5,277,707	2,713,017	770,968
Operating charges - OCF	0.19%	0.18%	0.19%	0.24%
Direct transaction costs	0.00%	0.00%	0.01%	0.02%
<b>Prices</b>				
Highest share price	167.20p	164.10p	156.10p	134.90p
Lowest share price	154.40p	151.50p	127.70p	118.70p

<b>Accumulation C</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	171.70p	167.50p	141.20p	142.70p
Return before operating charges*	3.81p	4.41p	26.50p	(1.19p)
Operating charges**	(0.11p)	(0.21p)	(0.20p)	(0.31p)
Return after operating charges*	3.70p	4.20p	26.30p	(1.50p)
Distributions on accumulation share	(2.07p)	(2.82p)	(2.94p)	(2.15p)
Retained distributions on accumulation share	2.07p	2.82p	2.94p	2.15p
Closing net asset value per share	175.40p	171.70p	167.50p	141.20p
*after direct transaction costs of:***	0.00p	0.00p	0.01p	0.03p
<b>Performance</b>				
Return after charges	2.15%	2.51%	18.63%	(1.05%)
<b>Other information</b>				
Closing net asset value	£248,270,888	£181,503,465	£74,169,311	£13,669,083
Closing number of shares	141,575,782	105,732,294	44,272,639	9,679,530
Operating charges - OCF	0.19%	0.18%	0.19%	0.24%
Direct transaction costs	0.00%	0.00%	0.01%	0.02%
<b>Prices</b>				
Highest share price	185.40p	181.10p	169.40p	142.30p
Lowest share price	171.30p	165.40p	136.90p	126.80p

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

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

## Statement of Total Return

for the six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		18		3,403
Revenue	2,767		1,126	
Expenses	(148)		(75)	
Net revenue before taxation	2,619		1,051	
Taxation	(180)		(82)	
Net revenue after taxation		2,439		969
Total return before distributions		2,457		4,372
Distributions		(2,435)		(985)
Change in net assets attributable to shareholders from investment activities		22		3,387

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		194,596		82,867
Amounts receivable on creation of shares	73,132		54,873	
Amounts payable on cancellation of shares	(4,790)		(527)	
		68,342		54,346
Dilution adjustment		-		8
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		22		3,387
Retained distribution on accumulation shares		2,997		1,438
Closing net assets attributable to shareholders		265,957		142,046

## Balance Sheet

as at 15 October 2018 (unaudited)

	15.10.18		15.4.18	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		246,363		191,934
Current assets				
Debtors	18,980		1,363	
Cash and bank balances	3,997		3,186	
Total current assets		22,977		4,549
Total assets		269,340		196,483
<b>Liabilities</b>				
Investment liabilities		(277)		-
Creditors				
Distribution payable on income shares	(135)		(46)	
Other creditors	(2,971)		(1,841)	
Total creditors		(3,106)		(1,887)
Total liabilities		(3,383)		(1,887)
Net assets attributable to shareholders		265,957		194,596

**Distribution Table (pence per share)**

for the six months ended 15 October 2018 (unaudited)

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 payable 15.12.18</i>	<i>Distribution paid 15.12.17</i>
<b>Retail Accumulation</b>				
Group 1	1.440000	-	1.440000	1.280000
Group 2	1.440000	0.000000	1.440000	1.280000
<b>Retail X Income</b>				
Group 1	1.670000	-	1.670000	1.520000
Group 2	0.000000	1.670000	1.670000	1.520000
<b>Retail X Accumulation</b>				
Group 1	1.830000	-	1.830000	1.640000
Group 2	0.200000	1.630000	1.830000	1.640000
<b>Institutional Accumulation#</b>				
Group 1	N/A	N/A	N/A	1.960000
Group 2	N/A	N/A	N/A	1.960000
<b>Income C</b>				
Group 1	1.860000	-	1.860000	1.700000
Group 2	0.150000	1.710000	1.860000	1.700000
<b>Accumulation C</b>				
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.				

# 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.

Major purchases included: HSBC American Index Fund, iShares Emerging Markets Index, HSBC Japan Index Fund, HSBC FTSE 100 Index Fund and iShares Pacific Index Fund.

Major sales included: HSBC European Index Fund and HSBC Corporate Bond Fund.

## Investment Performance

During the period the value of the shares in the Fund increased by 0.49%.

(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 October 2018 (unaudited)

	Retail Accumulation	Retail X Accumulation
Price	130.4p	134.2p
Distribution payable (on 15 December 2018) per share net	0.820000p	1.130000p
Current net estimated yield	1.04%	1.50%
Annual ACD charge	0.80%	0.30%
	Income C	Accumulation C
Price	121.2p xd	135.5p
Distribution payable (on 15 December 2018) per share net	1.170000p	1.300000p
Current net estimated yield	1.76%	1.74%
Annual ACD charge	0.10%	0.10%

## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Asia-Pacific (excluding Japan) Equities - 0.93% (0.88%)</b>			
^*iShares Core MSCI Pacific ex-Japan UCITS ETF	4,121	419	0.42
^*iShares Pacific Index Fund	42,563	519	0.51
<b>Total Asia-Pacific (excluding Japan) Equities</b>		<b>938</b>	<b>0.93</b>
<b>Direct Property Funds - 3.46% (4.06%)</b>			
^*+HSBC FTSE ERPA/NAREIT Developed ETF	207,396	3,480	3.46
<b>Total Direct Property Funds</b>		<b>3,480</b>	<b>3.46</b>
<b>European (excluding UK) Equities - 3.28% (4.51%)</b>			
+HSBC European Index Fund	370,367	3,302	3.28
<b>Total European (excluding UK) Equities</b>		<b>3,302</b>	<b>3.28</b>
<b>Global Corporate Bonds - 17.99% (32.07%)</b>			
+HSBC Corporate Bond Fund	7,756,069	17,009	16.90
+HSBC Global Corporate Bond Index Fund	144,337	1,093	1.09
<b>Total Global Corporate Bonds</b>		<b>18,102</b>	<b>17.99</b>
<b>Global Emerging Markets Equities - 5.17% (3.78%)</b>			
^*iShares Core MSCI Emerging Markets IMI UCITS ETF	102,662	2,022	2.01
^*iShares Emerging Markets Index Fund	313,555	3,185	3.16
<b>Total Global Emerging Markets Equities</b>		<b>5,207</b>	<b>5.17</b>
<b>Japanese Equities - 3.25% (3.16%)</b>			
+HSBC Japan Index Fund	2,574,006	3,269	3.25
<b>Total Japanese Equities</b>		<b>3,269</b>	<b>3.25</b>
<b>Money Markets - 2.90% (2.84%)</b>			
+HSBC Global Liquidity Fund	2,917,781	2,918	2.90
<b>Total Money Markets</b>		<b>2,918</b>	<b>2.90</b>
<b>UK Equities - 1.25% (1.31%)</b>			
+HSBC FTSE All-Share Index Fund	102,706	598	0.59
+HSBC FTSE 100 Index Fund	296,856	659	0.66
<b>Total UK Equities</b>		<b>1,257</b>	<b>1.25</b>
<b>US Equities - 11.12% (10.13%)</b>			
+HSBC American Index Fund	1,870,392	11,187	11.12
<b>Total US Equities</b>		<b>11,187</b>	<b>11.12</b>
<b>UK Government Bonds - 3.17% (2.60%)</b>			
Treasury 2% 22/7/2020	£1,276,506	1,303	1.30
Treasury 4.25% 7/12/2049	£1,242,019	1,885	1.87
<b>Total UK Government Bonds</b>		<b>3,188</b>	<b>3.17</b>

**Portfolio Statement**

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>US Government Bonds - 18.55% (14.72%)</b>			
US Treasury 2% 31/8/2021	\$5,339,500	3,958	3.93
US Treasury 2.625% 15/6/2021	\$7,126,800	5,381	5.35
US Treasury 2.75% 15/2/2024	\$7,786,000	5,841	5.80
US Treasury 3% 15/5/2045	\$4,878,000	3,491	3.47
<b>Total US Government Bonds</b>		<b>18,671</b>	<b>18.55</b>
<b>Dutch Government Bonds - 1.16% (1.09%)</b>			
Government of Netherlands 0.25% 15/1/2020	€428,203	382	0.38
Government of Netherlands 3.75% 15/1/2023	€761,448	784	0.78
<b>Total Dutch Government Bonds</b>		<b>1,166</b>	<b>1.16</b>
<b>French Government Bonds - 4.49% (3.42%)</b>			
Government of France 1.75% 25/5/2023	€2,216,294	2,110	2.10
Government of France 2.5% 25/5/2030	€2,339,974	2,408	2.39
<b>Total French Government Bonds</b>		<b>4,518</b>	<b>4.49</b>
<b>German Government Bonds - 1.72% (1.47%)</b>			
Government of Germany 4.75% 4/7/2034	€1,236,317	1,731	1.72
<b>Total German Government Bonds</b>		<b>1,731</b>	<b>1.72</b>
<b>Italian Government Bonds - 1.31% (0.51%)</b>			
Government of Italy 0.95% 1/3/2023	€1,625,000	1,323	1.31
<b>Total Italian Government Bonds</b>		<b>1,323</b>	<b>1.31</b>
<b>Japanese Government Bonds - 8.43% (7.87%)</b>			
Government of Japan 1.1% 20/3/2033	¥720,000,000	5,392	5.36
Government of Japan 1.2% 20/12/2020	¥240,450,000	1,684	1.67
Government of Japan 2% 20/3/2027	¥178,800,000	1,413	1.40
<b>Total Japanese Government Bonds</b>		<b>8,489</b>	<b>8.43</b>
<b>Spanish Government Bonds - 4.36% (4.22%)</b>			
Government of Spain 2.15% 31/10/2025	€4,682,000	4,393	4.36
<b>Total Spanish Government Bonds</b>		<b>4,393</b>	<b>4.36</b>
<b>Futures - -0.01% (0.01%)</b>			
CBT US 2Yr Note December 2018	12	(6)	(0.01)
<b>Total Futures</b>		<b>(6)</b>	<b>(0.01)</b>



## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Forward Foreign Exchange Contracts - -0.27% (0.21%)</b>			
#Sold €15,081,634 for £13,220,666 settled 31/10/2018		(85)	(0.08)
#Sold \$34,427,467 for £26,065,400 settled 31/10/2018		(113)	(0.11)
#Sold ¥1,244,213,292 for £8,396,127 settled 31/10/2018		(78)	(0.08)
<b>Total Forward Foreign Exchange Contracts</b>		<b>(276)</b>	<b>(0.27)</b>
<b>Portfolio of investments</b>		<b>92,857</b>	<b>92.26</b>
<b>Net other assets</b>		<b>7,792</b>	<b>7.74</b>
<b>Net assets</b>		<b>100,649</b>	<b>100.00</b>

\*offshore funds

+related party

#unlisted

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

All holdings are authorised investment funds unless otherwise stated.

Total purchases for the period, including transaction charges, were £44,027,281.

Total sales for the period, net of transaction charges, were £24,587,818.

The counterparty for the Futures is HSBC.

The counterparty for the Forward Foreign Exchange Contracts is HSBC.

The bond ratings for the portfolio at 15 October 2018 were:

	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Bond credit ratings*</b>		
AAA	2,897	2.88
AA+	18,671	18.55
AA	7,706	7.66
A+	8,489	8.43
BBB+	4,393	4.36
BBB	1,323	1.31
<b>Total bonds</b>	<b>43,479</b>	<b>43.19</b>

\*ratings supplied by Standard & Poor's.

## Comparative Tables

for the six months ended 15 October 2018 (unaudited)

<b>Retail Income#</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	N/A	N/A	N/A	117.10p
Return before operating charges*	N/A	N/A	N/A	(5.21p)
Operating charges**	N/A	N/A	N/A	(1.29p)
Return after operating charges*	N/A	N/A	N/A	(6.50p)
Distributions on income share	N/A	N/A	N/A	-
Cancellation price	N/A	N/A	N/A	(110.60p)
Closing net asset value per share	N/A	N/A	N/A	-
*after direct transaction costs of:***	N/A	N/A	N/A	0.02p
<b>Performance</b>				
Return after charges	N/A	N/A	N/A	(5.55%)
<b>Other information</b>				
Closing net asset value	N/A	N/A	N/A	N/A
Closing number of shares	N/A	N/A	N/A	N/A
Operating charges - OCF	N/A	N/A	N/A	N/A
Direct transaction costs	N/A	N/A	N/A	0.02%
<b>Prices</b>				
Highest share price	N/A	N/A	N/A	117.00p
Lowest share price	N/A	N/A	N/A	110.10p

#The Retail Income share class closed on 22 September 2015.

<b>Retail Accumulation</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	130.10p	130.90p	120.20p	121.10p
Return before operating charges*	0.91p	0.40p	11.87p	0.40p
Operating charges**	(0.61p)	(1.20p)	(1.17p)	(1.30p)
Return after operating charges*	0.30p	(0.80p)	10.70p	(0.90p)
Distributions on accumulation share	(0.82p)	(1.40p)	(1.69p)	(0.32p)
Retained distributions on accumulation share	0.82p	1.40p	1.69p	0.32p
Closing net asset value per share	130.40p	130.10p	130.90p	120.20p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.02p
<b>Performance</b>				
Return after charges	0.23%	(0.61%)	8.90%	(0.74%)
<b>Other information</b>				
Closing net asset value	£18,335	£18,293	£445,955	£381,755
Closing number of shares	14,058	14,058	340,655	317,699
Operating charges - OCF	0.96%	0.95%	0.97%	1.03%
Direct transaction costs	0.00%	0.00%	0.00%	0.02%
<b>Prices</b>				
Highest share price	135.00p	134.60p	131.00p	121.00p
Lowest share price	129.80p	129.40p	118.50p	113.60p

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

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

## Comparative Tables

for the six months ended 15 October 2018 (unaudited)

<b>Retail X Income##</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	N/A	N/A	115.30p	116.60p
Return before operating charges*	N/A	N/A	(1.00p)	(0.64p)
Operating charges**	N/A	N/A	-	(0.66p)
Return after operating charges*	N/A	N/A	(1.00p)	(1.30p)
Distributions on income share	N/A	N/A	-	-
Cancellation price	N/A	N/A	(114.30p)	-
Closing net asset value per share	N/A	N/A	-	115.30p
*after direct transaction costs of:***	N/A	N/A	0.00p	0.02p
<b>Performance</b>				
Return after charges	N/A	N/A	(0.87%)	(1.11%)
<b>Other information</b>				
Closing net asset value	N/A	N/A	N/A	£95
Closing number of shares	N/A	N/A	N/A	82
Operating charges - OCF	N/A	N/A	N/A	0.52%
Direct transaction costs	N/A	N/A	N/A	0.02%
<b>Prices</b>				
Highest share price	N/A	N/A	114.60p	116.50p
Lowest share price	N/A	N/A	113.10p	109.00p

##The Retail X Income share class closed on 27 May 2016.

<b>Retail X Accumulation</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	133.70p	133.80p	122.30p	122.60p
Return before operating charges*	0.89p	0.47p	12.05p	0.36p
Operating charges**	(0.29p)	(0.57p)	(0.55p)	(0.66p)
Return after operating charges*	0.60p	(0.10p)	11.50p	(0.30p)
Distributions on accumulation share	(1.13p)	(2.04p)	(2.24p)	(0.56p)
Retained distributions on accumulation share	1.13p	2.04p	2.24p	0.56p
Closing net asset value per share	134.30p	133.70p	133.80p	122.30p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.02p
<b>Performance</b>				
Return after charges	0.45%	(0.07%)	9.40%	(0.24%)
<b>Other information</b>				
Closing net asset value	£2,561,060	£994,368	£783,953	£356,820
Closing number of shares	1,907,260	743,555	585,853	291,817
Operating charges - OCF	0.46%	0.46%	0.46%	0.51%
Direct transaction costs	0.00%	0.00%	0.00%	0.02%
<b>Prices</b>				
Highest share price	138.90p	138.10p	133.90p	122.50p
Lowest share price	133.40p	132.80p	120.60p	115.30p

\*\*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 six months ended 15 October 2018 (unaudited)

<b>Income C</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	121.80p	123.70p	115.00p	117.00p
Return before operating charges*	0.74p	0.43p	11.24p	(1.05p)
Operating charges**	(0.07p)	(0.15p)	(0.15p)	(0.28p)
Return after operating charges*	0.67p	0.28p	11.09p	(1.33p)
Distributions on income share	(1.17p)	(2.18p)	(2.39p)	(0.67p)
Closing net asset value per share	121.30p	121.80p	123.70p	115.00p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.02p
<b>Performance</b>				
Return after charges	0.55%	0.23%	9.64%	(1.14%)
<b>Other information</b>				
Closing net asset value	£3,931,924	£3,603,502	£2,061,512	£671,421
Closing number of shares	3,241,769	2,958,962	1,666,320	583,673
Operating charges - OCF	0.16%	0.16%	0.17%	0.23%
Direct transaction costs	0.00%	0.00%	0.00%	0.02%
<b>Prices</b>				
Highest share price	126.60p	126.70p	125.10p	116.90p
Lowest share price	121.50p	122.00p	113.50p	109.40p

<b>Accumulation C</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	134.80p	134.60p	122.80p	122.90p
Return before operating charges*	0.88p	0.37p	11.97p	0.20p
Operating charges**	(0.08p)	(0.17p)	(0.17p)	(0.30p)
Return after operating charges*	0.80p	0.20p	11.80p	(0.10p)
Distributions on accumulation share	(1.30p)	(2.38p)	(2.56p)	(0.70p)
Retained distributions on accumulation share	1.30p	2.38p	2.56p	0.70p
Closing net asset value per share	135.60p	134.80p	134.60p	122.80p
*after direct transaction costs of:***	0.00p	0.00p	0.00p	0.02p
<b>Performance</b>				
Return after charges	0.59%	0.15%	9.61%	(0.08%)
<b>Other information</b>				
Closing net asset value	£94,137,976	£69,491,765	£36,380,727	£11,291,571
Closing number of shares	69,433,135	51,537,421	27,029,299	9,197,129
Operating charges - OCF	0.16%	0.16%	0.17%	0.23%
Direct transaction costs	0.00%	0.00%	0.00%	0.02%
<b>Prices</b>				
Highest share price	140.20p	139.20p	134.60p	122.80p
Lowest share price	134.50p	133.60p	121.10p	115.70p

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

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

## Statement of Total Return

for the six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(819)		326
Revenue	945		472	
Expenses	(55)		(34)	
Interest payable and similar charges	(2)		-	
Net revenue before taxation	888		438	
Taxation	(118)		(61)	
Net revenue after taxation		770		377
Total (deficit)/return before distributions		(49)		703
Distributions		(769)		(443)
Change in net assets attributable to shareholders from investment activities		(818)		260

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		74,108		39,672
Amounts receivable on creation of shares	27,195		23,157	
Amounts payable on cancellation of shares	(763)		(1,126)	
		26,432		22,031
Dilution adjustment		3		4
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		(818)		260
Retained distribution on accumulation shares		924		580
Closing net assets attributable to shareholders		100,649		62,547

## Balance Sheet

as at 15 October 2018 (unaudited)

	15.10.18		15.4.18	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		93,139		73,266
Current assets				
Debtors	7,396		455	
Cash and bank balances	1,403		923	
Total current assets		8,799		1,378
Total assets		101,938		74,644
<b>Liabilities</b>				
Investment liabilities		(282)		-
Creditors				
Bank overdrafts	-		-	
Distribution payable on income shares	(38)		(28)	
Other creditors	(969)		(508)	
Total creditors		(1,007)		(536)
Total liabilities		(1,289)		(536)
Net assets attributable to shareholders		100,649		74,108

**Distribution Table (pence per share)**

for the six months ended 15 October 2018 (unaudited)

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 payable 15.12.18</i>	<i>Distribution paid 15.12.17</i>
<b>Retail Accumulation</b>				
Group 1	0.820000	-	0.820000	0.880000
Group 2	0.820000	0.000000	0.820000	0.880000
<b>Retail X Accumulation</b>				
Group 1	1.130000	-	1.130000	1.170000
Group 2	0.200000	0.930000	1.130000	1.170000
<b>Income C</b>				
Group 1	1.170000	-	1.170000	1.230000
Group 2	0.260000	0.910000	1.170000	1.230000
<b>Accumulation C</b>				
Group 1	1.300000	-	1.300000	1.340000
Group 2	0.350000	0.950000	1.300000	1.340000

# 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.

Major purchases included: HSBC American Index Fund, iShares Emerging Markets Index, HSBC Japan Index Fund, HSBC FTSE 100 Index Fund and iShares Pacific Index Fund.

Major sales included: HSBC European Index Fund and HSBC Corporate Bond Fund.

## Investment Performance

During the period the value of the shares in the Fund increased by 1.45%.

(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 October 2018 (unaudited)

	Income C	Accumulation C
Price	98.04p xd	99.45p
Distribution payable (on 15 December 2018) per share net	1.180000p	1.180000p
Current net estimated yield	1.43%	1.42%
Annual ACD charge	0.10%	0.10%

## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Asia-Pacific (excluding Japan) Equities - 1.46% (1.42%)</b>			
^*iShares Pacific Index Fund	27,881	340	1.46
<b>Total Asia-Pacific (excluding Japan) Equities</b>		<b>340</b>	<b>1.46</b>
<b>European (excluding UK) Equities - 5.03% (6.05%)</b>			
*+HSBC European Index Fund	131,317	1,171	5.03
<b>Total European (excluding UK) Equities</b>		<b>1,171</b>	<b>5.03</b>
<b>Global Corporate Bonds - 3.19% (0.00%)</b>			
*+HSBC ICAV Global Corporate Bond Index Fund	98,188	743	3.19
<b>Total Global Corporate Bonds</b>		<b>743</b>	<b>3.19</b>
<b>Global Emerging Market Equities - 6.56% (5.07%)</b>			
^*iShares Emerging Markets	150,427	1,528	6.56
<b>Total Global Emerging Markets Equities</b>		<b>1,528</b>	<b>6.56</b>
<b>Japanese Equities - 4.00% (4.31%)</b>			
*+HSBC Japan Index Fund	733,020	931	4.00
<b>Total Japanese Equities</b>		<b>931</b>	<b>4.00</b>
<b>US Equities - 17.16% (16.42%)</b>			
*+HSBC American Index Fund	668,346	3,997	17.16
<b>Total US Equities</b>		<b>3,997</b>	<b>17.16</b>
<b>Direct Property Funds - 4.88% (4.85%)</b>			
^*iShares Developed Real Estate	133,233	1,138	4.88
<b>Total Direct Property Funds</b>		<b>1,138</b>	<b>4.88</b>
<b>UK Corporate Bonds - 28.41% (41.33%)</b>			
*+HSBC Sterling Corporate Bond Index Fund	6,482,328	6,618	28.41
<b>Total UK Corporate Bonds</b>		<b>6,618</b>	<b>28.41</b>
<b>UK Equities - 1.81% (2.01%)</b>			
*+HSBC FTSE 100 Index Fund	190,107	422	1.81
<b>Total UK Equities</b>		<b>422</b>	<b>1.81</b>
<b>French Government Bonds - 1.39% (1.34%)</b>			
Government of France 1.75% 25/5/2023	€340,499	324	1.39
<b>Total French Government Bonds</b>		<b>324</b>	<b>1.39</b>
<b>German Government Bonds - 1.28% (0.85%)</b>			
Government of Germany 4.75% 4/7/2034	€213,912	299	1.28
<b>Total German Government Bonds</b>		<b>299</b>	<b>1.28</b>



## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Japanese Government Bonds - 3.03% (2.82%)</b>			
Government of Japan 1.1% 20/3/2033	¥61,250,000	459	1.97
Government of Japan 1.2% 20/12/2020	¥26,350,000	184	0.79
Government of Japan 2% 20/3/2027	¥8,050,000	64	0.27
<b>Total Japanese Government Bonds</b>		<b>707</b>	<b>3.03</b>
<b>Spanish Government Bonds - 1.91% (1.98%)</b>			
Government of Spain 2.15% 31/10/2025	€474,000	445	1.91
<b>Total Spanish Government Bonds</b>		<b>445</b>	<b>1.91</b>
<b>UK Government Bonds - 1.03% (0.99%)</b>			
Treasury 2% 22/7/2020	£101,355	104	0.45
Treasury 4.25% 7/12/2049	£89,771	136	0.58
<b>Total UK Government Bonds</b>		<b>240</b>	<b>1.03</b>
<b>US Government Bonds - 6.78% (6.02%)</b>			
US Treasury 2% 31/8/2021	\$776,500	575	2.47
US Treasury 2.75% 15/2/2024	\$1,032,800	775	3.33
US Treasury 3% 15/5/2045	\$320,000	229	0.98
<b>Total US Government Bonds</b>		<b>1,579</b>	<b>6.78</b>
<b>Money Markets - 2.59% (2.65%)</b>			
+HSBC Global Liquidity Fund	602,561	603	2.59
<b>Total Money Markets</b>		<b>603</b>	<b>2.59</b>
<b>Futures - -0.01% (0.01%)</b>			
CBT US 2Yr Note Future December 2018	3	(1)	(0.01)
<b>Total Futures</b>		<b>(1)</b>	<b>(0.01)</b>
<b>Forward Foreign Exchange Contracts - -0.12% (0.08%)</b>			
#Sold ¥103,613,677 for £699,200 settled 31/10/2018		(6)	(0.02)
#Sold \$5,534,826 for £4,192,661 settled 31/10/2018		(16)	(0.07)
#Sold €1,226,934 for £1,075,539 settled 31/10/2018		(7)	(0.03)
<b>Total Forward Foreign Exchange Contracts</b>		<b>(29)</b>	<b>(0.12)</b>

**Portfolio Statement**

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Portfolio of investments</b>		<b>21,055</b>	<b>90.38</b>
<b>Net other assets</b>		<b>2,240</b>	<b>9.62</b>
<b>Net assets</b>		<b>23,295</b>	<b>100.00</b>

\*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.

Total purchases for the period, including transaction charges, were £9,392,673.

Total sales for the period, net of transaction charges, were £4,018,815.

The counterparty for the Futures is HSBC.

The counterparty for the Forward Foreign Exchange Contracts is HSBC.

The bond ratings for the portfolio at 15 October 2018 were:

	<i>Bid value £'000</i>	<i>Total net assets %</i>
Bond credit ratings*		
AAA	299	1.28
AA+	1,579	6.78
AA	564	2.42
A+	707	3.03
BBB+	445	1.91
<b>Total bonds</b>	<b>3,594</b>	<b>15.42</b>

\*ratings supplied by Standard &amp; Poor's.

## Comparative Tables

for the six months ended 15 October 2018 (unaudited)

<b>Income C</b>	<b>15.10.18</b>	<b>15.4.18†</b>
Change in net assets per share		
Opening net asset value per share	97.52p	100.00p
Return before operating charges*	1.62p	(1.94p)
Operating charges**	(0.06p)	(0.11p)
Return after operating charges*	1.56p	(2.05p)
Distributions on income share	(1.18p)	(0.43p)
Closing net asset value per share	97.90p	97.52p
*after direct transaction costs of:***	0.00p	0.00p
<b>Performance</b>		
Return after charges	1.60%	(2.05%)
<b>Other information</b>		
Closing net asset value	£3,828,456	£3,724,180
Closing number of shares	3,910,546	3,818,889
Operating charges - OCF	0.18%	0.21%
Direct transaction costs	0.00%	0.00%
<b>Prices</b>		
Highest share price	103.50p	102.30p
Lowest share price	97.50p	97.30p

<b>Accumulation C</b>	<b>15.10.18</b>	<b>15.4.18†</b>
Change in net assets per share		
Opening net asset value per share	97.96p	100.00p
Return before operating charges*	1.61p	(1.93p)
Operating charges**	(0.05p)	(0.11p)
Return after operating charges*	1.56p	(2.04p)
Distributions on accumulation share	(1.18p)	(0.44p)
Retained distributions on accumulation share	1.18p	0.44p
Closing net asset value per share	99.52p	97.96p
*after direct transaction costs of:***	0.00p	0.00p
<b>Performance</b>		
Return after charges	1.59%	(2.04%)
<b>Other information</b>		
Closing net asset value	£19,466,924	£12,068,509
Closing number of shares	19,560,262	12,320,135
Operating charges - OCF	0.18%	0.21%
Direct transaction costs	0.00%	0.00%
<b>Prices</b>		
Highest share price	103.90p	102.40p
Lowest share price	97.94p	97.30p

†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 six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17*	
	£'000	£'000	£'000	£'000
Income				
Net capital losses		(112)		(44)
Revenue	274		2	
Expenses	(11)		(2)	
Net revenue before taxation	263		-	
Taxation	(43)		-	
Net revenue after taxation		220		-
Total return/(deficit) before distributions		108		(44)
Distributions		(219)		-
Change in net assets attributable to shareholders from investment activities		(111)		(44)

\*The Fund launched on 23 August 2017.

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17*	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		15,793		-
Amounts receivable on creation of shares	8,796		7,500	
Amounts payable on cancellation of shares	(1,418)		-	
		7,378		7,500
Dilution adjustment		4		-
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		(111)		(44)
Retained distribution on accumulation shares		231		-
Closing net assets attributable to shareholders		23,295		7,456

\*The Fund launched on 23 August 2017.

## Balance Sheet

as at 15 October 2018 (unaudited)

	15.10.18		15.4.18*	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		21,085		15,508
Current assets				
Debtors	2,031		607	
Cash and bank balances	523		185	
Total current assets		2,554		792
Total assets		23,639		16,300
<b>Liabilities</b>				
Investment liabilities		(30)		-
Creditors				
Distribution payable on income shares	(46)		(16)	
Other creditors	(268)		(491)	
Total creditors		(314)		(507)
Total liabilities		(344)		(507)
Net assets attributable to shareholders		23,295		15,793

\*The Fund launched on 23 August 2017.

**Distribution Table (pence per share)**

for the six months ended 15 October 2018 (unaudited)

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 payable 15.12.18</i>	<i>Distribution paid 15.12.17*</i>
<b>Income C</b>				
Group 1	1.180000	-	1.180000	0.000000
Group 2	0.270000	0.910000	1.180000	0.000000
<b>Accumulation C</b>				
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.				

# 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.

Major purchases included: HSBC American Index Fund, iShares Emerging Markets Index, HSBC Japan Index Fund, HSBC FTSE 100 Index Fund and iShares Pacific Index Fund.

Major sales included: HSBC European Index Fund and HSBC Corporate Bond Fund.

## Investment Performance

During the period the value of the shares in the Fund increased by 2.80%.

(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 October 2018 (unaudited)

	Retail Income	Retail Accumulation	Retail X Income
Price	175.9p xd	190.6p	177.2p xd
Distribution payable (on 15 December 2018) per share net	1.480000p	1.600000p	1.850000p
Current net estimated yield	0.94%	0.84%	1.35%
Annual ACD charge	0.80%	0.80%	0.30%
	Retail X Accumulation	Income C	Accumulation C
Price	195.9p	176.8p xd	197.9p
Distribution payable (on 15 December 2018) per share net	2.030000p	2.070000p	2.300000p
Current net estimated yield	1.34%	1.60%	1.59%
Annual ACD charge	0.30%	0.10%	0.10%

## Portfolio Statement

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Asia-Pacific (excluding Japan) Equities - 3.43% (3.23%)</b>			
^*iShares Core MSCI Pacific ex-Japan UCITS ETF	19,967	2,030	2.01
^*iShares Pacific Index Fund	117,701	1,434	1.42
<b>Total Asia-Pacific (excluding Japan) Equities</b>		<b>3,464</b>	<b>3.43</b>
<b>European (excluding UK) Equities - 12.51% (13.16%)</b>			
+HSBC European Index Fund	1,417,778	12,642	12.51
<b>Total European (excluding UK) Equities</b>		<b>12,642</b>	<b>12.51</b>
<b>Global Emerging Markets Equities - 12.91% (10.04%)</b>			
^*iShares Core MSCI Emerging Markets IMI UCITS ETF	263,445	5,188	5.14
^*iShares Emerging Markets Index Fund	773,247	7,854	7.77
<b>Total Global Emerging Markets Equities</b>		<b>13,042</b>	<b>12.91</b>
<b>Japanese Equities - 8.15% (7.66%)</b>			
+HSBC Japan Index Fund	6,478,695	8,228	8.15
<b>Total Japanese Equities</b>		<b>8,228</b>	<b>8.15</b>
<b>US Equities - 43.30% (41.88%)</b>			
+HSBC American Index Fund	5,603,274	33,513	33.17
^*iShares Core S&P UCITS ETF	49,853	10,233	10.13
<b>Total North American Equities</b>		<b>43,746</b>	<b>43.30</b>
<b>Direct Property Funds - 5.00% (4.89%)</b>			
^+HSBC FTSE ERPA/NAREIT Developed ETF	301,181	5,054	5.00
<b>Total Direct Property Funds</b>		<b>5,054</b>	<b>5.00</b>
<b>UK Corporate Bonds - 6.71% (13.54%)</b>			
+HSBC Corporate Bond Fund	3,090,659	6,778	6.71
<b>Total UK Corporate Bonds</b>		<b>6,778</b>	<b>6.71</b>
<b>UK Equities - 4.76% (4.58%)</b>			
+HSBC FTSE All-Share Index Fund	447,374	2,606	2.58
+HSBC FTSE 100 Index Fund	989,970	2,198	2.18
<b>Total UK Equities</b>		<b>4,804</b>	<b>4.76</b>
<b>Forward Foreign Exchange Contracts - -0.06% (0.09%)</b>			
#Sold \$17,481,194 for £13,232,249 settled 31/10/2018		(60)	(0.06)
<b>Total Forward Foreign Exchange Contracts</b>		<b>(60)</b>	<b>(0.06)</b>

**Portfolio Statement**

as at 15 October 2018 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Portfolio of investments</b>		<b>97,698</b>	<b>96.71</b>
<b>Net other assets</b>		<b>3,321</b>	<b>3.29</b>
<b>Net assets</b>		<b>101,019</b>	<b>100.00</b>
*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.

Total purchases for the period, including transaction charges, were £23,500,708.

Total sales for the period, net of transaction charges, were £10,253,945.

The counterparty for the Forward Foreign Exchange Contracts is HSBC.



## Comparative Tables

for the six months ended 15 October 2018 (unaudited)

<b>Retail Income</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	172.70p	169.30p	139.00p	142.90p
Return before operating charges*	6.03p	6.43p	33.37p	(1.18p)
Operating charges**	(0.85p)	(1.62p)	(1.46p)	(1.41p)
Return after operating charges*	5.18p	4.81p	31.91p	(2.59p)
Distributions on income share	(1.48p)	(1.41p)	(1.61p)	(1.31p)
Closing net asset value per share	176.40p	172.70p	169.30p	139.00p
*after direct transaction costs of:***	0.00p	0.01p	0.02p	0.03p
<b>Performance</b>				
Return after charges	3.00%	2.84%	22.96%	(1.81%)
<b>Other information</b>				
Closing net asset value	£53,002	£51,901	£46,584	£28,851
Closing number of shares	30,050	30,050	27,522	20,756
Operating charges - OCF	1.00%	1.00%	1.01%	1.08%
Direct transaction costs	0.00%	0.00%	0.01%	0.02%
<b>Prices</b>				
Highest share price	190.90p	185.30p	173.00p	142.80p
Lowest share price	172.40p	166.40p	132.90p	121.60p

<b>Retail Accumulation</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	185.70p	180.60p	146.80p	149.50p
Return before operating charges*	6.41p	6.80p	35.33p	(1.11p)
Operating charges**	(0.91p)	(1.70p)	(1.53p)	(1.59p)
Return after operating charges*	5.50p	5.10p	33.80p	(2.70p)
Distributions on accumulation share	(1.60p)	(1.31p)	(1.70p)	(1.36p)
Retained distributions on accumulation share	1.60p	1.31p	1.70p	1.36p
Closing net asset value per share	191.20p	185.70p	180.60p	146.80p
*after direct transaction costs of:***	0.00p	0.01p	0.02p	0.03p
<b>Performance</b>				
Return after charges	2.96%	2.82%	23.02%	(1.81%)
<b>Other information</b>				
Closing net asset value	£69,562	£33,761	£208,214	£207,773
Closing number of shares	36,382	18,185	115,319	141,532
Operating charges - OCF	1.01%	1.00%	1.01%	1.09%
Direct transaction costs	0.00%	0.00%	0.01%	0.02%
<b>Prices</b>				
Highest share price	205.20p	199.00p	184.30p	148.90p
Lowest share price	185.30p	177.50p	140.40p	128.40p

\*\*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 six months ended 15 October 2018 (unaudited)

<b>Retail X Income</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	174.00p	170.60p	140.00p	143.90p
Return before operating charges*	5.94p	6.28p	33.51p	(1.37p)
Operating charges**	(0.39p)	(0.74p)	(0.67p)	(0.79p)
Return after operating charges*	5.55p	5.54p	32.84p	(2.16p)
Distributions on income share	(1.85p)	(2.14p)	(2.24p)	(1.74p)
Closing net asset value per share	177.70p	174.00p	170.60p	140.00p
*after direct transaction costs of:***	0.00p	0.01p	0.02p	0.03p
<b>Performance</b>				
Return after charges	3.19%	3.25%	23.46%	(1.50%)
<b>Other information</b>				
Closing net asset value	£92,236	£90,322	£88,515	£69,578
Closing number of shares	51,897	51,897	51,897	49,690
Operating charges - OCF	0.50%	0.50%	0.51%	0.57%
Direct transaction costs	0.00%	0.00%	0.01%	0.02%
<b>Prices</b>				
Highest share price	192.60p	186.93p	174.60p	143.50p
Lowest share price	173.70p	167.70p	134.00p	122.60p

<b>Retail X Accumulation</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	190.40p	184.40p	149.30p	151.40p
Return before operating charges*	6.53p	6.81p	35.86p	(1.26p)
Operating charges**	(0.43p)	(0.81p)	(0.76p)	(0.84p)
Return after operating charges*	6.10p	6.00p	35.10p	(2.10p)
Distributions on accumulation share	(2.03p)	(2.32p)	(2.42p)	(1.84p)
Retained distributions on accumulation share	2.03p	2.32p	2.42p	1.84p
Closing net asset value per share	196.50p	190.40p	184.40p	149.30p
*after direct transaction costs of:***	0.00p	0.01p	0.02p	0.03p
<b>Performance</b>				
Return after charges	3.20%	3.25%	23.51%	(1.39%)
<b>Other information</b>				
Closing net asset value	£6,379,245	£6,213,813	£2,253,585	£416,280
Closing number of shares	3,246,844	3,263,298	1,222,372	278,777
Operating charges - OCF	0.50%	0.50%	0.52%	0.57%
Direct transaction costs	0.00%	0.00%	0.01%	0.02%
<b>Prices</b>				
Highest share price	210.70p	203.90p	188.10p	150.80p
Lowest share price	190.10p	181.30p	142.90p	130.50p

\*\*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 six months ended 15 October 2018 (unaudited)

<b>Income C</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	173.60p	170.20p	139.70p	143.50p
Return before operating charges*	5.88p	6.17p	33.31p	(1.40p)
Operating charges**	(0.11p)	(0.21p)	(0.20p)	(0.35p)
Return after operating charges*	5.77p	5.96p	33.11p	(1.75p)
Distributions on income share	(2.07p)	(2.56p)	(2.61p)	(2.05p)
Closing net asset value per share	177.30p	173.60p	170.20p	139.70p
*after direct transaction costs of:***	0.00p	0.01p	0.02p	0.03p
<b>Performance</b>				
Return after charges	3.32%	3.50%	23.70%	(1.22%)
<b>Other information</b>				
Closing net asset value	£3,400,113	£3,360,761	£1,881,461	£758,341
Closing number of shares	1,917,588	1,935,437	1,105,636	542,913
Operating charges - OCF	0.20%	0.20%	0.21%	0.28%
Direct transaction costs	0.00%	0.00%	0.01%	0.02%
<b>Prices</b>				
Highest share price	192.30p	186.64p	174.30p	143.00p
Lowest share price	173.30p	167.30p	133.70p	122.40p

<b>Accumulation C</b>	<b>15.10.18</b>	<b>15.4.18</b>	<b>15.4.17</b>	<b>15.4.16</b>
Change in net assets per share				
Opening net asset value per share	192.20p	185.60p	150.00p	151.80p
Return before operating charges*	6.42p	6.83p	35.83p	(1.43p)
Operating charges**	(0.12p)	(0.23p)	(0.23p)	(0.37p)
Return after operating charges*	6.30p	6.60p	35.60p	(1.80p)
Distributions on accumulation share	(2.30p)	(2.80p)	(2.82p)	(2.16p)
Retained distributions on accumulation share	2.30p	2.80p	2.82p	2.16p
Closing net asset value per share	198.50p	192.20p	185.60p	150.00p
*after direct transaction costs of:***	0.00p	0.01p	0.02p	0.03p
<b>Performance</b>				
Return after charges	3.28%	3.56%	23.73%	(1.19%)
<b>Other information</b>				
Closing net asset value	£91,024,886	£72,635,026	£36,564,264	£8,534,739
Closing number of shares	45,853,005	37,799,080	19,697,778	5,690,391
Operating charges - OCF	0.20%	0.20%	0.22%	0.28%
Direct transaction costs	0.00%	0.00%	0.01%	0.02%
<b>Prices</b>				
Highest share price	212.80p	205.65p	189.40p	151.20p
Lowest share price	191.80p	182.50p	143.50p	130.90p

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

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

## Statement of Total Return

for the six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		1,175		2,356
Revenue	1,079		518	
Expenses	(66)		(36)	
Net revenue before taxation	1,013		482	
Taxation	(21)		(16)	
Net revenue after taxation		992		466
Total return before distributions		2,167		2,822
Distributions		(992)		(465)
Change in net assets attributable to shareholders from investment activities		1,175		2,357

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 October 2018 (unaudited)

	15.10.18		15.10.17	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		82,386		41,043
Amounts receivable on creation of shares	20,933		20,661	
Amounts payable on cancellation of shares	(4,596)		(1,111)	
		16,337		19,550
Dilution adjustment		-		5
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		1,175		2,357
Retained distribution on accumulation shares		1,121		604
Closing net assets attributable to shareholders		101,019		63,559

## Balance Sheet

as at 15 October 2018 (unaudited)

	15.10.18		15.4.18	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		97,758		81,623
Current assets				
Debtors	3,031		187	
Cash and bank balances	1,669		980	
Total current assets		4,700		1,167
Total assets		102,458		82,790
<b>Liabilities</b>				
Investment liabilities		(60)		-
Creditors				
Distribution payable on income shares	(41)		(15)	
Other creditors	(1,338)		(389)	
Total creditors		(1,379)		(404)
Total liabilities		(1,439)		(404)
Net assets attributable to shareholders		101,019		82,386

**Distribution Table (pence per share)**

for the six months ended 15 October 2018 (unaudited)

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 payable 15.12.18</i>	<i>Distribution paid 15.12.17</i>
<b>Retail Income</b>				
Group 1	1.480000	-	1.480000	1.230000
Group 2	1.480000	0.000000	1.480000	1.230000
<b>Retail Accumulation</b>				
Group 1	1.600000	-	1.600000	1.310000
Group 2	0.000000	1.600000	1.600000	1.310000
<b>Retail X Income</b>				
Group 1	1.850000	-	1.850000	1.590000
Group 2	1.640000	0.210000	1.850000	1.590000
<b>Retail X Accumulation</b>				
Group 1	2.030000	-	2.030000	1.720000
Group 2	0.000000	2.030000	2.030000	1.720000
<b>Income C</b>				
Group 1	2.070000	-	2.070000	1.800000
Group 2	0.370000	1.700000	2.070000	1.800000
<b>Accumulation C</b>				
Group 1	2.300000	-	2.300000	1.960000
Group 2	0.330000	1.970000	2.300000	1.960000

## 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.

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### 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](http://www.assetmanagement.hsbc.com/uk).

Alternatively you can call our Investments Helpline on 0800 358 3011.\*

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## Prospectus

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

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

## Income

Income is distributed or accumulated in the following way:-

- If you hold income shares, income will be distributed to you on the payment dates shown for each of the Funds in the table on pages 129 to 131.
- If you hold accumulation shares, income will be retained within the Fund. No additional shares will be bought. The price of shares will reflect the net income received.

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

## Income Tax

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

### Interest Distributions:

From 6 April 2017, any income that is distributed from our funds as interest is paid or accumulated gross of tax to all shareholders. This follows the announcement from the UK Government in 2016 of its intention to remove the requirement for tax to be deducted from interest distributions of open-ended investment companies.

A Personal Savings Allowance currently applies for UK individual taxpayers. This means that no tax is payable on savings income, which includes interest distributions, of up to £1,000 for basic rate taxpayers and up to £500 for higher rate taxpayers. This allowance is not available for additional rate taxpayers. UK taxpayers, including basic rate taxpayers, are liable to pay UK tax on savings income above the allowance, subject to the starting rate of tax for savings.

For UK corporate shareholders, interest distributions will be paid without the deduction of tax. Such shareholders will be subject to corporation tax on the gross amount of the distribution or accumulation.

For non-UK resident shareholders, interest distributions will be paid without the deduction of tax. Tax may or may not be payable depending on the shareholder's tax position and the provisions of any relevant double tax treaty with the UK.

### Dividend Distributions:

A dividend allowance applies for UK resident individual shareholders which charges the first £5,000 of dividends received in the tax year at 0%. A UK resident individual shareholder will have to pay income tax at the applicable basic, higher or additional rate (depending on the shareholder's individual tax position) on dividend income in excess of the £5,000 allowance. Note that dividend income within the £5,000 allowance will still count towards basic, higher and additional rate bands and may therefore affect the rate of income tax that a shareholder pays on dividends they receive in excess of the £5,000 allowance. In the Spring Budget 2017 the Government announced that from 6 April 2018 the dividend allowance will reduce to £2,000.

Where a corporate shareholder receives a dividend distribution from a Fund, such a shareholder should apportion the amount of the distribution (by way of a formula) between that part representing the Fund's income subject to corporation tax and that part representing the Fund's other income. Only that part which represents the income subject to corporation tax in the Fund will be liable to corporation tax (in the hands of the corporate shareholder) and will be treated as an annual payment received after deduction of income tax at the basic rate. That deemed income tax will be available to offset against the corporation tax liability of the shareholder or may be repaid subject to certain restrictions.

For non-UK resident shareholders, tax may or may not be payable depending on the shareholder's tax position and the provisions of any relevant double tax treaty with the UK.

This information is based on our understanding of current UK law and HM Revenue & Customs practice which may be subject to retrospective change. The future basis and rates of taxation may change without warning. Shareholders are recommended to consult their professional advisers if they are in any doubt as to their individual tax position.

**Capital Gains Tax**

You will not need to pay capital gains tax unless your net gains from all sources exceed the annual exemption limit. The limit for the 2018/2019 tax year is £11,700.

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\*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).

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## Important Notes

The Interim Report covers the period 16 April 2018 to 15 October 2018.

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 OpenFunds. 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 October 2018. Both law and practice may of course change.

The views expressed are those of HSBC Global Asset Management (UK) Limited and do not constitute investment advice. No liability can be accepted for recipients acting independently on its content.

The Company is authorised and regulated by the Financial Conduct Authority and is structured as an umbrella company, in that the Company proposes to issue shares linked to different Funds which have been established. The Company is a UCITS scheme.

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

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### Accounting Policies

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

**A.C. Corfield**

**A.S. Clark**

**Director**

**Director**

**For and on behalf of HSBC Global Asset Management (UK) Limited Authorised Corporate Director  
30 November 2018**

# 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.

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## 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.

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## Amendments to the Company Prospectus

The Prospectus has been amended to reflect the changes detailed below.

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## Definitions

A new definition for MiFID II has been added.

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## 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.

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## 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 and may also impact the ability to market the Funds to UK investors.

The nature and extent of the impact of any Brexit related changes are uncertain, but may be significant.

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## 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.

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## **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, 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 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 – Dynamic Portfolio and the World Selection – Interest Income Portfolio.

## **Important changes to the Company and/or Fund Documentation with effect from 29 October 2018**

Please note that with effect from the 29 October 2018, the Open Global Distribution Fund has been renamed the World Selection – Dividend Distribution Portfolio. The investment policy and investment strategy were also amended on this date. Please see the Prospectus for the revised policy and strategy.

## 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.

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## 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
Global Strategy Adventurous Portfolio	15.12.18	Income C	100.00%	0.00%
	15.12.18	Accumulation C	100.00%	0.00%
Global Strategy Dynamic Portfolio	15.12.18	Retail Income	100.00%	0.00%
	15.12.18	Retail Accumulation	100.00%	0.00%
	15.12.18	Income C	90.69%	9.31 %
	15.12.18	Retail X Accumulation	100.00%	0.00%
	15.12.18	Retail X Income	100.00%	0.00%
	15.12.18	Accumulation C	91.09%	8.91 %
World Selection - Adventurous Portfolio	15.12.18	Income C	100.00%	0.00%
	15.12.18	Accumulation C	100.00%	0.00%
	15.12.18	Accumulation P	100.00%	0.00%
	15.12.18	Retail Income	100.00%	0.00%
	15.12.18	Retail Accumulation	100.00%	0.00%
Open Global Distribution Fund	15.12.18	Retail Income	94.65%	5.35%
	15.12.18	Retail Accumulation	93.41 %	6.59%
	15.12.18	Income C	77.70%	22.30%
	15.12.18	Accumulation C	77.84%	22.16%
	15.9.18	Retail Income	92.17%	7.83%
	15.9.18	Retail Accumulation	92.11 %	7.89%
	15.9.18	Income C	78.49%	21.51%
	15.9.18	Accumulation C	78.69%	21.31%
World Selection - Interest Income Portfolio	15.12.18	Retail Income	0.00%	100.00%
	15.12.18	Retail Accumulation	0.00%	100.00%
	15.12.18	Income C	0.00%	100.00%
	15.12.18	Accumulation C	0.00%	100.00%
	15.12.18	Accumulation P	0.00%	100.00%
	15.12.18	Income P	0.00%	100.00%
	15.9.18	Retail Income	0.00%	100.00%
	15.9.18	Retail Accumulation	0.00%	100.00%
	15.9.18	Income C	0.00%	100.00%
	15.9.18	Accumulation C	0.00%	100.00%
	15.9.18	Income P	0.00%	100.00%
	15.9.18	Accumulation P	0.00%	100.00%
World Selection - Conservative Portfolio	15.12.18	Income C	41.36%	58.64%
	15.12.18	Accumulation C	45.68%	54.32%
	15.12.18	Accumulation P	39.49%	60.51 %

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 - Balanced Portfolio	15.12.18	Retail Income	91.87%	8.13%
	15.12.18	Retail Accumulation	93.17%	6.83%
	15.12.18	Institutional Accumulation	61.24%	38.76%
	15.12.18	Income C	73.26%	26.74%
	15.12.18	Accumulation C	73.17%	26.83%
	15.12.18	Income P	67.07%	32.93%
	15.12.18	Accumulation P	63.19%	36.81%
World Selection - Cautious Portfolio	15.12.18	Retail Income	57.36%	42.64%
	15.12.18	Retail Accumulation	59.30%	40.70%
	15.12.18	Institutional Accumulation	31.79%	68.21%
	15.12.18	Income C	41.00%	59.00%
	15.12.18	Accumulation C	40.67%	59.33%
	15.12.18	Income P	35.46%	64.54%
	15.12.18	Accumulation P	34.62%	65.38%
World Selection - Dynamic Portfolio	15.12.18	Retail Income	100.00%	0.00%
	15.12.18	Retail Accumulation	100.00%	0.00%
	15.12.18	Income P	88.73%	11.27%
	15.12.18	Institutional Accumulation	81.91%	18.09%
	15.12.18	Income C	97.72%	2.28%
	15.12.18	Accumulation C	97.70%	2.30%
	15.12.18	Accumulation P	86.89%	13.11%
Global Strategy Cautious Portfolio	15.12.18	Retail Accumulation	60.65%	39.35%
	15.12.18	Income C	39.33%	60.67%
	15.12.18	Retail X Accumulation	39.61%	60.39%
	15.12.18	Accumulation C	38.87%	61.13%
Global Strategy Balanced Portfolio	15.12.18	Retail Accumulation	98.55%	1.45%
	15.12.18	Income C	71.09%	28.91%
	15.12.18	Retail X Accumulation	79.46%	20.54%
	15.12.18	Retail X Income	80.61%	19.39%
	15.12.18	Accumulation C	70.19%	29.81%
Global Property Fund	15.12.18	Retail Income	87.03%	12.97%
	15.12.18	Retail Accumulation	86.09%	13.91%
	15.12.18	Institutional A Income	74.06%	25.94%
	15.12.18	Income C	72.16%	27.84%
	15.12.18	Accumulation C	72.14%	27.86%

## Risk and Reward Profile

Fund	Rating*
Open Global Distribution Fund	4
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 - Dynamic Portfolio	5
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

**Lower risk** **Higher risk**

←—————→

Typically lower rewards Typically higher rewards

1	2	3	4	5	6	7
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### \*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](http://www.assetmanagement.hsbc.com/uk).

# Directory

**The Company**

HSBC OpenFunds, 8 Canada Square, London, E14 5HQ

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**Authorised Corporate Director (ACD) and Head Office**

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

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**Investment Manager**

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

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**Depositary**

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

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**Regulator**

Financial Conduct Authority (FCA), 12 Endeavour Square, London, E20 1JN (w.e.f. 1st July 2018)

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**Auditor**

KPMG LLP, 15 Canada Square, London E14 5GL

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**Registrar**

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

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

Telephone: 0800 358 3011\*

+44 800 358 3011 (Overseas)\*

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

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**Administrator** (delegated to Northern Trust Global Services SE, previously Northern Trust Global Services Limited) - postal address

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

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**Website**

[www.assetmanagement.hsbc.com/uk](http://www.assetmanagement.hsbc.com/uk)

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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	Open Global Distribution Fund	Global Property Fund	World Selection - Adventurous Portfolio	World Selection - Balanced Portfolio	World Selection - Cautious Portfolio
Number of distributions per year	4	2	2	2	2
Distribution dates	15 Jun 15 Sep 15 Dec 15 Mar	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
Regular saver minimum investment level †	N/A	N/A	N/A	N/A	N/A
Authorised Corporate Director charge % †	0.55	0.55	0.55	0.55	0.55
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	World Selection - Conservative Portfolio	World Selection - Dynamic Portfolio	World Selection - Interest Income Portfolio	Global Strategy Adventurous Portfolio
Number of distributions per year	2	2	4	2
Distribution dates	15 Jun 15 Dec	15 Jun 15 Dec	15 Jun 15 Sep 15 Dec 15 Mar	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 % †	0.55	0.55	0.55	0.25
Available as an ISA	Yes	Yes	Yes	Yes
In ISA can income be paid	Yes	Yes	Yes	Yes
Income shares available	Yes	Yes	Yes	Yes
Accumulation shares available	Yes	Yes	Yes	Yes
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 Balanced Portfolio	Global Strategy Cautious Portfolio	Global Strategy Conservative Portfolio	Global Strategy Dynamic 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 % †	0.25	0.55	0.55	0.55
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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**[www.assetmanagement.hsbc.com/uk](http://www.assetmanagement.hsbc.com/uk)**

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HSBC Global Asset Management (UK) Limited  
Forum One  
Parkway  
Whiteley  
Fareham PO15 7PA  
United Kingdom

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