

HSBC RIF EUROPE EQUITY GREEN TRANSITION

EUR Share Class I

Monthly Report

October 2023



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

Monthly Report
31 October 2023
EUR Share Class I

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>



HSBC RIF - EUROPE EQUITY GREEN TRANSITION

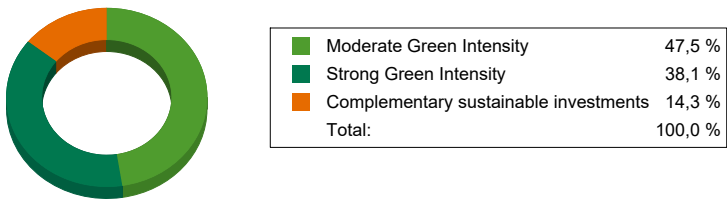
Monthly Report
31 October 2023
EUR Share Class I

Extra-financial data at 31/10/2023

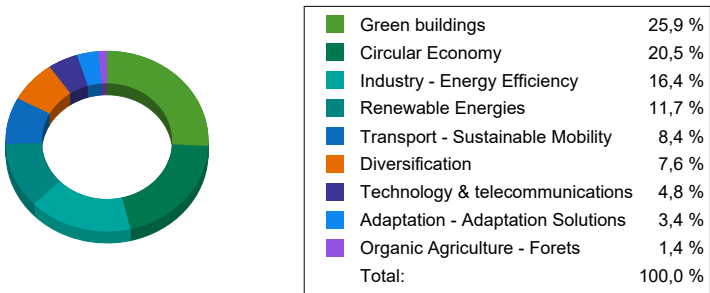
In line with our vision of climate issues and the will of HSBC Global Asset Management (France) to play its role in the Energy and Ecological Transition, the fund looks to invest in companies making efforts to decarbonise the economy. The portfolio does not target an immediate reduction in carbon footprint,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

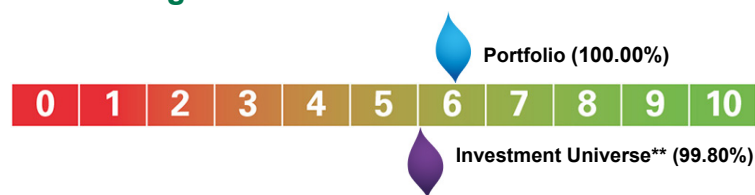


HSBC RIF - EUROPE EQUITY GREEN TRANSITION

Monthly Report
31 October 2023
EUR Share Class I

Extra-financial data at 31/10/2023

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	6.51	7.00	5.75	6.91	100.00%
Investment Universe (2)	6.08	6.94	5.47	6.20	99.80%

(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	1.01%	9.30	6.20	7.80	7.92
KPN NV-KONINKLIJKE	3.05%	10.00	7.50	7.70	7.83
BRAVIDA HOLDING AB	0.99%	10.00	7.10	7.40	7.80
DSM-FIRMENICH AG	1.55%	7.60	8.40	7.40	7.78
VERBUND AG CL A	3.20%	9.20	5.90	7.30	7.64

Top holdings with the worst ESG rating (3)

Holdings	Weight	E	S	G	ESG
BUCHER INDUSTRIES AG	1.44%	4.10	6.30	4.60	5.08
GEORG FISCHER SA	1.38%	5.10	4.50	7.20	5.28
CAPGEMINI	1.68%	6.70	3.80	7.10	5.41
SPIE SA	2.77%	10.00	2.30	6.40	5.48
PRYSMIAN SPA	3.45%	4.20	5.90	6.80	5.49

(3) Scope of rated holdings.

Main Industry Sectors with the best ESG rating (2)

Industry Sector	Weight	E	S	G	ESG
Telecommunication Services	3.05%	10.00	7.50	7.70	7.83
Insurance	5.58%	8.35	6.70	7.25	7.31
Semiconductors & Semiconductor Equipment	5.54%	5.95	8.25	7.35	7.06
Utilities	14.93%	8.13	5.57	6.67	6.92
Commercial & Professional Services	6.47%	10.00	5.03	7.17	6.88

Main Industry Sectors with the worst ESG rating (2)

Industry Sector	Weight	E	S	G	ESG
Retailing	2.03%	5.10	6.30	6.20	6.03
Food & Staples Retailing	1.93%	6.70	5.00	6.30	6.11
Software & Services	4.49%	7.20	5.45	6.70	6.13
Capital Goods	34.23%	6.06	5.62	6.59	6.13
Automobiles & Components	3.88%	6.40	5.55	7.70	6.41

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](#).



HSBC RIF - EUROPE EQUITY GREEN TRANSITION

Monthly Report
31 October 2023
EUR Share Class I

Carbon Intensity

	Carbon Intensity (3)	Coverage rate (4)
Portfolio	108.2	100.00%
Investment Universe (2)	127.3	99.30%

(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	0.9	1.34%
AVIVA PLC	1.0	2.11%
MUENCHENER RUECK- NOMINATIF	1.3	3.47%
GREENERGY RENOVABLES	3.0	1.01%
CAPGEMINI	4.6	1.68%

Top holdings with highest intensity carbon (5)

Holdings	Carbon Intensity	Weight
VEOLIA ENVIRONNEMENT	910.0	3.01%
NORSK HYDRO AS	649.9	3.12%
UPM-KYMMENE OYJ	445.9	2.17%
STORA ENSO OYJ - R (EURO)	236.3	1.63%
APERAM	207.0	1.23%

(5) Scope of covered holdings.

Main industry sectors with low carbon intensity (4)

Industry Sector	Carbon Intensity	Weight
Insurance	1.2	5.58%
Software & Services	7.5	4.49%
Commercial & Professional Services	14.5	6.47%
Food & Staples Retailing	16.5	1.93%
Retailing	31.5	2.03%

Main industry sectors with high carbon intensity (4)

Industry Sector	Carbon Intensity	Weight
Materials	257.0	14.88%
Utilities	169.4	14.93%
Automobiles & Components	82.3	3.88%
Transportation	67.8	2.21%
Semiconductors & Semiconductor Equipment	54.0	5.54%

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

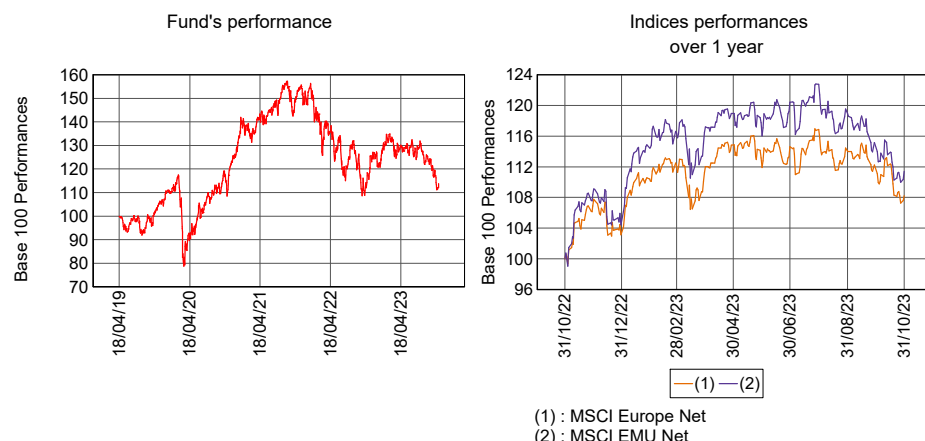
The overall carbon portfolio's intensity is the sum of the firm's carbon intensities multiplied by the amounts held in the portfolio divided by the sum of amounts held with carbon intensities. Carbon data is provided by **Trucost**, a leader in carbon and environmental risk and data analysis and a subsidiary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



HSBC RIF - EUROPE EQUITY GREEN TRANSITION

Monthly Report
31 October 2023
EUR Share Class I

Performance and risk analysis



Net Cumulated performance

	1 month	1 year	2 years	3 years	18/04/2019*
Portfolio	-6.25%	-3.03%	-25.47%	3.43%	13.81%
Benchmark**	-3.40%	11.11%	-1.89%	38.61%	24.21%

**for comparison only.

Indicators & ratios (weekly)

	1 year	2 years	3 years	18/04/2019*
Fund's volatility	14.34%	17.00%	16.19%	19.72%
Sharpe ratio	-0.47	-0.86	0.06	0.13

Net performance by calendar year

	2023	2022	2021	2020	2019
Portfolio	-5.70%	-21.73%	15.69%	20.94%	10.21%
Benchmark**	6.90%	-9.88%	23.34%	-3.32%	8.12%

**for comparison only

Net monthly performance by calendar year

	2023	2022	2021	2020	2019
January	7.93%	-6.86%	0.84%	0.27%	
February	1.42%	-2.53%	-1.07%	-5.94%	
March	-0.91%	-1.18%	5.20%	-15.20%	
April	-1.36%	-1.86%	1.14%	7.63%	-0.50%
May	-2.55%	-2.62%	1.65%	5.06%	-6.24%
June	2.41%	-11.69%	1.59%	3.31%	5.74%
July	1.52%	11.31%	2.42%	2.34%	-1.33%
August	-3.80%	-5.94%	4.08%	6.21%	-2.38%
September	-3.52%	-9.22%	-6.10%	0.51%	4.50%
October	-6.25%	5.80%	4.41%	-2.19%	3.23%
November	6.20%	-3.13%	13.93%	3.51%	
December	-3.18%	4.25%	6.32%	3.87%	

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 210 487 937.79
Net asset value
(IC)(EUR) 11 447.28
Legal Form
SICAV regulated under French law
Classification
Global Equities
Investment horizon
> 5 years
Benchmark for comparison only
Dividend Policy
(IC): Accumulation Shares
(ID): Distribution Shares
***Start Date of Management**
18/04/2019

HSBC RIF - EUROPE EQUITY GREEN TRANSITION

Monthly Report
31 October 2023
EUR Share Class I

Analysis of the investment strategy

Main Lines	Portfolio
1 SAINT-GOBAIN	4.27%
2 SIKA AG-REG	3.86%
3 SCHNEIDER ELECTRIC SE	3.71%
4 STMICROELECTRONICS (Paris)	3.47%
5 MUENCHENER RUECK- NOMINATIF	3.47%
6 PRYSMIAN SPA	3.45%
7 ABB LTD (CHF)	3.27%
8 VERBUND AG CL A	3.20%
9 NORSK HYDRO AS	3.12%
10 KPN NV-KONINKLIJKE	3.05%
Total	34.87%

Total number of equity holdings: 45

Asset Type Allocation

Equities	99.23%
Cash	0.77%
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	17 718	32 116	72.00%
Mid Caps	4 872	4 903	21.50%
Small Caps	985	1 315	6.50%
Total	9 755	24 264	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 - October 2023

Purchases	Amount (EUR)
AVIVA PLC	2 121 274
UNITED UTILITIES GROUP PLC	1 201 266
MICHELIN B	1 150 412
D'IETEREN NV	759 093
REXEL SA	705 962

Sales	Amount (EUR)
AIR LIQUIDE	6 580 437
ALSTOM	1 817 323
SIGNIFY NV	1 731 169
KINGSPAN GROUP PLC	1 723 661
NORSK HYDRO AS	1 067 988

Industry Sector Exposure	Weight
Industrials	43.25%
Information Technology	10.11%
Utilities	15.04%
Materials	13.43%
Consumer Discretionary	5.96%
Financials	5.63%
Health Care	1.56%
Communication Services	3.07%
Consumer Staples	1.95%
Total	100.00%

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

Regional Exposure	Weight
France	32.83%
Switzerland	13.86%
Netherlands	12.62%
United Kingdom	6.50%
Spain	5.11%
Germany	4.84%
Finland	3.83%
Norway	3.82%
Italy	3.48%
Sweden	3.39%
Austria	3.22%
Ireland	2.44%
Belgium	2.05%
Denmark	2.00%
Total	100.00%

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

Geographic Market Exposure	Weight
Eurozone	70.43%
Europe ex Euro ex UK	23.07%
United Kingdom	6.50%
Total	100.00%

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

HSBC RIF - EUROPE EQUITY GREEN TRANSITION

Monthly Report
31 October 2023
EUR Share Class I

Stock of the Month

REXEL

Rexel regards itself as one of the world's top distributors of low-voltage and low-current electrical equipment in terms of 2022 revenues (€18.7bn) and number of branches (1936), with an estimated global market share of 6% to 7%. As of 31 December 2022, it did business in 21 countries in three geographical regions: Europe (50%), North America (42%) and Asia-Pacific (8%).

Rexel serves three end-markets: residential (26%), including single- and multi-family homes, other buildings, real-estate campuses, and public and private housing; commercial (46%), encompassing shops, healthcare establishments, schools, offices, power generation facilities, public power grids and transport infrastructures; and industrial (28%), which includes factories and other industrial facilities.

In May 2020, more than 90 company chairmen and CEO, including Rexel's, called on addressing environmental issues while boosting the economic recovery through renovation of existing housing and other buildings, decarbonated mobility, and renewable energy storage solutions.

Management has accordingly set the following SBTi-certified CO2 emission reduction targets for 2030: 1/ a 60% reduction of CO2 emissions from its own operations (Scope 1 and 2) in absolute terms vs. 2016; and 2/ a 60% reduction of CO2 emissions from the use of products it sells (Scope 3) vs. 2016.

For 2050, Rexel has raised these emissions reduction targets to 90% for Scopes 1 and 2, as well as 90% for Scope 3. Obviously, emissions by customers using products sold by Rexel are predominant, at 92% of emissions throughout its value chain. 42% of these are from lighting, and 40% from energy-intensive heating, ventilation, and air-conditioning.

Rexel has introduced short-term objectives in its three sustainability-linked bond issues (€400m issued in September 2023, €400m in May 2021, and €600m in November 2021). These bonds are governed by a Sustainability-Linked Financing Framework, which ties their financial characteristics to meeting sustainable development performance metrics.

Within this framework, Rexel has selected two key performance indicators (KPIs), pledging to reduce by 45% its KP1 emissions per euro of revenues (scope 3) caused by the use of products sold and by 38% its KP2 emissions of greenhouse gas emissions from energy consumption in its operations (Scopes 1 and 2) by 31 December 2025 vs. 2016.

The bonds' yields will be raised by 25 basis points annually to 5.5%, beginning on 15 September 2026 if Rexel does not meet its Sustainable Performance Objectives in comparison to 2016.

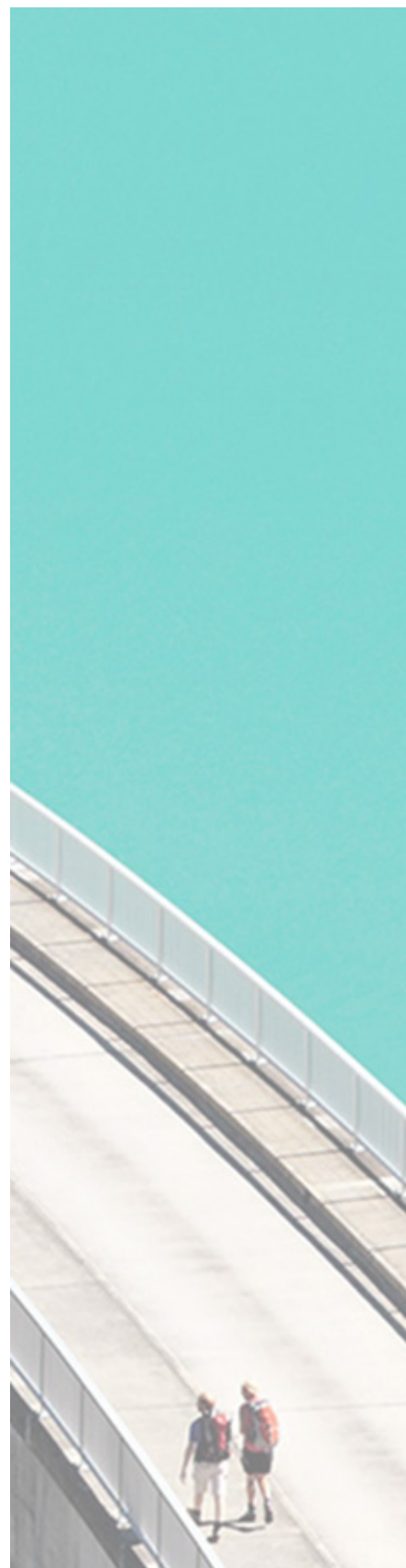
Since 2020, Rexel has disclosed the percentage of its sales of products and services that make a direct contribution to its customers' environmental efficiency without major harm to the environment. In 2022, Rexel's positive-impact sales amounted to about 50% of its total sales.

Rexel is focusing on identifying and selecting the most energy-efficient products in each product category based on lifecycle analyses and technical data. With this in mind, in 2021 Rexel developed a smart tool called the Carbon Tracker, which provides reliable information on the environmental impact of electrical products.

Rexel issues disclosures in its electrification division, including sales of new solutions such as heat pumps, solar power installations, electric vehicle recharging stations and industrial automatic devices, which together account for 22% of its total revenues. Recent acquisitions, such as Wasco (Netherlands), which specialises in installing heat pumps, and Mavison (France), a distributor of solar solutions, are meant to strengthen this division, which is growing at least twice as fast.

To encourage the adoption of responsible practices by its employees, Rexel has launched the Rexel Climate School, an e-learning platform that helps them better grasp climate and sustainable development challenges. Rexel is also a signatory of the Action Declaration on Climate Policy Engagement initiated by the Corporate Knights at COP 27.

As a distributor, Rexel thus fully assumes its role in the energy transition in aligning its offering, its customer advisory and its employee training with the best solutions to ensure their transition from fossil fuels to the most economical electrification solutions possible.

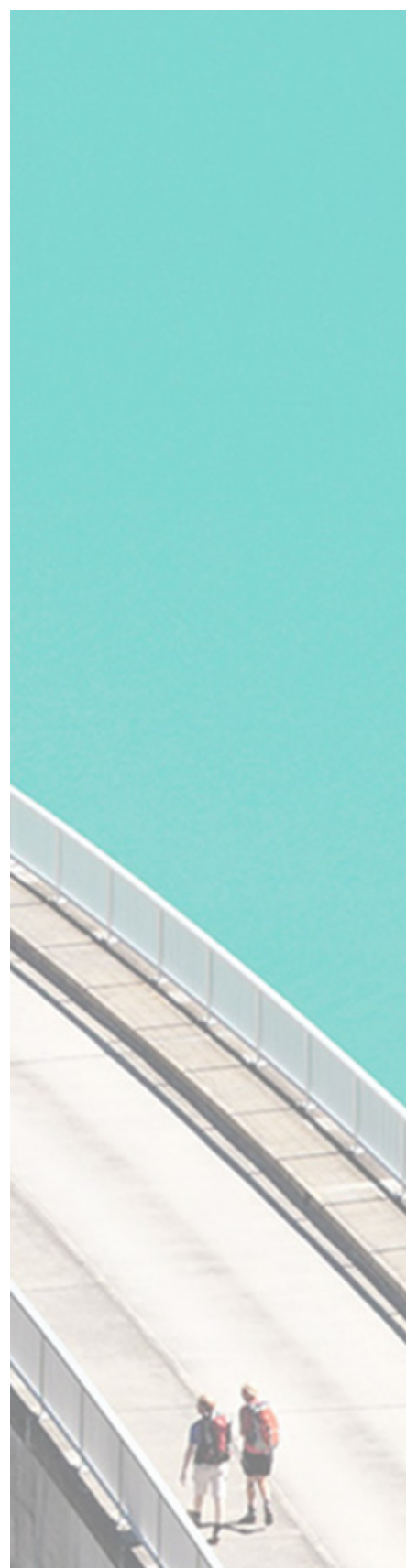


HSBC RIF - EUROPE EQUITY GREEN TRANSITION

Monthly Report
31 October 2023
EUR Share Class I

Inventory of the Portfolio

	Carbon intensity	Rating ESG	Weight
Automobiles & Components			
MICHELIN B	114.7	6.4	1.99%
VALEO	50.0	6.5	1.90%
			3.88%
Capital Goods			
ABB LTD (CHF)	19.5	6.6	3.27%
ALSTOM	14.0	6.1	0.73%
ARCADIS NV	4.9	7.4	2.71%
BELIMO HOLDING AG - REG	45.7	6.3	2.26%
BOUYGUES	50.5	6.1	2.94%
BUCHER INDUSTRIES AG	34.3	5.1	1.44%
GENUIT GROUP PLC	48.9	6.0	0.70%
GEORG FISCHER SA	92.1	5.3	1.38%
KINGSPAN GROUP PLC	49.9	6.2	2.42%
MERSEN	182.4	5.8	1.18%
NIBE INDUSTRIER AB B SHS	9.5	6.1	2.37%
PRYSMIAN SPA	56.2	5.5	3.45%
REXEL SA	5.4	7.1	1.46%
SAINT-GOBAIN	200.8	5.7	4.27%
SCHNEIDER ELECTRIC SE	16.2	7.4	3.71%
VESTAS WIND SYSTEMS	9.7	6.5	1.99%
			36.27%
Commercial & Professional Services			
BRAVIDA HOLDING AB	22.7	7.8	0.99%
SPIE SA	16.0	5.5	2.77%
TOMRA SYSTEMS ASA	19.3	6.3	0.67%
			4.43%
Food & Staples Retailing			
CARREFOUR	16.5	6.1	1.93%
			1.93%
Insurance			
AVIVA PLC	1.0	7.6	2.11%
MUENCHENER RUECK- NOMINATIF	1.3	7.0	3.47%
			5.58%
Materials			
APERAM	207.0	5.8	1.23%
CRODA INTERNATIONAL	95.0	6.9	1.33%
NORSK HYDRO AS	649.9	5.6	3.12%
SIKA AG-REG	31.2	5.9	3.86%
STORA ENSO OYJ - R (EURO)	236.3	7.0	1.63%
UPM-KYMMENE OYJ	445.9	6.4	2.17%
			13.33%
Pharmaceuticals, Biotech. & Life Sciences			
DSM-FIRMENICH AG	133.8	7.8	1.55%
			1.55%
Retailing			
D'IETEREN NV	31.5	6.0	2.03%
			2.03%
Semiconductors & Equipment			
ASML HOLDING NV	9.2	7.5	2.08%
STMICROELECTRONICS (PARIS)	98.8	6.7	3.47%
			5.54%
Software & Services			
CAPGEMINI	4.6	5.4	1.68%
DASSAULT SYSTEMES SA	10.4	6.8	2.80%
			4.49%
Telecommunication Services			
KPN NV-KONINKLIJKE	36.7	7.8	3.05%
			3.05%



HSBC RIF - EUROPE EQUITY GREEN TRANSITION

Monthly Report
31 October 2023
EUR Share Class I

Transportation

GETLINK	67.8	6.8	2.21%
			2.21%

Utilities

ACCIONA SA	29.7	6.6	1.03%
EDP RENOVAVEIS SA	16.4	7.0	3.02%
ENCAVIS AG	0.9	6.8	1.34%
GREENERGY RENOVABLES	3.0	7.9	1.01%
UNITED UTILITIES GROUP PLC	119.3	6.0	2.31%
VEOLIA ENVIRONNEMENT	910.0	6.5	3.01%
VERBUND AG CL A	106.5	7.6	3.20%

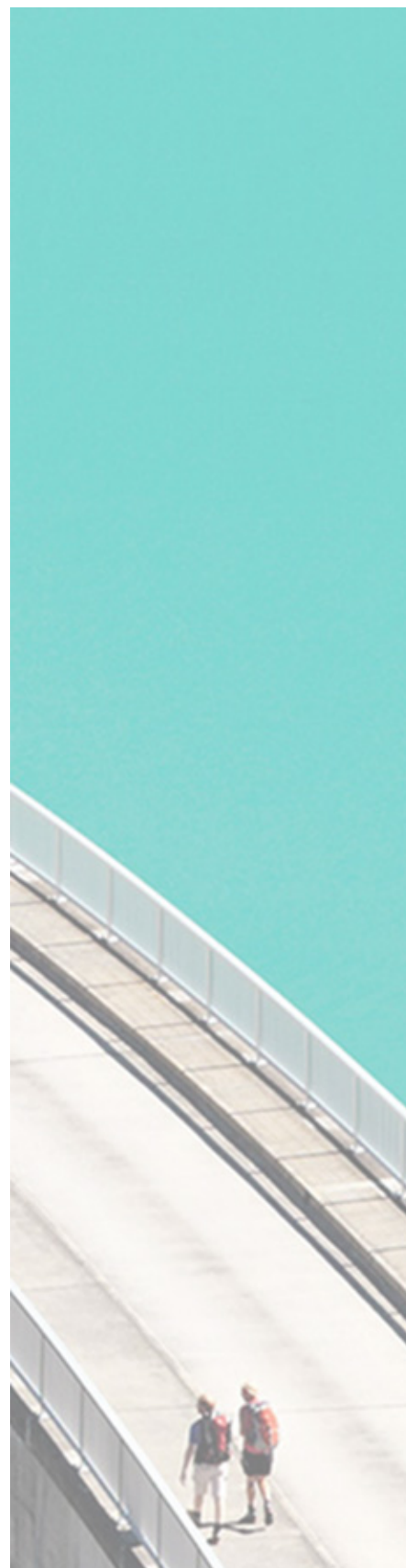
14.93%

Equities

99.23%

Cash

0.77%



HSBC RIF - EUROPE EQUITY GREEN TRANSITION

Monthly Report
31 October 2023
EUR Share Class I

Fund Manager Commentary

Economic Environment

Equity markets declined for the third consecutive month, with the MSCI World falling 2.74% in euros. All regions had a negative month. In the United States, the S&P 500 fell 2.10% in local currency. In Europe, the MSCI Europe shed 3.57% in euros. And in Asia, the MSCI Asia ex-Japan dropped 3.84% in dollars and 4.31% in local currency.

This broad-based decline can primarily be attributed to recent developments in the United States, where the equity market is starting to feel the impact of the rise in long-term interest rates after trading at close to record levels for the past several quarters. US 10-year yields are close to 5% and rose 35 basis points over the month.

This rise is largely due to economic reports that have exceeded expectations. Third-quarter GDP in the United States rose at an annual rate of 4.9%, which is one of the strongest prints in the last decade.

In Europe, macroeconomic statistics are suggesting that growth is weak and continuing to deteriorate. The European Central Bank held interest rates steady, despite ongoing high inflation, in order to assess the impact of the previous quarters' increases. Eurozone long rates were generally flat this month.

On the corporate side, earnings season is in full swing. The trend in earnings appears to be better than what the macroeconomic indicators suggest. Although revenues are down on average, companies are succeeding in maintaining record margins.

In Asia, the Chinese economy is showing signs of stabilising. The improvement in retail sales figures and growth in industrial production and GDP are encouraging. The latest inflation, business activity and industrial earnings figures also increased the likelihood that the economy's most difficult days are behind it.

However, home sales (down 16% year-to-date) and housing starts (down 25% year-to-date) continued to decline, as challenges at real estate developers like Country Garden persist. The announcement of a trillion-yuan (USD 130bn) sovereign bond issue by the government helped bolster market sentiment despite the weak exchange rate.

Finally, the geopolitical backdrop remains extremely tense. In addition to the war in Ukraine, which continues to drag on, and ongoing tensions between China and the United States, terrorist group Hamas attacked Israel on 7 October, plunging the region into a conflict that has the potential to spread. Oil prices stopped falling and stabilised at the end of the month at USD 88 per barrel.

Market Performance

The MSCI Europe and EMU indices fell 3.57% and 3.26%, respectively, tracking the correction on the US market. Aside from rising interest rates in the United States, European macroeconomic statistics are not very encouraging, while third-quarter earnings releases have been mixed and accompanied by extremely cautious statements from company managements.

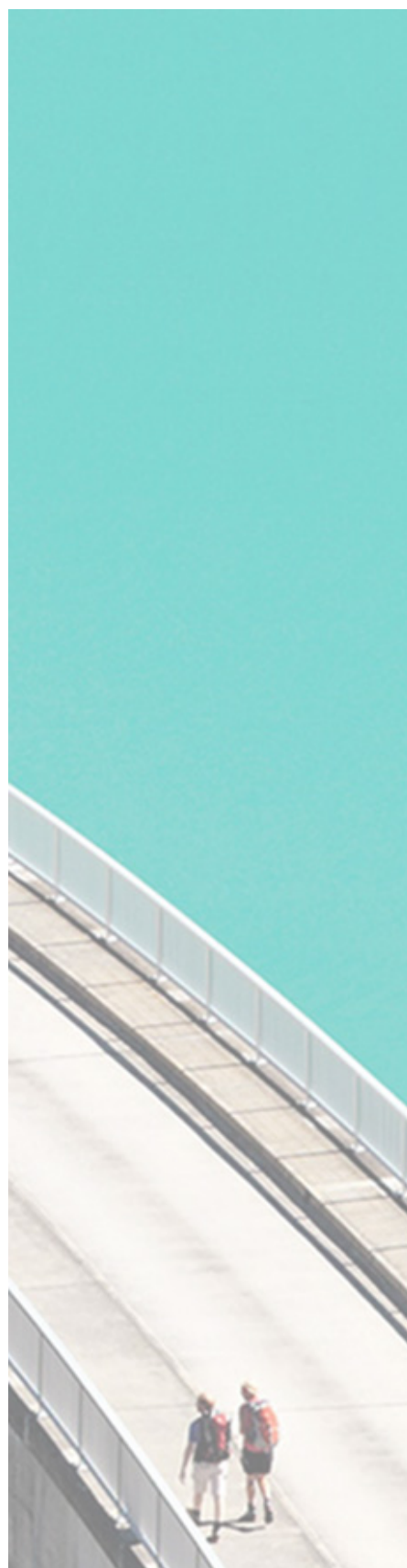
Against this backdrop, defensive sectors outperformed – the European utilities sector even gained 0.45%. The agri-food, food distribution and household products sectors declined by “only” 2.07%, 2.19% and 2.24%, respectively. The more cyclical transport and automotive sectors were the worst performers, losing 9.33% and 7.91%, respectively.

After outperforming for four months, Value stocks stalled in October and underperformed by 45 basis points on average. Logically, low-volatility indices did the best and outperformed by 160 basis points on average. Underperformance by small-and-mid caps continued. The MSCI EMU Small and MSCI Europe Small indices virtually wiped out their year-to-date gains, with declines of 4.71% and 5.89%, respectively.

This quarterly earnings season has been characterised by significant volatility for some stocks, and some company reports spooked investors. Alstom declined by more than 43% after announcing negative first-half cash-flow of €1.15bn after it was significantly positive earlier in the year.

Worldline plummeted over 55% this month after its results release came in below expectations, and especially after the company downgraded its earnings outlook.

Finally, in the healthcare sector, Sanofi downgraded its outlook for the next two years and announced a change to its growth strategy, which caught investors off guard. The stock lost more than 15% over the month.



HSBC RIF - EUROPE EQUITY GREEN TRANSITION

Monthly Report
31 October 2023
EUR Share Class I

Performance Attribution

Our energy transition strategy gave up ground on the month, with stocks related to the eco-sectors of green building, sustainability mobility and energy efficiency turning in the least good contributions. Meanwhile, renewable energy and tech stocks performed well, thanks to strong earnings releases and regulatory advances.

Unlike previous months, thematic stocks, industrial ones in particular, took a hit that was so bad it almost amounted to capitulation against a backdrop of rising interest rates and fears of a resulting recession, although third-quarter reporting season had not really begun.

Among sustainability mobility stocks, the fund was hit hard by the surprising announcement of a €1bn adjustment to the free cashflow forecasts of Alstom, the rail industry leader. We were not convinced by the explanations provided and sold off most of our position. Rising interest rates continued to drag down the green building sector. The market is fearing a collapse of the market with high default rates triggering a drop in construction material prices.

Initial earnings reports showed that demand is weakening but that there remain pockets of growth in infrastructure, major industrial reshoring projects and datacenters. Companies have thwarted analysts' forecasts by managing to maintain their gross margins. These fears have nonetheless weighed on stocks such as Saint-Gobain, Sika and Kingspan.

This trend was more justified in industrial stocks that focus on energy efficiency, as companies like ABB have reported weaker demand in process automation, especially in China. Heat pump manufacturers such as NIBE Industrier have two transition quarters before the introduction of new systems of subsidies in Germany and the UK.

Troubles popped up again at Siemens Energy, which decided to suspend wind turbine sales, and at Orsted, which halted two US offshore projects. However, none of this had any negative impact on renewable energy players.

The market is beginning to sort things out, noting that operators are still managing to sell assets at good prices (EDPR and Grenergy). Meanwhile, Europe has just passed its Wind Power Action Plan to lift obstacles to windfarm construction. Some US states have raised the power prices attached to bidding on new projects.

Dassault Systèmes' very strong performance is also worth pointing out, with the pace of licence sales being driven up by the return of major contracts. Dassault Systèmes shares had underperformed its US peers considerably.

Investment policy

In terms of portfolio changes, we sold our position in Air Liquide in order to comply with Greenfin criteria. The French label believes that Air Liquide's current hydrogen production methods are too polluting.

We reduced our positions in Alstom and Kingspan, while adding to our exposure to Aviva (insurance), United Utilities (water networks), Rexel (electrical equipment wholesaler), D'Ieteren (spare parts) and Michelin (tires).

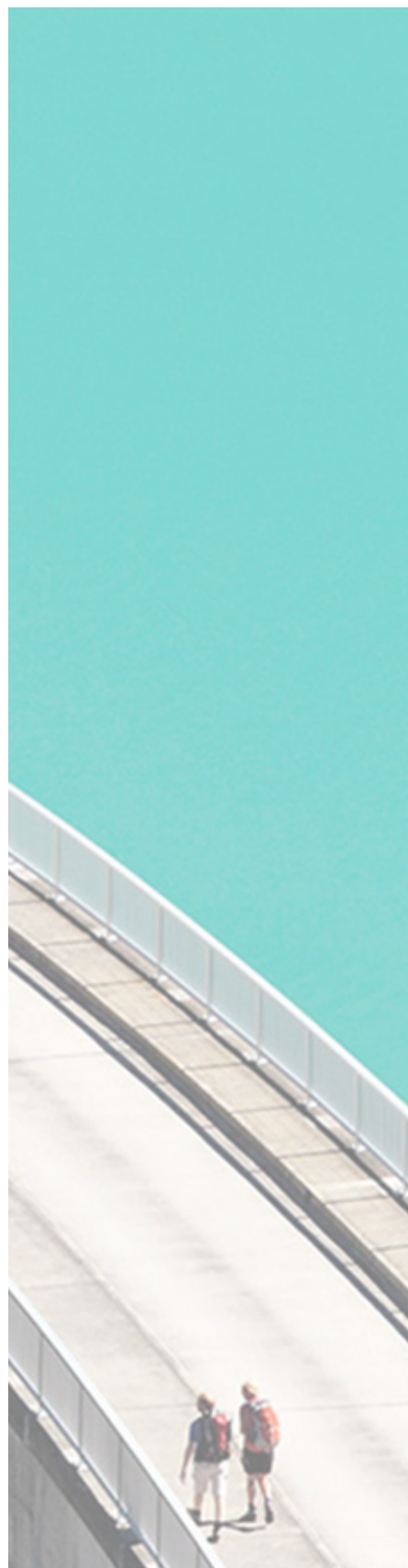
Outlook

After performing poorly in 2022 and 2023, the outlook for the energy transition thematic is now more favourable, with an acceleration of energy transition support plans on both sides of the Atlantic, such as the recent European Wind Power Action plan. The clearing up of supply chain disruptions, the recent dip in commodity prices, and the end of a destocking process are likely to boost our invested companies.

The equity market correction looks overdone, particularly in the smallest caps of our investment universe. Some share prices have fallen to levels not seen since the worst of the Covid crisis. Moreover, comparisons with the 2009 crisis do not look relevant, as the number of positive earnings surprises remains high.

The portfolio is designed to exploit the growth inherent in the development of green businesses that will smooth the transition towards a low-carbon economy. The strategy overweights quality stocks exposed to green growth at a reasonable price by focusing on companies that consistently take all sustainability criteria into account in their strategies.

For illustrative purpose only, the fund manager commentary and analysis are a global view of the recent evolution of the economic conditions. This is a support which does not constitute neither an investment advice nor a recommendation to buy or sell investment. This commentary is not the result of investment research. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of its dissemination. Any forecast, projection or target where provided is indicative only and is not guaranteed in any way. HSBC Global Asset Management (France) accepts no liability for any failure to meet such forecast, projection or target.



HSBC RIF - EUROPE EQUITY

GREEN TRANSITION

Performance Contribution

The 5 best contributions to absolute performance

Stock	Weight	Performance	Contribution
DASSAULT SYSTEMES SE 10224607	2,53%	10,11%	0,25%
UNITED UTILITIES GROUP PLC 10217061	1,86%	11,45%	0,18%
VERBUND AG 10126626	3,05%	6,49%	0,18%
DSM-FIRMENICH AG 11440360	1,37%	6,80%	0,10%
GREENERGY RENEVABLES 10372911	0,88%	8,67%	0,08%
Total	9,68%		0,79%

The 5 worst contributions to absolute performance

Stock	Weight	Performance	Contribution
ALSTOM 10216480	1,01%	-46,71%	-0,93%
VALEO 10126730	2,02%	-23,84%	-0,55%
STMICROELECTRONICS NV 10219550	3,74%	-12,25%	-0,46%
COMPAGNIE DE SAINT GOBAIN 10126173	4,25%	-9,64%	-0,41%
NORSK HYDRO ASA 10219771	3,13%	-9,47%	-0,34%
Total	14,15%		-2,69%

HSBC RIF - EUROPE EQUITY GREEN TRANSITION

Monthly Report
31 October 2023
EUR Share Class I

Important Information

Indices

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain for making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided as an as is basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively 'the MSCI Parties') expressly disclaims all warranties (including, without limitation, all warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.mscibarra.com). If you have any doubts about the suitability of this investment, you should contact an independent financial adviser.

The Investment Advisor will use its discretion to invest in securities not included in the reference benchmark based on active investment management strategies and specific investment opportunities. It is foreseen that a significant percentage of the Fund's investments will be components of the reference benchmark. However, their weightings may deviate materially from those of the reference benchmark.

HSBC Asset Management

This document is produced and distributed by HSBC Asset Management and is only intended for professional investors as defined by MIFID.

The information contained herein is subject to change without notice. All non-authorized reproduction or use of this commentary and analysis will be the responsibility of the user and will be likely to lead to legal proceedings. This document has no contractual value and is not by any means intended as a solicitation, nor an investment advice for the purchase or sale of any financial instrument in any jurisdiction in which such an offer is not lawful. The commentary and analysis presented in this document reflect the opinion of HSBC Asset Management on the markets, according to the information available to date. They do not constitute any kind of commitment from HSBC Asset Management.

Consequently, HSBC Asset Management will not be held responsible for any investment or disinvestment decision taken on the basis of the commentary and/or analysis in this document. All data from HSBC Asset Management unless otherwise specified. Any third party information has been obtained from sources we believe to be reliable, but which we have not independently verified.

Capital is not guaranteed. It is important to remember that the value of investments and any income from them can go down as well as up and is not guaranteed.

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.

If necessary, investors can refer to the complaints handling charter available in the banner of our website:

[https://www.assetmanagement.hsbc.nl/-](https://www.assetmanagement.hsbc.nl/-/media/files/attachments/benelux/netherlands/traitement_reclamation_amfr_eng.pdf)

[/media/files/attachments/benelux/netherlands/traitement_reclamation_amfr_eng.pdf](https://www.assetmanagement.hsbc.nl/-/media/files/attachments/benelux/netherlands/traitement_reclamation_amfr_eng.pdf)

Please note that the distribution of the product can stop at any time by decision of the management company. HSBC Asset Management - RCS n°421 345 489 (Nanterre). Portfolio Management Company authorised by the French regulatory body AMF (n° GP-99026). Postal address: 38 Av. Kleber 75016 Paris - France. Offices: Immeuble Coeur Défense - 110, esplanade du Général de Gaulle - La Défense 4 - France Any subscription to any fund described in this document must be made on the basis of the information notice currently in force, which is available upon request from HSBC Asset Management, the centralising agent or your usual financial service provider or representative or our Web site. www.assetmanagement.hsbc.com/fr.

Document updated on 14/11/2023.

Copyright © 2023. HSBC Global Asset Management (France). All rights reserved.

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

(IC): Accumulation Shares

(ID): Distribution Shares

*Start Date of Management

18/04/2019

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

Minimum Initial Investment

100,000 EUR

Portfolio Management Company

HSBC Global Asset Management (France)

Custodian

Caceis Bank

Central Paying Agent

Caceis Bank

ISIN Code

(IC): FR0011235340

(ID): FR0013476181

Bloomberg Ticker

(ID): HEGTIDE FP

Fees

Real internal management fees

0.75% inc. taxes

Maximum internal management fees

0.75% inc. taxes