

HSBC RIF EUROPE EQUITY GREEN TRANSITION

EUR Share Class A

Monthly Report

February 2025



This monthly report is a marketing communication. Please refer to the prospectus and to the KID before making any final investment decisions.

Investment Objective

The sub-fund is classified as « international equities » by the AMF and aims to maximize performance over the recommended investment period of 5 years by investing in a portfolio of stocks issued by companies that have a significant share of activities related to the Energy and Ecological Transition theme. This sub-fund has a sustainable investment objective (Article 9 of Regulation (EU) 2019/2088 known as Sustainable Finance Disclosure (SFDR)). The sub-fund does not have an official benchmark, but for information purposes, the sub-fund can be compared to the broad indices that are representative of the European equity market, such as MSCI Europe GDP Weighted. The sub-fund is actively managed. The benchmark is used to assess performance. There is no constraint on the indicator used when building the portfolio.

Investment process

HSBC Europe Equity Green Transition can be considered by investors looking to allocate savings to companies participating actively in the Energy and Ecological Transition. The scope of this fund is aligned with the HSBC Group's initiatives, supporting climate and ESG / SRI. The fund's principles of sustainability contribute to the development of HSBC's sustainable activities over the long term, aimed at offering investment products that finance best practices in terms of Environmental, Social / Societal and Governance (ESG) and climate risk management issues.

HSBC Europe Equity Green Transition's investment management process aims to identify companies that generate revenues in activities related to the Energy and Ecological Transition (green intensity).

It excludes companies with businesses linked to fossil fuels and the nuclear industry.

The weight of each company held in the portfolio is determined by the company's « green » revenues, ESG rating, carbon emissions, financial valuation and liquidity. Investments are taken with a long-term investment horizon. The composition of the portfolio will evolve over time, depending on changes relevant to business activity, ESG behavior and/or financial characteristics.

Labels

At the end of 2015, the French public authorities set up two labels, a Socially Responsible Investment (SRI) label and a label dedicated to green finance, the GREENFIN label (formerly known as the « Energy and Ecological Transition for Climate » label), each of which meets strict requirements to make financial products known as « responsible » or « green » more readable.



The objective of the GREENFIN label is to direct part of the savings for the benefit of the energy and ecological transition. It guarantees the green share of the companies selected in the portfolio.

<https://www.ecologique-solidaire.gouv.fr/label-greenfin>



The SRI Label guarantees that labeled funds are a responsible and sustainable investment and have a structured, rigorous and transparent management process.

<https://www.llabelisr.fr/>

In order to define minimum requirements for sustainable products, Febelfin (Belgian Financial Sector Federation) has developed a quality standard through the « Towards Sustainability » label. This label guarantees clarity and transparency around sustainable investments and help investors to find sustainable products.



It guarantees that the investment process complies with the main principles of responsible investment, the implementation of a climate approach and the principle of « avoiding harm », as well as the publication of investment policies on the most controversial societal topics.

Independent supervision by the Central Labeling Agency (CLA) protects the integrity of the quality standard and the label, and will manage their continuing development.

<https://www.towardssustainability.be/en>

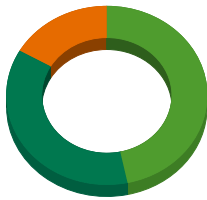


Extra-financial data at 28/02/2025

In line with our vision of climate issues and the will of HSBC Global Asset Management (France) to play its role in the Energy and Ecological Transition, the fund looks to invest in companies making efforts to decarbonise the economy. The portfolio does not target an immediate reduction in carbon footprint, instead investments are made with an aim to support the transformation of the European economies to a long term model of Energy and Ecological efficiencies.

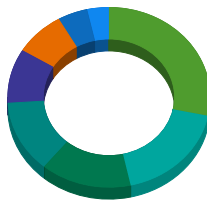
Green Intensity

Breakdown of companies by degree of green intensity*



Moderate Green Intensity	46,7 %
Strong Green Intensity	36,6 %
Complementary sustainable investments	16,7 %
Total:	100,0 %

Breakdown by sectors of activities related to the Energy and Ecological Transition*



Green buildings	28,3 %
Industry - Energy Efficiency	18,3 %
Circular Economy	14,4 %
Renewable Energies	13,0 %
Technology & telecommunications	9,7 %
Diversification	8,0 %
Transport - Sustainable Mobility	4,8 %
Adaptation - Adaptation Solutions	3,5 %
Total:	100,0 %

*Source : HSBC Global Asset Management (France)

Activities related to the Energy and Ecological Transition are determined on the basis of nomenclatures adapted to the theme and the management objective of the fund, such as the Climate Bond Initiative (CBI) classification or that proposed by the label dedicated to green finance, the GREENFIN label (formerly known as the "Energy and Ecological Transition for Climate" label)

In its construction, the portfolio focuses on investing in companies with significant revenues associated with the Energy and Ecological Transition (more than 10%, for a minimum of 75% of the portfolio's assets). The rest of the portfolio will be invested either in companies related to the theme but whose activities are not identified by the aforementioned naming conventions, or in companies that are considered to be best in their sector in terms of their ESG rating. The aim is to maintain sufficient diversification and good risk management of the portfolio.

Strong green intensity: more than 50% of turnover is generated by activities contributing directly or indirectly to « green growth ».

Moderate green intensity: between 10% and 50% of turnover activities directly or indirectly contributing to a « green growth ».

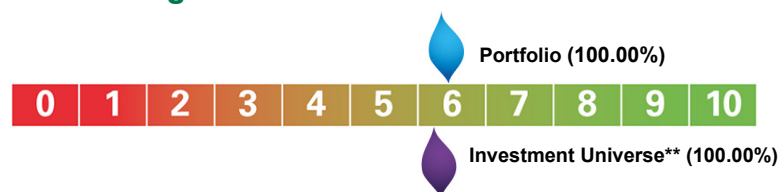


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ESG Rating



(Coverage rate of rated companies, expressed as a percentage of net assets)

	ESG Rating (1)				Coverage rate (1)
	ESG	E	S	G	
Portfolio	6.48	6.82	5.79	6.93	100.00%
Investment Universe (2)	6.23	7.01	5.30	6.44	100.00%

(1) Source : HSBC Global Asset Management (France)

(2) MSCI Europe IMI GDP weighted Net Return

Top holdings with the best ESG rating (3)

Holdings	Weight	E	S	G	ESG
ERG SPA	1.06%	9.50	8.00	5.70	8.29
ARCADIS NV	1.74%	10.00	6.00	7.50	7.90
AVIVA PLC	3.13%	9.80	6.90	7.30	7.89
GREENERGY RENOVABLES	1.92%	9.30	5.90	7.30	7.88
KONINKLIJKE KPN NV	3.94%	10.00	7.00	7.70	7.85

Top holdings with the worst ESG rating (3)

Holdings	Weight	E	S	G	ESG
MICHELIN (CGDE)	1.66%	4.40	5.40	7.10	5.24
FISCHER (GEORG)-REG	1.51%	5.10	4.00	6.90	5.31
UPM-KYMMENE OYJ	2.46%	6.10	2.90	8.60	5.32
SIEMENS AG-REG	1.00%	6.60	2.90	6.20	5.37
DEME GROUP	0.96%	4.40	6.00	6.20	5.42

(3) Scope of rated holdings.

Main Industry Sectors with the best ESG rating (2)

Industry Sector	Weight	E	S	G	ESG
Telecommunication Services	3.94%	10.00	7.00	7.70	7.85
Utilities	9.09%	9.00	6.53	6.33	7.72
Insurance	7.92%	8.50	6.75	7.20	7.41
Transportation	1.57%	8.50	5.00	7.50	7.15
Commercial & Professional Services	4.55%	10.00	4.15	7.40	7.14

Main Industry Sectors with the worst ESG rating (2)

Industry Sector	Weight	E	S	G	ESG
Automobiles & Components	1.66%	4.40	5.40	7.10	5.24
Retailing	2.68%	5.80	4.60	6.80	5.64
Materials	14.21%	5.70	4.58	7.48	5.81
Capital Goods	37.19%	5.82	5.44	6.72	5.97
Consumer Durables & Apparel	2.06%	4.40	7.60	8.10	6.10

We assign a rating: an Environmental Rating (E), a Social Rating (S), a Governance Rating (G), and finally an Overall Portfolio's Rating (ESG).

The scale of rating ranges from 0 to 10, 10 being the best rating.

The overall rating is calculated based on the weight of the pillars E, S and G inherent in each sector according to our internal rating process.

The overall portfolio's ESG rating is the weighted average of the ESG ratings by the weight of each rated stock of the portfolio. ESG rating of the investment universe is the weighted average ESG ratings by the weight of each rated stock of the investment universe.

For more details on the portfolio, the methodologies used and the ESG approach, please refer to the transparency code by clicking [here](#).



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Carbon Intensity

	Carbon Intensity (3)	Coverage rate (4)
Portfolio	63.9	100.00%
Investment Universe (2)	83.9	99.80%

(2) MSCI Europe IMI GDP weighted Net Return

(3) Carbon intensity expressed in tons of CO₂/USD M of turnover.

Source: TRUCOST, world leader in measuring companies' carbon footprint. Trucost is a supplier of extra-financial data related to environmental impacts and GHG emissions published by companies.

(4) Source : HSBC Global Asset Management (France). Coverage rate of companies with carbon intensity, expressed as a percentage of net assets.

Top holdings with lowest intensity carbon (5)

Holdings	Carbon Intensity	Weight
AVIVA PLC	0.6	3.13%
MUENCHENER RUECKVER AG-REG	1.1	4.79%
GREENERGY RENOVABLES	2.3	1.92%
CAPGEMINI SE	3.6	0.92%
ARCADIS NV	3.7	1.74%

Top holdings with highest intensity carbon (5)

Holdings	Carbon Intensity	Weight
NORSK HYDRO ASA	516.9	3.02%
UPM-KYMMENE OYJ	334.6	2.46%
DEME GROUP	207.9	0.96%
COMPAGNIE DE SAINT GOBAIN	196.8	5.52%
NOVONESIS (NOVOZYMES) B	140.2	2.73%

(5) Scope of covered holdings.

Main industry sectors with low carbon intensity (4)

Industry Sector	Carbon Intensity	Weight
Insurance	0.8	7.92%
Consumer Durables & Apparel	4.3	2.06%
Software & Services	6.5	7.74%
Commercial & Professional Services	9.2	4.55%
Utilities	19.7	9.09%

Main industry sectors with high carbon intensity (4)

Industry Sector	Carbon Intensity	Weight
Materials	199.1	14.21%
Automobiles & Components	105.3	1.66%
Capital Goods	51.3	37.19%
Retailing	31.5	2.68%
Semiconductors & Semiconductor Equipment	29.3	6.00%

The carbon intensity measures CO₂ emissions relative to the company's turnover and allows the comparison of issuers. Nevertheless, the carbon intensity does not reflect the dynamics of the energy transition strategies put in place by the companies. HSBC RIF - Europe Equity Green Transition may need to invest in companies that are carbon-intensive today but provide innovative technical solutions for the longer-term energy transition.

The Carbon Intensity corresponds to the volume of CO₂ emitted for 1 million dollars of turnover achieved. To calculate this intensity, we take into account not only the direct emissions related to the company's operations (Scope 1) but also those related to the supply of the necessary energy (Scope 2).

Company Carbon Intensity (tons of CO₂/USD M of turnover) = (Scope 1 + Scope 2) / USD M of turnover

Scope 1: Greenhouse gas emissions generated from burning fossil fuels and production processes which are owned or controlled by the company

Scope 2: Greenhouse gas emissions from consumption of energy by the company

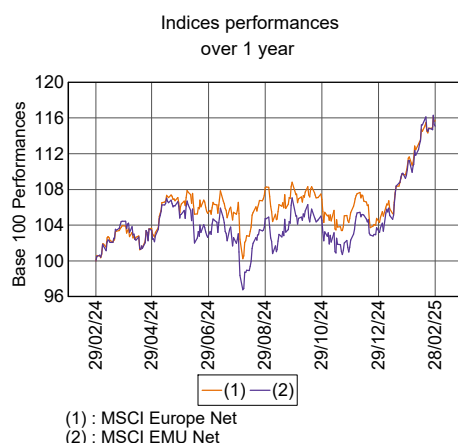
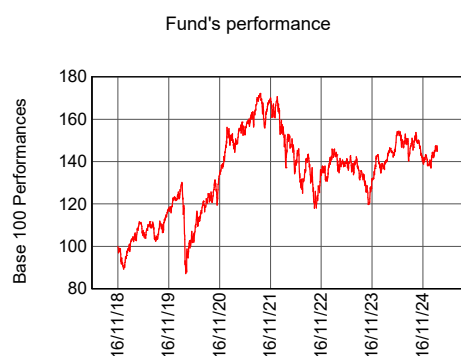
The overall carbon portfolio's intensity is the sum of the firm's carbon intensities multiplied by the amounts held in the portfolio divided by the sum of amounts held with carbon intensities. Carbon data is provided by **Trucost**, a leader in carbon and environmental risk and data analysis and a subsidiary of S&P Dow Jones Indices.



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Performance and risk analysis



Net Cumulated performance

	1 month	1 year	3 years	5 years	6 years 16/11/2018*
Portfolio	0.49%	3.28%	-5.01%	25.90%	39.52%
Benchmark**	3.98%	19.53%	40.17%	73.33%	77.87%

**for comparison only.

Indicators & ratios (weekly)

	1 year	3 years	5 years	16/11/2018*
Fund's volatility	12.83%	17.87%	19.59%	19.12%
Sharpe ratio	-0.03	-0.23	0.17	0.27

Net performance by calendar year

	2025	2024	2023	2022	2021	2020
Portfolio	4.49%	-3.12%	9.53%	-22.32%	14.76%	19.97%
Benchmark**	10.73%	11.68%	17.87%	-9.88%	23.34%	-3.32%

**for comparison only

	2019	2018
Portfolio	34.44%	-9.05%
Benchmark**	26.58%	-5.97%

**for comparison only

Net monthly performance by calendar year

	2025	2024	2023	2022	2021	2020
January	3.98%	-2.83%	7.87%	-6.93%	0.73%	0.20%
February	0.49%	0.86%	1.35%	-2.58%	-1.13%	-6.01%
March		3.97%	-0.98%	-1.25%	5.12%	-15.27%
April		-0.88%	-1.41%	-1.93%	1.08%	7.58%
May		5.68%	-2.63%	-2.68%	1.59%	5.00%
June		-4.16%	2.34%	-11.75%	1.51%	3.24%
July		3.01%	1.46%	11.24%	2.36%	2.26%
August		0.10%	-3.87%	-6.00%	4.01%	6.15%
September		0.73%	-3.59%	-9.28%	-6.16%	0.44%
October		-5.99%	-6.31%	5.74%	4.35%	-2.24%
November		-1.48%	9.40%	6.13%	-3.20%	13.85%
December		-1.56%	6.85%	-3.24%	4.19%	6.25%

The performance figures relate to the past performance which should not be seen as an indication of future returns. The capital invested in the fund can increase or decrease and is not guaranteed. Future returns will depend, inter alia, on market conditions, fund manager's skill, fund risk level and fees.

Fund Details

Total Asset

EUR 245,911,643.28

Net asset value

(AC)(EUR) 90.62 (AD)(EUR) 72.24

Legal Form

SICAV regulated under French law

Classification

Global Equities

Investment horizon

> 5 years

Benchmark for comparison only

100% MSCI Europe IMI GDP weighted N-Return

Dividend Policy

(AC): Accumulation Shares

(AD): Distribution Shares

*Start Date of Management

16/11/2018

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Analysis of the investment strategy

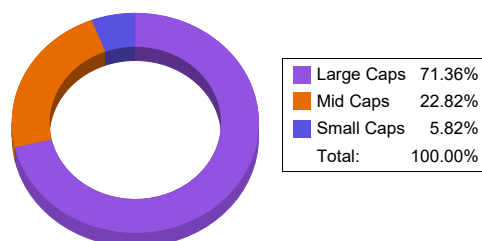
Main Lines	Portfolio
1 COMPAGNIE DE SAINT GOBAIN	5.52%
2 E.ON SE	5.09%
3 MUENCHENER RUECKVER AG-REG	4.79%
4 SAP SE	4.71%
5 SCHNEIDER ELECTRIC SE	4.37%
6 KONINKLIJKE KPN NV	3.94%
7 SIKA AG-REG	3.86%
8 KINGSPAN GROUP PLC	3.49%
9 ABB LTD-REG	3.37%
10 PRYSMIAN SPA	3.20%
Total	42.34%

Asset Type Allocation

Equities	98.62%
Cash	1.38%
Total	100.00%

In percentage of the Portfolio.

Market Cap Allocation



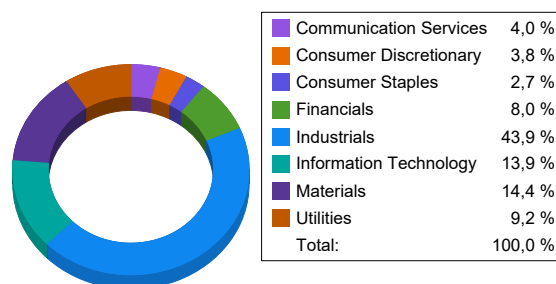
In percentage of the Equity Asset Class, except Mutual Funds, Derivative Products & cash

Micro Caps : < 250 millions in (EUR)
Small Caps : > 250 millions & < 2 billions in (EUR)
Mid Caps : > 2 billions & < 8 billions in (EUR)
Large Caps : > 8 billions in (EUR)

Main Equity Transactions - February 2025

Purchases	Amount (EUR)
ALSTOM 10216480	2 578 073
SIEMENS AG-REG 10121706	2 450 311
GETLINK SE 10218334	1 266 128
Sales	Amount (EUR)
VERBUND AG 10126626	-3 096 562
ABB LTD-REG 10243763	-2 564 307
ERG SPA 10219912	-1 560 349
VEOLIA ENVIRONNEMENT 10126742	-1 493 337
TOMRA SYSTEMS ASA 10301664	-1 296 422

Industry Sector Exposure



In percentage of the Equity Asset Class, Mutual Funds & Derivative Products included.

Regional Exposure

Region	Weight
France	23.27%
Germany	18.59%
Switzerland	12.07%
Netherlands	9.07%
United Kingdom	7.82%
Italy	6.69%
Spain	5.10%
Norway	4.91%
Belgium	3.69%
Ireland	3.54%
Denmark	2.77%
Finland	2.49%
Total	100.00%

In percentage of the Equity Asset Class, Mutual Funds & Derivative Products included.

Geographic Market Exposure

Market	Weight
Eurozone	72.43%
Europe ex Euro ex UK	19.75%
United Kingdom	7.82%
Total	100.00%

In percentage of the Equity Asset Class, Mutual Funds & Derivative Products included.

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Stock of the Month

CAPGEMINI

Capgemini, founded in 1967 by Serge Kampf, is a French multinational specializing in IT services and consulting. With a revenue of €22.1 billion in 2024 and over 340,000 employees in more than 50 countries, it is one of the global leaders in its sector.

Capgemini helps companies transition to low-carbon strategies. For example, it assisted a major industrial group in creating a roadmap to reduce CO2 emissions by 30% over five years, improving energy efficiency and integrating renewable energy sources.

The company develops software using eco-design principles. For instance, it created an optimized mobile application for an international bank, reducing server energy consumption by 25% and enhancing operational efficiency.

Capgemini supports clients in migrating to greener cloud solutions. It helped a retail company choose a cloud provider that relies on renewable energy, reducing the company's carbon footprint by 40%.

The company develops solutions for optimizing transport management. In collaboration with a municipality, it implemented an electric mobility management system, increasing public transport usage by 15% and reducing urban CO2 emissions.

The IT service provider works with local governments to develop smart cities. In Barcelona, it deployed an intelligent street lighting system, reducing energy consumption by 30% and significantly lowering the city's environmental footprint.

The company helps manufacturers transform their production processes. For an automobile manufacturer, Capgemini implemented an IoT-based solution that cut energy waste by 20%.

Capgemini develops digital solutions for financial institutions. It assisted a major European bank in integrating ESG criteria into its investment portfolios, enhancing transparency and climate impact assessments.

The company supports the agricultural sector in optimizing production chains. In collaboration with an agricultural cooperative, Capgemini deployed an IoT platform to improve resource management, reducing food waste by 10%.

Capgemini helps businesses incorporate circular economy principles. It worked with a French car manufacturer in designing new range of 100% electric city vehicles which are 50% recycled.

Capgemini aims to achieve carbon neutrality by 2040, reducing its entire value chain emissions by 90%. It has adopted energy-efficient offices, minimized business travel, and promoted remote work. The company also uses renewable energy for its IT infrastructure and invests in reforestation projects to offset emissions.

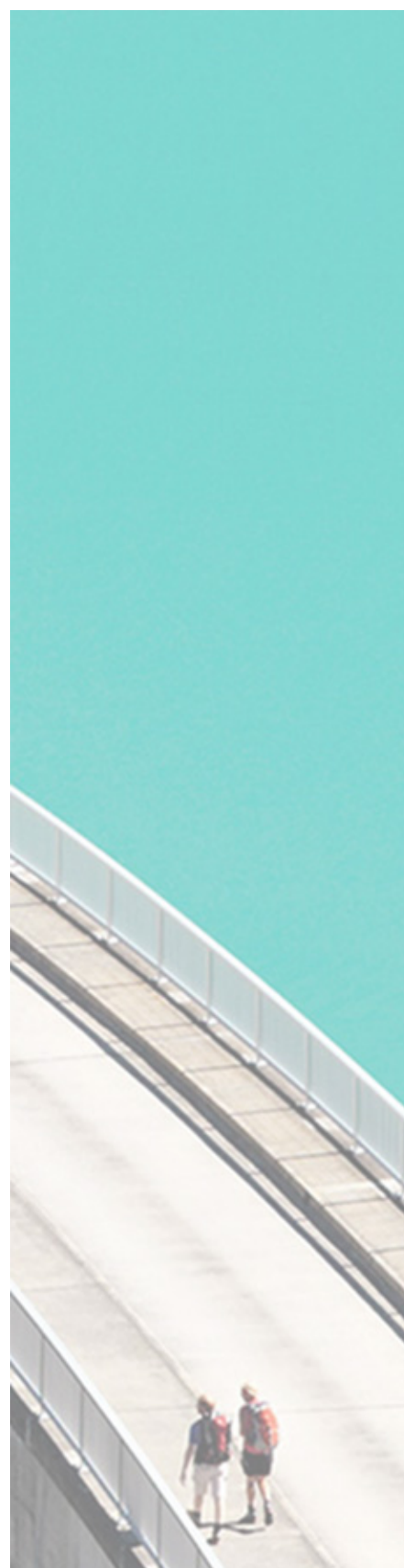


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Inventory of the Portfolio

	Carbon intensity	Rating ESG	Weight
Automobiles & Components			
MICHELIN (CGDE)	105.3	5.2	1.66%
			1.66%
Capital Goods			
ABB LTD-REG	22.0	7.1	3.37%
ALSTOM	13.1	6.0	1.05%
BELIMO HOLDING AG-REG	38.8	6.4	1.81%
BOUYGUES SA	39.6	5.6	1.83%
COMPAGNIE DE SAINT GOBAIN	196.8	5.7	5.52%
CONSTRUCC Y AUX DE FERROCARR	11.5	5.4	2.08%
DEME GROUP	207.9	5.4	0.96%
FISCHER (GEORG)-REG	76.7	5.3	1.51%
GENUIT GROUP PLC	60.7	5.9	1.74%
KINGSPAN GROUP PLC	26.7	6.1	3.49%
PRYSMIAN SPA	42.1	5.7	3.20%
REXEL SA	4.3	6.6	1.10%
SCHNEIDER ELECTRIC SE	12.9	7.1	4.37%
SIEMENS AG-REG	12.2	5.4	1.00%
TOMRA SYSTEMS ASA	19.9	5.7	1.82%
WEBUILD SPA	36.0	6.2	2.34%
			37.19%
Commercial & Professional Services			
ARCADIS NV	3.7	7.9	1.74%
SPIE SA	14.7	6.4	2.81%
TAYLOR WIMPEY PLC	4.3	6.1	2.06%
			6.61%
Consumer Discretionary Distrib			
D'IETEREN GROUP	31.5	5.6	2.68%
			2.68%
Insurance			
AVIVA PLC	0.6	7.9	3.13%
MUENCHENER RUECKVER AG-REG	1.1	6.9	4.79%
			7.92%
Materials			
CRODA INTERNATIONAL PLC	70.0	5.9	0.78%
DSM-FIRMENICH AG	105.2	5.4	1.35%
NORSK HYDRO ASA	516.9	5.7	3.02%
NOVONESIS (NOVOZYMES) B	140.2	6.6	2.73%
SIKA AG-REG	27.4	5.9	3.86%
UPM-KYMMENE OYJ	334.6	5.3	2.46%
			14.21%
Semiconductors & Equipment			
ASM INTERNATIONAL NV	12.4	5.7	1.58%
ASML HOLDING NV	6.8	7.4	1.68%
INFINEON TECHNOLOGIES AG	68.8	7.0	2.74%
			6.00%
Software & Services			
CAPGEMINI SE	3.6	5.5	0.92%
DASSAULT SYSTEMES SE	8.7	7.4	2.11%
SAP SE	7.2	6.9	4.71%
			7.74%
Telecommunication Services			
KONINKLIJKE KPN NV	27.6	7.8	3.94%
			3.94%
Transportation			
GETLINK SE	26.4	7.2	1.57%
			1.57%



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Utilities

E.ON SE	53.2	7.1	5.09%
EDP RENOVAVEIS SA	14.6	7.6	1.02%
ERG SPA	8.7	8.3	1.06%
GREENERGY RENOVABLES	2.3	7.9	1.92%

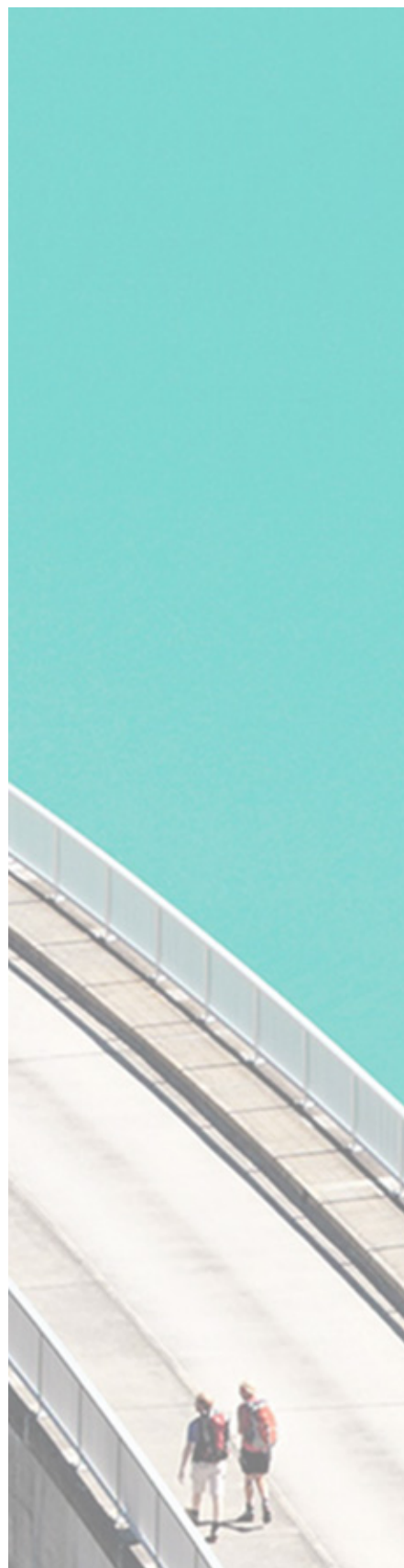
9.09%

Equities

98.62%

Cash

1.38%



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Fund Manager Commentary

Economic Environment

2025 started with European equities making gains in January and continued with a rise of more than 3% in February, while the US market declined, mainly due to technology stocks (Nasdaq down 2.8%). Increasing competition from China's low-cost artificial intelligence (AI) models, such as DeepSeek and Hunyuan Turbo S, is raising concerns about heavy investment by US companies and their potential profitability, while market expectations for 2025 are particularly high.

Europe is back in favour thanks to improvement in PMI indices, real wage growth, the expected rate cut and hopes of a truce in Ukraine, the elections in Germany and a possible Draghi plan. Corporate earnings and forecasts for 2025 were generally encouraging following the warnings in the third quarter. Donald Trump has once again taken centre stage in the news. In particular, he stoked fears on the markets by announcing the implementation of tariffs for China, Mexico and Canada, before postponing their application (for Mexico and Canada). He also reasserted his intention to impose tariffs on Europe. Meanwhile, he has amped up negotiations with Russia and Ukraine to end the war.

In addition, the markets have kept a close eye on the numerous investment announcements in Europe, mainly in AI (€109bn of investment announced by France). As far as defense is concerned, under pressure from Donald Trump to increase NATO members' defense spending, a number of countries have announced that they are to increase their budgets.

The German elections had a positive outcome for the markets. Firstly, the results came in close to the polls, and the risk of a clear victory for the far-right AFD party did not materialize. This should result in corporate tax cuts, potential increases in social security benefits, lower energy costs, and increased investment in (nuclear) power and defense.

The European markets made gains for the second month in a row, with the STOXX 600 up 3.27% and the EuroStoxx 50 up 3.34%. The trade war is weighing down US business sentiment. If all the White House's plans become reality, more than \$1,000 billion of imports will be exposed to the wrath of tariffs. This poses a clear risk to inflation and consumer sentiment, to the detriment of the US equity markets.

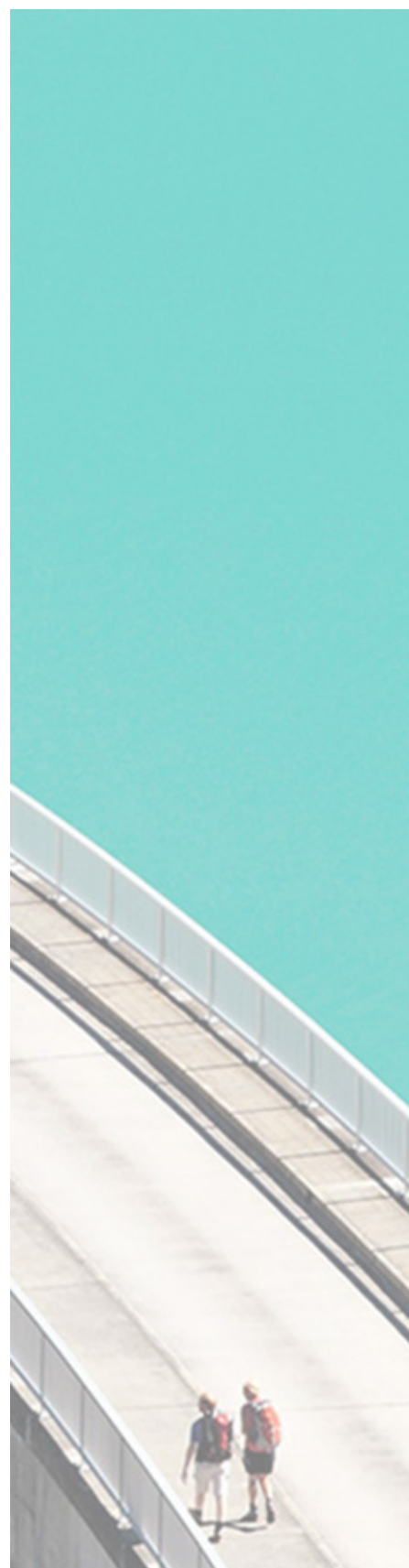
In terms of sectors, banks (up 13.3%) performed best in February, supported by strong earnings reports and statements from ECB member Fabio Panetta, who stressed the need for Europe to avoid excessive regulation. The telecoms sector (up 5.6%) benefited from its defensive profile. Meanwhile, the agri-food sector posted a solid performance (up 6.9%) and, of course, the defense sector, with significant gains for Rheinmetall (up 33.24%), Leonardo (up 27.43%) and Thales (up 22.77%).

Market Performance

Technology, media, travel and leisure, and business and professional services were down at the end of the month. Among the main M&A deals, Prosus is acquiring Just Eat Takeaway.com for €4.1bn and Saipem and Subsea 7 have announced their plan for a 50-50 merger.

Ireland and Spain were the top-performing countries thanks to the strong performance of banks. France is at the bottom of the pack with declines in technology stocks (Soitec, Sopra) and media stocks (Publicis).

In terms of style, value stocks and large caps outperformed, driven by the banking sector. The return of risk appetite has put low-beta quality stocks at a disadvantage and growth stocks have been affected by the downturn in the US technology sector. Finally, small cap indices have also been affected by sector rotation on account of their lower exposure to financial stocks.



HSBC RIF - EUROPE EQUITY GREEN TRANSITION

Monthly Report
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EUR Share Class A

Performance Attribution

After a very good month of January, the fund progressed more moderately. The month was marked by the confirmation of the outperformance of European stocks compared to American stocks, with large caps, particularly banks, outperforming the rest of the market.

The start of the annual results publications seems to show good resilience of corporate profitability with prospects, albeit cautious, but not marking a significant drop. The economic scenario remains an expected rebound in the second half of 2025, with the market attentive to all signs of recovery.

The best performance is delivered by diversification stocks, driven by insurance and reinsurance companies. They pass on the increase in reinsurance costs in their rates. The interest rate environment is favorable to them. Munich Re increased its dividend by 30% and announced a share buyback of €2 billion. Aviva beat operating profit expectations by 6%.

Despite the announcement of customs tariffs by the United States against Canada and Mexico, we have held up well in the transport/green mobility eco sector thanks to railway stocks, especially CAF, the Spanish manufacturer which recorded record orders, bringing the order book to €14.7 billion.

The renewable eco-sector has stopped penalizing the relative performance of the fund thanks to Eon. Indeed, the result of the German elections has allayed fears about a change in the remuneration of network operators. The increase in capex of €1 billion announced by Eon gives a positive indication of the increase in the return on investments.

On technology, the outlook communicated by Cap Gemini when publishing its results was clearly disappointing, anticipating a decline of around 1% in Q1 2025 and growth in 2025 of 0 to 3%. However, this was offset by the good performance of KPN, which had underperformed the sector and benefited from the good momentum of results from Deutsche Telekom or Telia.

As in January, performances within the green buildings eco-sector were very mixed. On the one hand, stocks exposed to data centers such as Schneider, Belimo or Prysmian have corrected sharply after the DeepSeek episode and Microsoft's announcement of a review of its investments.

On the other hand, the publications of building materials stocks have surprised positively, especially in terms of margins. This is particularly the case for Kingspan, whose has derated a lot from an EV/Ebitda of 16 times to 11 times at the trough or for St Gobain, which now considers its 11% margin as a floor. Management's outlooks are relatively optimistic and constructive.

Investment policy

We have carried out a certain number of arbitrages. We sold the balance of our position in Veolia which no longer meets our exclusion criteria on coal. We have also taken part of our profits on Tomra Systems which has benefited from the decision of Spain, Romania and Austria to switch to a system of collecting used bottles.

We have also reduced our exposure to utilities (Verbund, ERG) for several reasons: 1/ increase in interest rates, 2/ prospects of lower electricity prices, 3/ a downward revision of project volumes on renewables.

We have also started a position in Siemens to play the rebound of PMIs in the world and the rationalization of its assets.

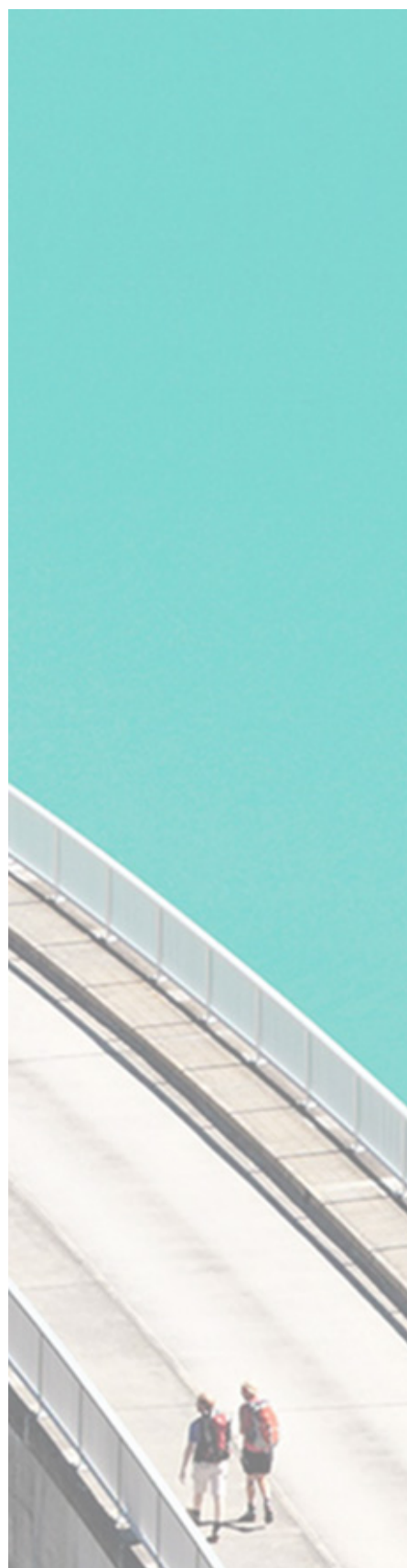
Outlook

The outlook for the energy transition theme benefits from the deployment of incentives plans on both sides of the Atlantic. We believe that the election of Donald Trump should not fundamentally call into question the mechanisms of the IRA, even if energy transition is not on his agenda. The market has lowered its expectations for 2025 and the European market is at a historical low valuation point and starts to recover.

Despite slowing macroeconomic growth in 2024, we are seeing some signs of recovery in construction or stabilization at a low point in industry. Demand for electrification is accelerating in order to replace networks that are at least 50 years old, and the construction of data centers is booming, which will have positive repercussions on electricity generation equipment.

The portfolio is constructed in such a way as to take advantage of the growth inherent in the development of so-called green activities that enable the transition to a low-carbon economy. The strategy favors quality values exposed to green growth, and at reasonable prices, by placing emphasis on players who take into account all sustainability criteria in a coherent manner in their strategy.

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Important Information

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Fund Details

Legal Form

SICAV regulated under French law

Classification

Global Equities

Investment horizon

> 5 years

Benchmark for comparison only

100% MSCI Europe IMI GDP weighted Net Return

Dividend Policy

(AC): Accumulation Shares

(AD): Distribution Shares

*Start Date of Management

16/11/2018

Base Currency

EUR

Valuation

Daily

Subscriptions & Redemptions

Thousandths of shares

Dealing / Payment Date

Daily - before 12:00 pm (Paris) / D+2

Initial Fee / Exit Fee

3.00% / Nil

Portfolio Management Company

HSBC Global Asset Management (France)

Custodian

Caceis Bank

Central Paying Agent

Caceis Bank

ISIN Code

(AC): FR0000982449

(AD): FR0000982456

Bloomberg Ticker

(AC): SINOFIC FP

(AD): SINOFID FP

Fees

Real internal management fees

1.50% inc. taxes

Maximum internal management fees

1.50% inc. taxes