

HSBC RIF EUROPE EQUITY GREEN TRANSITION

EUR Share Class A

Monthly Report

March 2024



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

HSBC RIF - EUROPE EQUITY GREEN TRANSITION

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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.lalabelisr.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>



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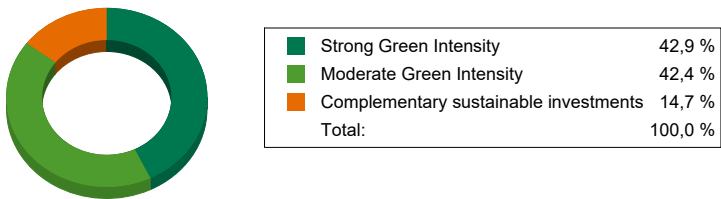
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Extra-financial data at 28/03/2024

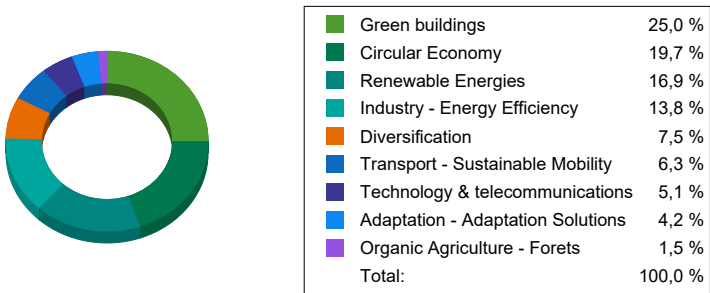
In line with our vision of climate issues and the will of HSBC Global Asset Management (France) to play its role in the Energy and Ecological Transition, the fund looks to invest in companies making efforts to decarbonise the economy. The portfolio does not target an immediate reduction in carbon footprint, 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*



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



*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 ».

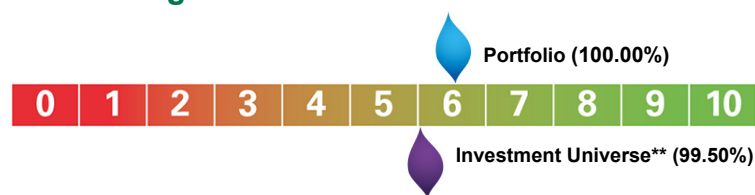


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ESG Rating



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

	ESG Rating (1)				Coverage rate (1)
	ESG	E	S	G	
Portfolio	6.55	6.98	5.90	6.99	100.00%
Investment Universe (2)	6.08	7.02	5.43	6.19	99.50%

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

(2) MSCI Europe GDP weighted

Top holdings with the best ESG rating (3)

Holdings	Weight	E	S	G	ESG
GREENERGY RENOVABLES	1.19%	9.30	6.20	7.80	7.92
KONINKLIJKE KPN NV	2.84%	10.00	7.50	7.70	7.83
DSM-FIRMENICH AG	1.63%	7.60	8.40	7.40	7.78
VERBUND AG	2.26%	9.20	5.90	7.30	7.64
AVIVA PLC	2.30%	10.00	6.30	7.40	7.59

Top holdings with the worst ESG rating (3)

Holdings	Weight	E	S	G	ESG
BUCHER INDUSTRIES AG-REG	1.51%	4.10	6.30	4.60	5.08
FISCHER (GEORG)-REG	1.66%	5.10	4.50	7.20	5.28
CAPGEMINI SE	2.18%	6.70	3.80	7.30	5.49
PRYSMIAN SPA	4.04%	4.20	5.90	6.80	5.49
NORSK HYDRO ASA	2.50%	4.30	6.60	6.30	5.59

(3) Scope of rated holdings.

Main Industry Sectors with the best ESG rating (2)

Industry Sector	Weight	E	S	G	ESG
Telecommunication Services	2.84%	10.00	7.50	7.70	7.83
Insurance	2.30%	10.00	6.30	7.40	7.59
Utilities	13.19%	8.30	6.27	6.55	7.17
Semiconductors & Semiconductor Equipment	5.57%	5.90	8.40	7.50	7.13
Commercial & Professional Services	7.44%	10.00	5.30	7.30	7.04

Main Industry Sectors with the worst ESG rating (2)

Industry Sector	Weight	E	S	G	ESG
Retailing	2.54%	6.00	5.40	6.30	5.79
Capital Goods	35.91%	5.91	5.67	6.71	6.12
Food & Staples Retailing	1.58%	6.70	5.00	6.40	6.13
Software & Services	4.71%	7.20	5.45	6.80	6.17
Automobiles & Components	3.66%	6.25	5.80	7.75	6.42

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	89.9	100.00%
Investment Universe (2)	96.9	98.90%

(2) MSCI Europe GDP weighted

(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
ENCAVIS AG	0.7	1.31%
AVIVA PLC	1.0	2.30%
CAPGEMINI SE	3.8	2.18%
GREENERGY RENOVABLES	3.9	1.19%
ARCADIS NV	4.3	2.60%

Top holdings with highest intensity carbon (5)

Holdings	Carbon Intensity	Weight
VEOLIA ENVIRONNEMENT	754.6	3.25%
NORSK HYDRO ASA	508.3	2.50%
UPM-KYMMENE OYJ	394.3	1.80%
COMPAGNIE DE SAINT GOBAIN	206.7	4.52%
STORA ENSO OYJ-R SHS	199.9	1.59%

(5) Scope of covered holdings.

Main industry sectors with low carbon intensity (4)

Industry Sector	Carbon Intensity	Weight
Insurance	1.0	2.30%
Software & Services	6.2	4.71%
Commercial & Professional Services	13.1	7.44%
Food & Staples Retailing	19.3	1.58%
Retailing	31.5	2.54%

Main industry sectors with high carbon intensity (4)

Industry Sector	Carbon Intensity	Weight
Materials	240.4	9.99%
Utilities	149.9	13.19%
Automobiles & Components	77.7	3.66%
Capital Goods	57.3	35.91%
Semiconductors & Semiconductor Equipment	47.8	5.57%

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

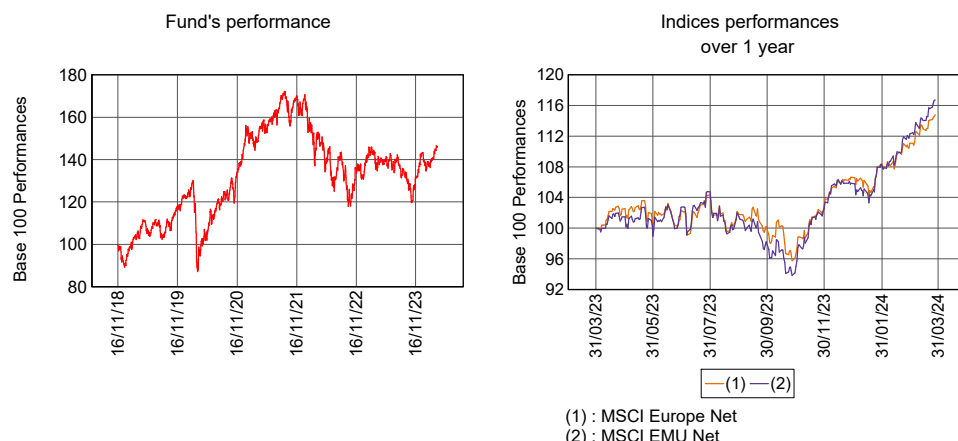
The overall carbon portfolio's intensity is the sum of the firm's carbon intensities multiplied by the amounts held in the portfolio divided by the sum of amounts held with carbon intensities. Carbon data is provided by **Trucost**, a leader in carbon and environmental risk and data analysis and a subsidiary 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	16/11/2018*
Portfolio	3.97%	3.11%	-4.98%	40.66%	45.93%
Benchmark**	4.77%	16.50%	31.08%	53.38%	63.43%

**for comparison only.

Indicators & ratios (weekly)

	1 year	3 years	5 years	16/11/2018*
Fund's volatility	16.14%	17.78%	20.20%	19.95%
Sharpe ratio	-0.04	-0.14	0.32	0.34

Net performance by calendar year

	2024	2023	2022	2021	2020	2019
Portfolio	1.90%	9.53%	-22.32%	14.76%	19.97%	34.44%
Benchmark**	8.40%	17.87%	-9.88%	23.34%	-3.32%	26.58%

**for comparison only

	2018
Portfolio	-9.05%
Benchmark**	-5.97%

**for comparison only

Net monthly performance by calendar year

	2024	2023	2022	2021	2020	2019
January	-2.83%	7.87%	-6.93%	0.73%	0.20%	8.43%
February	0.86%	1.35%	-2.58%	-1.13%	-6.01%	4.57%
March	3.97%	-0.98%	-1.25%	5.12%	-15.27%	0.61%
April		-1.41%	-1.93%	1.08%	7.58%	6.95%
May		-2.63%	-2.68%	1.59%	5.00%	-6.30%
June		2.34%	-11.75%	1.51%	3.24%	5.69%
July		1.46%	11.24%	2.36%	2.26%	-1.40%
August		-3.87%	-6.00%	4.01%	6.15%	-2.45%
September		-3.59%	-9.28%	-6.16%	0.44%	4.43%
October		-6.31%	5.74%	4.35%	-2.24%	3.14%
November		9.40%	6.13%	-3.20%	13.85%	3.46%
December		6.85%	-3.24%	4.19%	6.25%	3.80%

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 231 405 186.77

Net asset value
(AC)(EUR) 91.22 (AD)(EUR) 73.25

Legal Form
SICAV regulated under French law

Classification
Global Equities

Investment horizon
> 5 years

Benchmark for comparison only
100% MSCI Europe GDP weighted (EUR)

NR

Dividend Policy
(AC): Accumulation Shares
(AD): Distribution Shares

***Start Date of Management**
16/11/2018

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Tax on Stock Exchange transactions

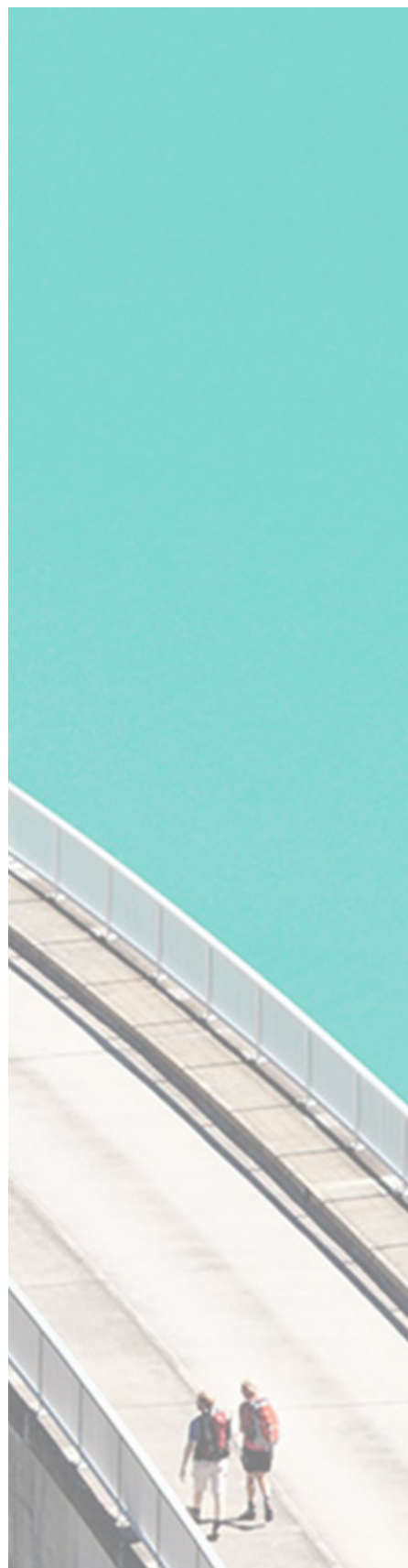
This tax ("taxe sur les opérations de bourse" or "TOB") is due by Belgian resident taxpayers on redemptions and conversions (i.e. share/unit classes switch) related to capitalisation shares of investment companies (i.e. funds with legal personality such as SICAVs) that are registered with the FSMA. In such cases, the applicable TOB rate is 1,32% (with a maximum amount of EUR 4,000 per transaction).

The TOB is also due on secondary market transactions (i.e. purchases and sales) of distributing and capitalising shares and units of ETFs and trackers established as investment companies or on a contractual funds. In these cases, the TOB may be due at the rate of 0.12% (cap: EUR 1,300), 0.35% (cap: EUR 1,600) or 1.32% (cap: EUR 4,000) depending on the features of the Fund.

Belgian savings tax

Individual investors will be subject to 30% withholding tax on the distribution of dividends (distribution share) and / or the capital gain generated on the sale shares (capitalization share and / or distribution) of the Fund :

- having more than 25% of receivables in the portfolio for the shares acquired before January 1st, 2018
- having more than 10% of receivables in the portfolio if the units have been acquired from January 1st, 2018.



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Analysis of the investment strategy

Main Lines	Portfolio
1 COMPAGNIE DE SAINT GOBAIN	4.52%
2 SCHNEIDER ELECTRIC SE	4.20%
3 PRYSMIAN SPA	4.04%
4 SIKA AG-REG	3.74%
5 SPIE SA	3.68%
6 MUENCHENER RUECKVER AG-REG	3.52%
7 ABB LTD-REG	3.47%
8 VEOLIA ENVIRONNEMENT	3.25%
9 E.ON SE	3.05%
10 BOUYGUES SA	2.85%
Total	36.31%
Total number of equity holdings: 42	

Asset Type Allocation

Equities	98.95%
Cash	1.05%
Total	100.00%

In percentage of the Portfolio.

Held Derivative Products

The portfolio does not hold derivative products

Market Cap Allocation

	Median	Average	Weight
Large Caps	26 699	56 850	74.84%
Mid Caps	5 439	5 394	20.80%
Small Caps	890	926	4.36%
Total	14 009	43 710	100 %

In percentage of the Portfolio, 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 - March 2024

Purchases	Amount (EUR)
E.ON SE	2 289 640
Sales	Amount (EUR)
ENCAVIS AG	-626 176
SCHNEIDER ELECTRIC SE	-883 367
ACCIONA SA	-2 448 591

Industry Sector Exposure	Weight
Industrials	45.81%
Information Technology	10.39%
Materials	13.88%
Utilities	13.33%
Financials	5.87%
Consumer Staples	4.17%
Consumer Discretionary	3.69%
Communication Services	2.87%
Total	100.00%

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

Regional Exposure	Weight
France	34.00%
Switzerland	17.17%
Netherlands	8.31%
Germany	7.96%
United Kingdom	5.21%
Italy	4.08%
Norway	3.72%
Finland	3.42%
Spain	3.36%
Ireland	2.77%
Denmark	2.77%
Belgium	2.57%
Austria	2.28%
Luxemburg	1.19%
Other	1.18%
Total	100.00%

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

Geographic Market Exposure	Weight
Eurozone	69.95%
Europe ex Euro ex UK	24.84%
United Kingdom	5.21%
Total	100.00%

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

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Stock of the Month

EON

E.ON is one of Europe's largest operators of energy networks, supplying energy to ~47 million customers. Its network is responsible for transporting more than 15% of all renewables in Europe to its end users.

E.ON helped to avoid 100mn tonnes of CO₂ each year by connecting renewable assets to its grid compared to the average CO₂ levels emitted by non-renewable generation.

As energy sources become more decentralized and electricity demand rises, the grid also needs to grow substantially. To facilitate this growth, the International Energy Agency forecasts that the world's power transmission and distribution grids need to expand by 39% from 22 million kilometers in 2021 to 31 million kilometers by 2050.

Policymakers in Europe are increasingly supporting grid investments as highlighted by the Grid Action Plan that was announced by the EU Commission late in 2023, which put grid expansion at the top of the energy transition agenda.

These tailwinds are translating into increased investment opportunities for E.ON. Most recently, the company raised its 5-year investment plan over 2024-28 to EUR42bn, which is a doubling of the 5-year plan set out in 2021.

Regulators are also incentivising grid investments by increasing the allowed returns that grid operators earn on their investments – E.ON's new investments are able to earn a 2% higher return than existing assets.

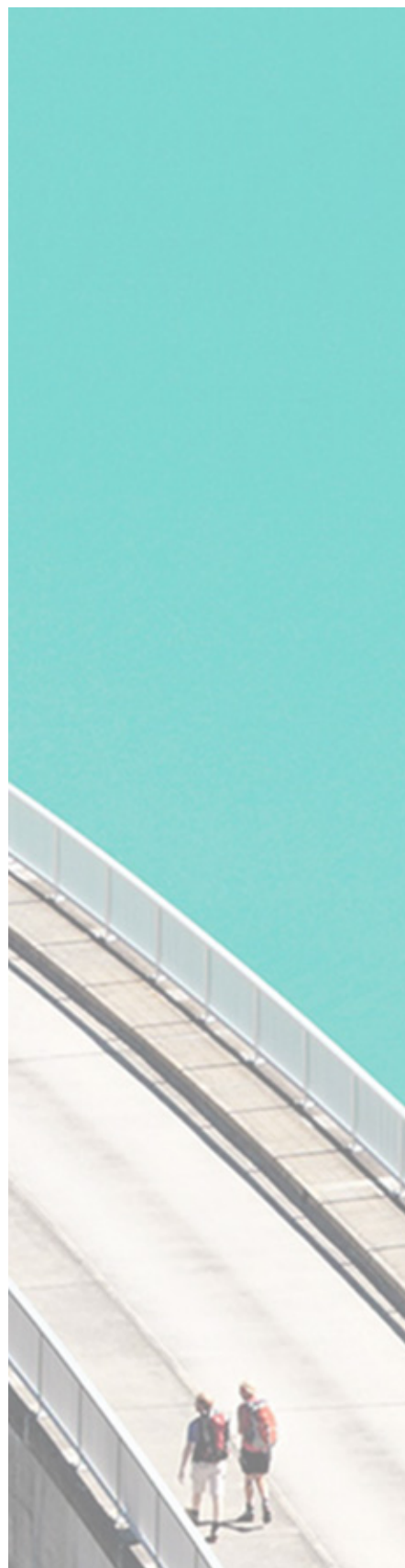
The energy transition will also lead to an increasingly complex grid driven by more intermittent and decentralized renewable energy. These challenges can be addressed by the use of software and sensor technology to monitor, measure and regulate energy flows so that the grid remains stable.

E.ON is a key enabler of the smart grid by upgrading over 15,000 smart secondary substations and installing over 13.8 million smart meters.

Beyond connecting wind and solar energy to the grid, E.ON also plays a role in electrifying transportation and heating and cooling of buildings. In Germany, there is a target to have 15 million EVs by 2030. E.ON aims to become one of Europe's leading operators of charging infrastructure. In 2023, E.ON sold 23,923 EV charging points to residential and business customers.

The heat transition will alter the role of gas networks. E.ON is working on plans to make its gas network hydrogen ready which will help pave the way towards a climate-neutral gas network.

E.ON aims to reach scope 1 and 2 carbon neutrality by 2030 and scope 3 carbon neutrality by 2050. These ambitions are with Paris-aligned goals of 1.5C warming above preindustrial levels and have been rigorously validated by the Science-Based Targets Initiative.

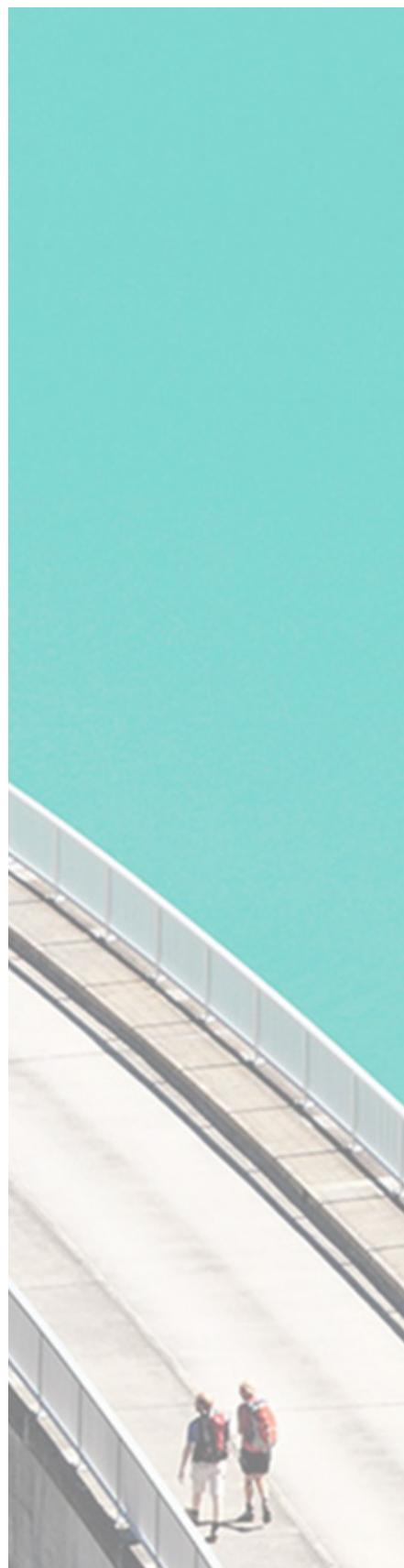


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Inventory of the Portfolio

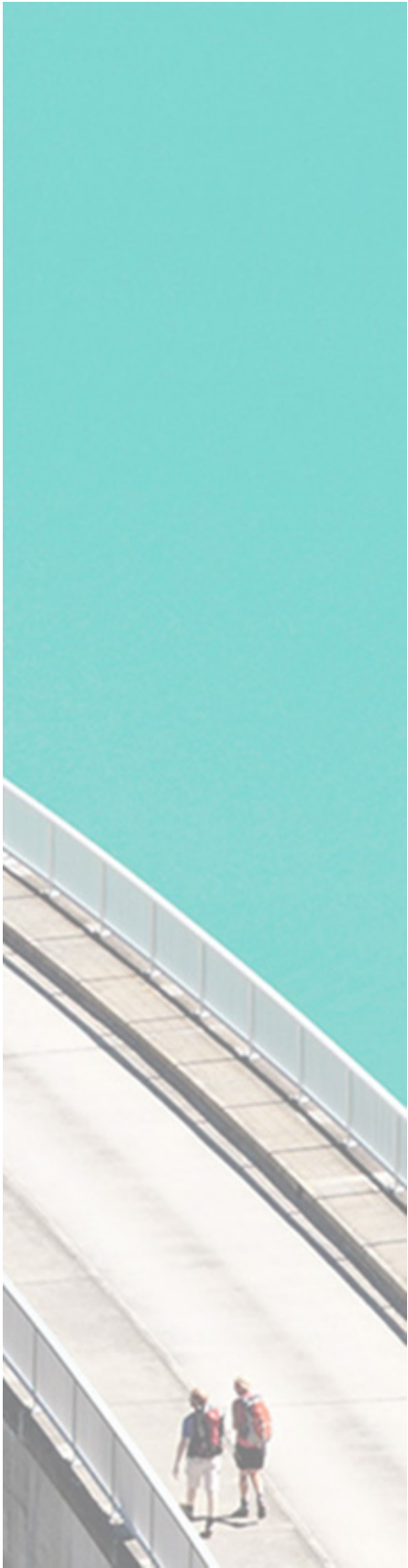
	Carbon intensity	Rating ESG	Weight
Automobiles & Components			
MICHELIN (CGDE)	110.0	6.4	2.15%
VALEO	45.4	6.5	1.51%
			3.66%
Capital Goods			
ABB LTD-REG	15.7	6.7	3.47%
BELIMO HOLDING AG-REG	40.7	6.3	2.21%
BOUYGUES SA	41.2	5.8	2.85%
BUCHER INDUSTRIES AG-REG	27.0	5.1	1.51%
COMPAGNIE DE SAINT GOBAIN	206.7	5.8	4.52%
FISCHER (GEORG)-REG	83.1	5.3	1.66%
GENUIT GROUP PLC	44.1	5.9	1.56%
KINGSPAN GROUP PLC	49.1	6.2	2.74%
MERSEN	196.0	5.8	1.56%
PRYSMIAN SPA	47.5	5.5	4.04%
REXEL SA	5.6	7.0	1.66%
SCHNEIDER ELECTRIC SE	14.3	7.4	4.20%
TOMRA SYSTEMS ASA	20.9	6.3	1.18%
VESTAS WIND SYSTEMS A/S	10.3	6.5	2.74%
			35.91%
Commercial & Professional Services			
ARCADIS NV	4.3	7.4	2.60%
BRAVIDA HOLDING AB	18.4	7.5	1.17%
SPIE SA	16.5	6.2	3.68%
			7.44%
Consumer Discretionary Distrib			
D'IETEREN GROUP	31.5	5.8	2.54%
			2.54%
Consumer Staples Distribution			
CARREFOUR SA	19.3	6.1	1.58%
			1.58%
Insurance			
AVIVA PLC	1.0	7.6	2.30%
MUENCHENER RUECKVER AG-REG			3.52%
			5.81%
Materials			
APERAM	123.2	5.8	1.18%
CRODA INTERNATIONAL PLC	69.3	6.9	1.29%
DSM-FIRMENICH AG	147.7	7.8	1.63%
NORSK HYDRO ASA	508.3	5.6	2.50%
SIKA AG-REG			3.74%
STORA ENSO OYJ-R SHS	199.9	7.0	1.59%
UPM-KYMMENE OYJ	394.3	6.7	1.80%
			13.73%
Semiconductors & Equipment			
ASML HOLDING NV	9.9	7.5	2.79%
STMICROELECTRONICS NV	85.6	6.7	2.78%
			5.57%
Software & Services			
CAPGEMINI SE	3.8	5.5	2.18%
DASSAULT SYSTEMES SE	8.7	6.8	2.52%
			4.71%
Telecommunication Services			
KONINKLIJKE KPN NV	39.0	7.8	2.84%
			2.84%
Transportation			
GETLINK SE	41.1	6.8	1.98%
			1.98%



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Utilities			
E.ON SE	51.2	6.8	3.05%
EDP RENOVAVEIS SA	14.4	7.0	2.13%
ENCAVIS AG	0.7	7.3	1.31%
GREENERGY RENOVABLES	3.9	7.9	1.19%
VEOLIA ENVIRONNEMENT	754.6	6.4	3.25%
VERBUND AG	74.9	7.6	2.26%
			13.19%
Equities			98.95%
Cash			1.05%



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Fund Manager Commentary

Economic Environment

Stock markets continued to rally in March, with the Stoxx Europe 600 index rising +4.0% and the S&P500 up +3.1% (net total return, in EUR). During the quarter, the performances posted by market indices - with many beating their all-time records - reflected the steady bullish trend. The MSCI World index rose +8.85% during the quarter, despite a few regional disparities.

Investors continued to favour a "soft landing" macroeconomic scenario. They are betting on a gradual inflation retreat, economic growth, a resilient labour market, and corporate earnings growth. The most recent statistics seem to confirm this scenario although some risks persist, including geopolitical risk and fiscal tensions.

Emerging countries delivered positive performances, up by an overall +2.2% during the month (MSCI Emerging Markets index). Performance dispersion across different regions was lower in March. The Chinese economy benefited from the new lunar year in February, against a persistently sluggish economic backdrop as the property crisis drags on. The Indian economy, on the other hand, has continued to expand at a fast pace, supported by infrastructure spending and investment.

During the month, short-term sovereign rates remained broadly stable. European and American central bank policy makers issued statements suggesting potential rate cuts towards the middle of the year. The erratic drop in inflation, which is retreating towards its 2% target, explains this prudence. Consequently, in the US, the core consumer price index was up +3.8% in February year-over-year, down from +3.9% in January, but up +0.4% month-over-month compared to +0.3%.

Long-term US sovereign rates rose slightly as the slowdown in inflation lost some momentum. Labour market statistics pointed to the resilience of the US economy. The job market remained dynamic, though the unemployment rate came in at 3.9%, versus 3.7% a month ago. The number of job vacancies is still high. In Europe, long-term rates were rather stable as data releases did not surprise the market.

Leading indicators provided by purchasing manager surveys - PMIs - still indicate a dichotomy between the manufacturing and services sectors. In Europe, the manufacturing PMI came in at 45.7, below the 50-threshold implying a recession. Conversely, the PMI services index rose from 50.2 to 51.1, still in expansion territory. This gap between these indicators of economic activity can also be observed in the United States.

Few changes are to be noted on the geopolitical front. The war in Ukraine and the Israeli-Palestinian conflict are dragging on, while the disruptions in the Red Sea continue.

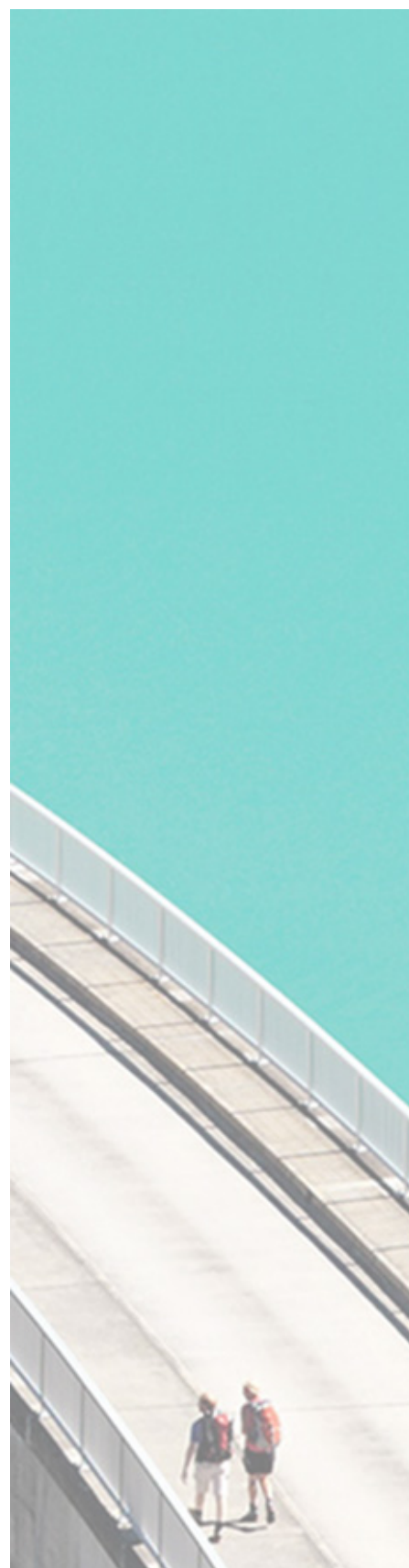
Market Performance

During the month, the MSCI Europe index rose +3.9% in euros (net total return, in EUR) while the MSCI EMU gained +4.5%. The MSCI Europe index was driven by the strong performances posted by the durable consumer goods (retail sales up +12.4%) and banking (+10.5%) sectors. In contrast, the commercial and professional services and luxury sectors (+0.2% and -0.9% respectively) both underperformed.

Value stocks outperformed in March, led by banks. The latter benefited from their relative undervaluation against a backdrop of favorable interest rates for the sector, while credit risk remains contained. Conversely, several quality growth stocks suffered from a slowdown due to the Chinese market.

Turning to individual stocks, Téléperformance tumbled -21.4% during the month on concerns over the development and use of artificial intelligence within the industry, which would weigh on the company's revenue. Vallourec stocks rallied +22.6% over the period after ArcelorMittal acquired Apollo's 28.4% stakes in Vallourec capital.

WTI oil prices rose +6.3% in March to around USD 84 per barrel following supply restrictions and growing demand. The Organization of the Petroleum Exporting Countries (OPEC) had indeed decided to cut production at the end of last year in order to increase the price per barrel. Russia has also reduced its production volumes. Gas prices rose +11.1% to €28/MWh and are now down -6.4% year-to-date.



HSBC RIF - EUROPE EQUITY GREEN TRANSITION

Monthly Report
28 March 2024
EUR Share Class A

Performance Attribution

Our energy transition strategy continued to post positive returns. Companies operating within the Green Building, Renewable Energy and Circular Economy eco-sectors delivered the strongest contributions, while the IT sector detracted from performance.

The Renewable Energy sector is now recovering after a sharp decline in the first two months of the year. The main factor was the rebound in gas prices, which supported electricity prices. Industrials also rose on the back of positive news flow within the sector (KKR's takeover of Encavis, E.ON investment plan).

SPIE boosted the Green Building segment after publishing strong annual earnings, including organic growth of 8.4% in 2023, exceeding its objective by 1.4%. Investors also appreciated the company's margin growth, a record level of free cash flow including cash conversion well above 100%, and its confident message on growth in 2024.

The strong earnings reported by Belimo and Sika also buoyed investor sentiment regarding the construction industry, with 2024 guidance indicating an uptick in demand.

The circular economy segment remained on a strong momentum, supported by Tomra Systems, which manufactures machines for sorting and collecting waste. Tomra's stock price rose on positive news for the industry. Indeed, the European council and parliament have signed a provisional agreement approving the separate collection of 90% of packaging materials by 2029. The commodity price rebound, notably for pulp and aluminium, supported the stock prices of Stora Enso and Norsk Hydro.

The technology sector suffered as Capgemini tumbled after its American counterpart Accenture reported slightly disappointing earnings. The US consulting firm cut its 2024 growth target by 1-2% as clients continue to pull back their spending on digital services.

The market reaction to Capgemini may seem excessive. The messages issued by both companies concur but are blurred by the fact that Accenture publishes its earnings according to a different calendar. Capgemini also expects activity to remain subdued in the first months of the year, with a re-acceleration from the second quarter which also marks the end the FY for its peer, Accenture.

Investment policy

Looking at portfolio activity, we took some profits on Encavis after the stock rose in the wake of KKR's takeover announcement. We also trimmed our exposure to Schneider ahead of its quarterly earnings publication and after a strong run for the stock year-to-date.

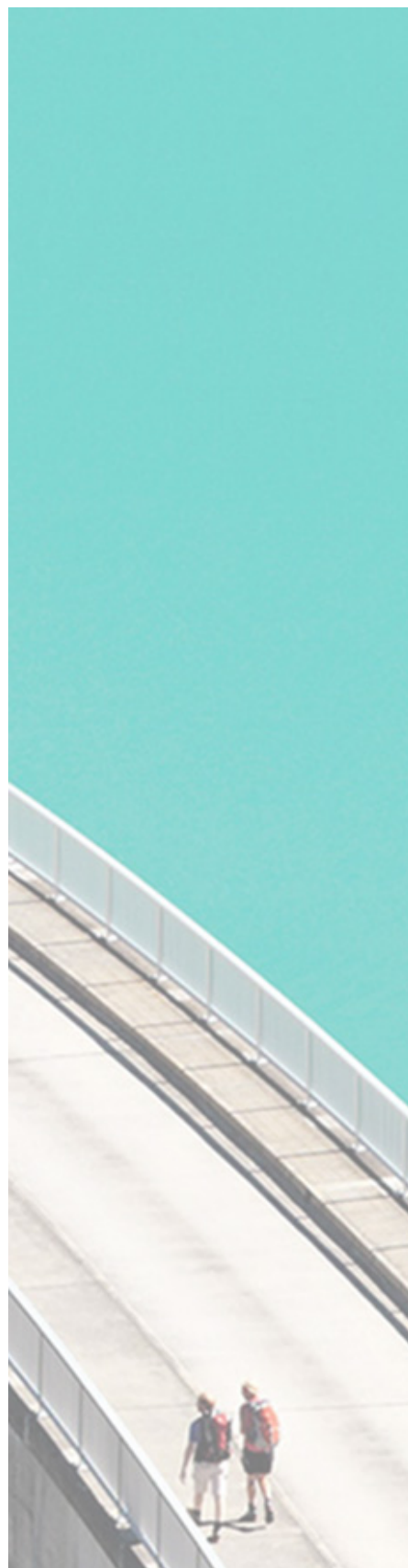
Outlook

The outlook for the energy transition investment theme is helped by the deployment of support schemes on both sides of the Atlantic. The rate cuts expected to begin in 2024, the resolution of disruptions to supply chains, and the recent fall in raw materials costs should be positive for the companies in our strategy.

Despite forecasts of a macroeconomic slowdown in 2024, we are seeing some signals of recovery in semiconductors, inputs, paper, and in residential construction - before the rate cut cycle has even begun.

The portfolio is designed to tap into the growth inherent in the development of green businesses that promote the transition towards a low-carbon economy. The strategy overweights quality stocks offering green growth exposure at a reasonable price, by focusing on companies that consistently integrate all sustainability criteria into their strategy.

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HSBC RIF - EUROPE EQUITY GREEN TRANSITION

Performance Contribution

The 5 best contributions to absolute performance

Stock	Weight	Performance	Contribution
ENCAVIS AG 10168220	1,25%	56,35%	0,56%
SPIE SA 10218524	3,57%	13,13%	0,44%
D'IETEREN GROUP 10227394	2,42%	15,51%	0,35%
AVIVA PLC 10126677	2,21%	11,34%	0,24%
PRYSMIAN SPA 10219956	4,00%	5,08%	0,20%
Total	13,45%		1,79%

The 5 worst contributions to absolute performance

Stock	Weight	Performance	Contribution
DASSAULT SYSTEMES SE 10224607	2,59%	-4,97%	-0,14%
STMICROELECTRONICS NV 10219550	2,92%	-4,22%	-0,12%
CAPGEMINI SE 10127147	2,28%	-5,07%	-0,12%
GREENERGY RENOVABLES 10372911	1,20%	-2,09%	-0,03%
UPM-KYMMENE OYJ 10218011	1,78%	-0,19%	0,00%
Total	10,76%		-0,41%

HSBC RIF - EUROPE EQUITY GREEN TRANSITION

Monthly Report
28 March 2024
EUR Share Class A

Important Information

Indices

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HSBC Asset Management

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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 GDP weighted (EUR) NR

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