

# HSBC RIF

# SRI MODERATE

EUR Share Class A

Monthly Report

May 2025

Strategic Allocation  
30% Equities

30/05/2025

## 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	6.69	7.43	6.09	6.76	98.46%
Investment Universe (2)	6.04	6.18	5.89	6.33	97.61%

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

(2) 70% Bloomberg Euro Aggregate 500 MM + 25% MSCI EMU + 5% MSCI World

### Top holdings with the best ESG rating (3)

Holdings	Weight	E	S	G	ESG
NATURGY FIN IBERIA SA	0.18%	9.70	8.70	6.70	<b>8.80</b>
SYDNEY AIRPORT FINANCE	0.28%	10.00	9.40	5.90	<b>8.59</b>
EDP SA	0.43%	9.40	8.40	6.80	<b>8.58</b>
EDP SERVICIOS FIN ESP SA	0.75%	9.40	8.40	6.80	<b>8.58</b>
WOLTERS KLUWER NV	0.46%	10.00	7.00	7.90	<b>8.38</b>

### Top holdings with the worst ESG rating (3)

Holdings	Weight	E	S	G	ESG
MICHELIN (CGDE)	0.57%	4.40	5.40	7.60	<b>5.34</b>
COMMERZBANK AG	0.09%	5.60	5.20	5.40	<b>5.39</b>
EPIROC AB	0.10%	3.80	6.60	6.60	<b>5.48</b>
THERMO FISHER SC FNCE I	0.14%	9.20	5.00	4.50	<b>5.64</b>
AIR LEASE CORP	0.18%	6.20	4.20	6.40	<b>5.66</b>

(3) Scope of rated holdings excluding government bonds.

### Main Industry Sectors with the best ESG rating (2)

Industry Sector	Weight	E	S	G	ESG
Agencies	0.43%	10.00	7.70	6.70	<b>8.12</b>
Utilities	7.74%	8.57	7.45	6.37	<b>7.79</b>
Commercial & Professional Services	1.37%	10.00	5.73	7.17	<b>7.73</b>
Telecommunication Services	1.46%	10.00	6.77	6.97	<b>7.48</b>
Insurance	3.20%	9.08	6.58	6.86	<b>7.41</b>

### Main Industry Sectors with the worst ESG rating (2)

Industry Sector	Weight	E	S	G	ESG
Automobiles & Components	0.84%	6.15	4.30	6.05	<b>5.58</b>
Health Care Equipment & Services	0.42%	5.40	4.60	7.30	<b>5.84</b>
Media & Entertainment	0.63%	10.00	4.00	6.50	<b>5.95</b>
Capital Goods	3.59%	6.09	5.80	6.85	<b>6.23</b>
Industry	5.48%	6.40	5.73	6.72	<b>6.29</b>

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 and each rated issuer of the portfolio. ESG rating of the investment universe is the weighted average ESG ratings by the weight of each rated stock and each rated issuer 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](#).



## Carbon Intensity

	Carbon Intensity (3)	Coverage rate (4)
Portfolio	64.6	73.80%
Investment Universe (2)	96.0	48.17%

(2) 70% Bloomberg Euro Aggregate 500 MM + 25% MSCI EMU + 5% MSCI World

(3) Carbon intensity expressed in tons of CO<sub>2</sub>/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
ELM BV (SWISS REIN CO)	0.2	0.14%
DNB BANK ASA	0.2	0.70%
DNB BOLIGKREDITT AS	0.2	0.49%
ARGENTUM (ZURICH INS)	0.5	0.17%
ASR NEDERLAND NV	0.5	0.66%

### Top holdings with highest intensity carbon (5)

Holdings	Carbon Intensity	Weight
AIR LIQUIDE SA	1 274.0	0.39%
LINDE PLC	1 133.7	0.19%
CRH PLC	884.1	0.34%
DIGITAL DUTCH FINCO BV	643.9	0.11%
NATURGY FIN IBERIA SA	525.8	0.18%

(5) Scope of covered holdings.

### Main industry sectors with low carbon intensity (4)

Industry Sector	Carbon Intensity	Weight
Supranationals	1.0	0.60%
Insurance	1.0	3.20%
Covered	1.1	1.21%
Media & Entertainment	2.5	0.63%
Banks	3.8	3.78%

### Main industry sectors with high carbon intensity (4)

Industry Sector	Carbon Intensity	Weight
Materials	726.5	0.88%
Utilities	224.0	7.59%
Pharmaceuticals, Biotechnology & Life Sciences	171.7	0.49%
Real Estate	113.7	3.17%
Industry	88.8	5.48%

**The Carbon Intensity** corresponds to the volume of CO<sub>2</sub> 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 CO<sub>2</sub>/USD M of turnover) = (Scope 1 + Scope 2) / USD M of turnover

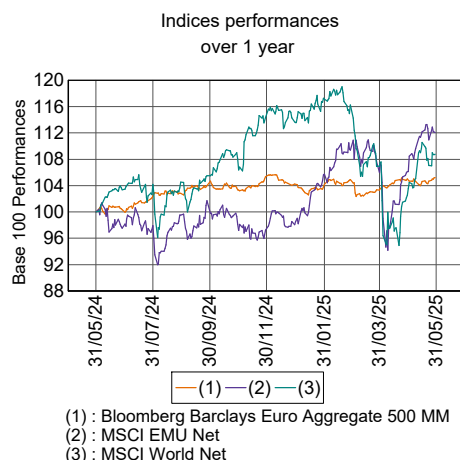
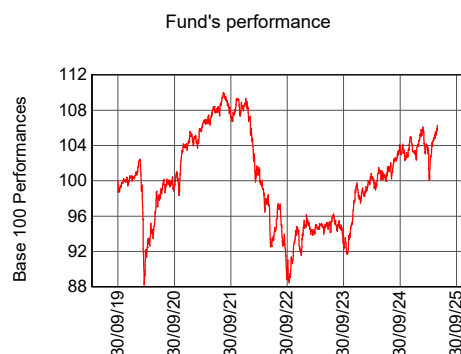
**Scope 1:** Greenhouse gas emissions generated from burning fossil fuels and production processes which are owned or controlled by the company

**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.



## Performance and risk analysis



### Net Cumulated performance

	1 month	1 year	3 years	5 years	30/09/2019*
Portfolio	1.73%	6.02%	8.62%	10.36%	6.27%
Investment Universe**	1.81%	7.21%	13.61%	15.69%	10.73%

\*\*for comparison only.

### Indicators & ratios (weekly)

	1 year	3 years	5 years	30/09/2019*
Fund's volatility	5.17%	6.25%	6.06%	6.89%
Sharpe ratio	0.55	-0.02	0.09	-0.02

### Net performance by calendar year

	2025	2024	2023	2022	2021	2020
Portfolio	2.83%	4.18%	8.38%	-15.69%	4.15%	4.24%
Investment Universe**	3.81%	5.48%	10.74%	-15.67%	4.62%	3.61%

\*\*for comparison only

	2019
Portfolio	-0.01%
Investment Universe**	-0.07%

\*\*for comparison only

### Net monthly performance by calendar year

	2025	2024	2023	2022	2021	2020
January	1.21%	-0.03%	3.63%	-1.54%	-0.26%	0.81%
February	1.12%	-0.13%	-0.56%	-3.58%	-0.25%	-1.94%
March	-2.55%	1.79%	0.52%	-1.82%	2.43%	-6.68%
April	1.35%	-1.48%	0.37%	-2.21%	0.33%	3.08%
May	1.73%	0.93%	-0.58%	-1.11%	0.82%	1.27%
June		-0.12%	0.75%	-4.69%	0.29%	2.01%
July		1.94%	0.66%	4.20%	0.90%	0.40%
August		0.50%	-0.49%	-4.23%	0.33%	0.70%
September		1.16%	-2.29%	-4.18%	-1.69%	0.04%
October		-1.40%	-1.04%	2.11%	0.55%	-0.90%
November		1.75%	4.09%	3.25%	-0.47%	5.42%
December		-0.72%	3.23%	-2.64%	1.16%	0.41%

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 111,436,852.86  
**Net asset value**  
(AC)(EUR) 106.27

### Legal Form

SICAV regulated under French law

### Investment horizon

3 years

### Investment Universe

70% Bloomberg Euro Aggregate 500 MM  
25% MSCI EMU (EUR) NR + 5% MSCI World (EUR) NR

### Dividend Policy

(AC): Accumulation Shares

### \*Start Date of Management

30/09/2019

## Investment Objective

The subfund's investment objective is to maximise a performance corresponding to an investment with a moderate exposure to equity market risk over a recommended investment period of at least 3 years. This investment is made by selecting securities of companies or countries selected for their good environmental, social, governmental practices and financial quality. The long-term strategic allocation is composed of 30% equities and 70% international bonds with a euro bias. This sub-fund promotes environmental or social characteristics (Article 8 of Regulation (EU) 2019/2088 known as Sustainable Finance Disclosure (SFDR)).

HRIF - SRI Moderate is actively managed without reference to a benchmark.

HRIF - SRI Moderate is a profiled subfund within a multi-asset SRI range composed of several profiles. With a strategic allocation consisting of 30% equities on average, it constitutes an investment with a moderate exposure to equity market risk.

The subfund's sources of performance are the tactical allocation of asset classes, the selection of securities meeting non-financial and financial criteria, the active management of interest rate risk and credit risk, and the active management of currency risk.

The SRI selection is done using a best-in-class approach and consists in assigning an SRI score according to ESG criteria by classifying the stocks into quartiles within each sector. Stocks in the top two quartiles have no restrictions, those in the third quartile are limited to 15%, and those in the bottom quartile are excluded. Up to 10% of the subfund's holdings may consist of stocks not rated according to ESG criteria.

This subfund has adopted the AFG/FIR/Eurosif Transparency Code for SRI UCIs open to the public. This Transparency Code is available on the Management Company's website.

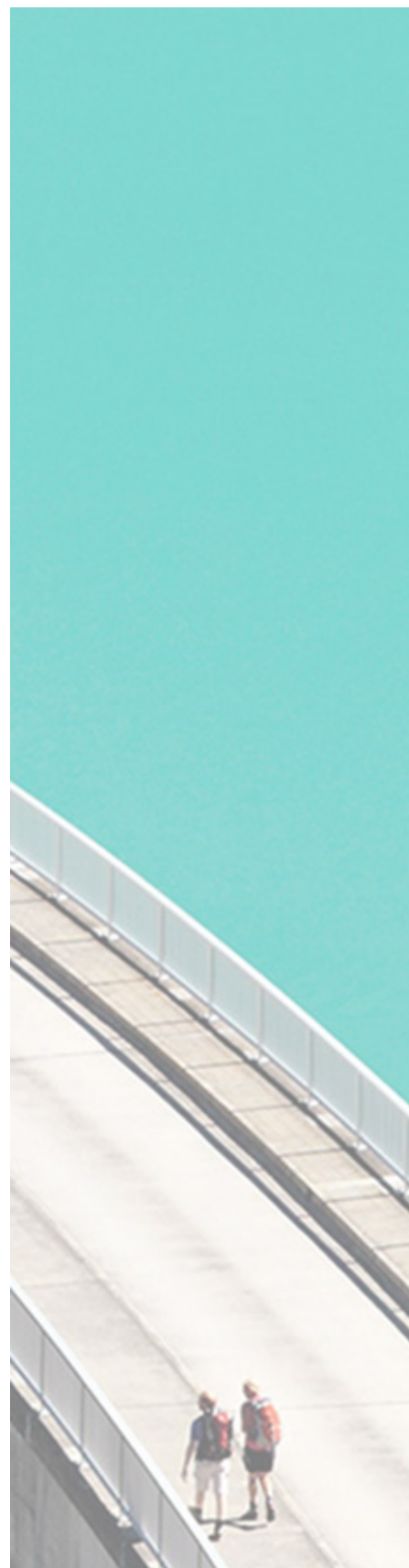


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The Investment Advisor will use its discretion to invest in securities not included in the reference benchmark based on active investment management strategies and specific investment opportunities. It is foreseen that a significant percentage of the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



### Analysis of the investment strategy

#### Portfolio Composition






	30/04/2025 % TNA	30/05/2025 % TNA	Variation*
<b>Equities**</b>	26.93%	28.81%	▲
Europe	23.64%	24.84%	▲
Global	3.29%	3.97%	▲
<b>Bonds**</b>	69.86%	67.19%	▼
Europe	63.21%	61.13%	▼
Global	3.04%	2.86%	<◇
North America	2.57%	2.29%	<◇
Pacific ex-Japan	0.94%	0.82%	<◇
Japan	0.10%	0.09%	<◇
<b>Money Market &amp; Cash</b>	3.21%	4.00%	▲
<b>Total</b>	100.00%	100.00%	

\* There is a change over the period if the difference in weighting is greater than 0.5% in absolute value terms.

\*\* Including fixed income and equity market exposure via derivatives.

Bonds: issues in euro.

#### Asset Type Allocation (1) as at 05/30/2025

<b>Equities</b>		
Equities	26.07%	
Equity Mutual Fund	3.97%	
<b>Bonds</b>		
Fixed-rate Bond	67.19%	
<b>Money Market &amp; Cash</b>		
Cash	2.30%	
Money Market Mutual Fund	0.47%	
<b>Total</b>	100.00%	

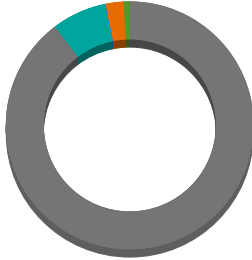
(1) except derivative products' off-balance-sheet commitment.

Asset Allocation  
as at 30/05/2025



■ Bonds & Money Market	71,2 %
■ Equities	28,8 %
Total:	100,0 %

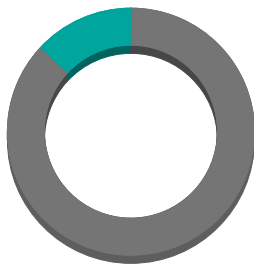
Regional Allocation\*\*\*  
as at 30/05/2025



■ Europe	89.60%
■ Global	7.08%
■ Japan	0.09%
■ North America	2.37%
■ Pacific ex-Japan	0.85%
Total:	100.00%

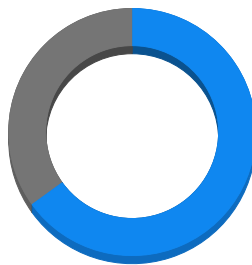
\*\*\*except cash

Equity  
Regional Allocation  
as at 30/05/2025



■ Europe	86.78%
■ Global	13.22%
Total:	100.00%

Bonds  
Strategy Allocation  
as at 30/05/2025



■ Corporate	65.02%
■ Government	34.98%
Total:	100.00%

# HSBC RIF SRI MODERATE

**Monthly Report**  
30 May 2025  
EUR Share Class A

## Main Lines

	Asset Class	Weight	Monthly Performance*	Performance Contribution**
1 HSBC Responsible Investment Funds - SRI Global Equity ZC	Equities	3.97%	6.16%	0.22%
2 SAP SE	Equities	1.53%	4.15%	0.06%
3 IBERDROLA SA	Equities	1.30%	1.16%	0.02%
4 BTPS 6 05/01/31 31Y	Bonds	1.28%	-1.97%	-0.03%
5 FRTR 4 10/25/38 OAT	Bonds	1.26%	0.29%	0.00%
<b>Total</b>		<b>9.33%</b>		

\* Monthly return in Euro of underlying funds is based on HSBC RESPONSIBLE INVESTMENT FUNDS - SRI MODERATE portfolio at the end of 05/30/2025 and 04/30/2025. The return is calculated with the following formula : end of month valuation ÷ preceding end of month valuation -1.

\*\* The performance contribution is calculated as follows : monthly return x monthly average weight.

## Main decisions taken during the month

### New positions

	Asset Class	Regional Zone
▶ BANKINTER SA	Bonds	Europe
▶ ICADE	Bonds	Europe
▶ EUROGRID GMBH	Bonds	Europe

### Positions liquidated

◀ ITALGAS SPA	Bonds	Europe
◀ SNAM	Bonds	Europe

### Positions added

▲ HSBC RIF SRI GLOBAL EQUITY ZC	Equities	Global
▲ KERING	Equities	Europe
▲ SWISSCOM FIN	Bonds	Europe
▲ CRED AGRICOLE SA	Bonds	Europe
▲ ING GROEP NV	Equities	Europe

### Positions reduced

▼ HSBC SRI MONEY ZC	Money Market & Cash	Europe
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## Stock of the Month

### KBC GROUP

KBC is a Belgium based bank involved in the banking, insurance & asset management business. Its business activities include providing retail, pvt. banking & insurance and asset management services in Belgium and Central & Eastern Europe. It provides solutions such as payments, cash mgt., trade finance, leasing, corporate finance, and money & capital market products. With ~13mn clients, it has a network of 1,100 branches and 283 insurance agencies globally. In FY24, €5.6bn in NII and €3.4bn PAT.

### Environmental Pillar

In the Environmental pillar (25% of the rating), company scores higher, at 10.0 vs 3.8 for the sector. The group has a Sustainability Statement which lists down its sustainability and environmental initiatives such as emission reduction, strategy for climate change, identification of climate related risks and opportunities, portfolio targets on investing in green bonds etc.

FY30 targets- i) 75% renewable energy loans, ii) 39% reduction in emission intensity of loans to electricity producers and iii) 40% reduction in emission intensity of KBC Insurance's investment in shares & bonds.

In FY24, KBC reported 67% loans disbursed to the energy sector, 56% reduction in GHG emissions intensity of loans towards electricity producers, ~10% reduction in emissions intensity of mortgage loans provided to commercial & real estate sector, 42% emission intensity reduction towards operational car leasing and 75% reduction in emission intensity of KBC Insurance investment in shares & bonds.

We understand and note that low proportion of company's financing activities are exposed to environmentally intensive sectors with the environmental intensity of the loan book of KBC (58% commercial loans in FY23) was relatively lower vs its global peers. Like its peers, the bank has sector specific environmental policies and its board has extensive involvement in incorporation of climate strategy in its LT group strategies. KBC has not been involved in any environmental controversy in FY24.

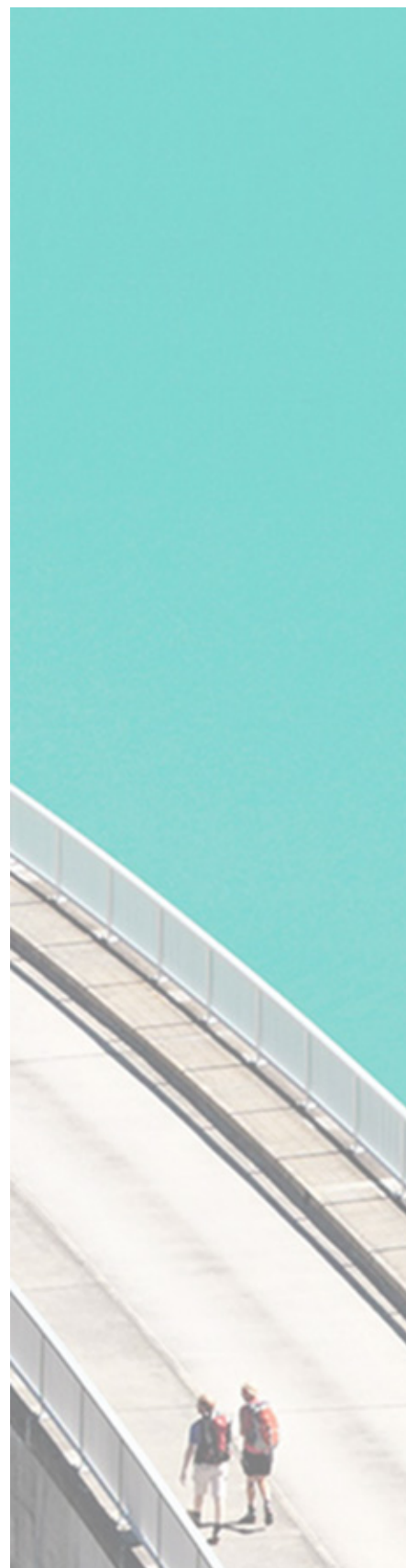
### Social Pillar

In the Social pillar (30% of the rating), company scores higher, at 5.4 vs 4.3 for the sector. KBC has a strong diversity policy which ensures that both its board and ExCo. have appropriate gender representation. We note strong diversity statistics at KBC with females representing 57% of total workforce in FY24, 26.8% at senior management level. Gender pay gap stood at 31.2% for KBC in FY24 and employee turnover 13.5%. Employee satisfaction increased to 96.3% in FY24.

The bank relies on a highly skilled workforce for its daily operations and its employee management practices are on par in comparison to its peers. It provides training to its employees on ethics, anti-money laundering and data protection with 99% employees trained in 24 and 23 (av. hrs per employee at 43.2 vs 32 in FY22). However, we find no evidence of talent development programs i.e. degree and certifications at KBC and has not disclosed any internship programs for employee development.

Financial inclusion initiatives at KBC include providing banking, insurance and AM products which are accessible and affordable in accordance with the needs, enhancing financial literacy in Belgium among young adults for spreading awareness on debt pitfalls. It introduced KBC Mobile application, which provides and educates on financial education. Moreover, we do not find any evidence of high-risk loan or insurance offerings towards customers and strong complaint handling process.

It leads its peers in responsible investment practices and has dedicated team to address sustainability related risks to its investments and consistently monitor engagement policies. The group is not involved in any social controversy in FY24.



## Governance Pillar

In the Governance pillar (45% of the rating), company scores higher, at 6.6 vs 5.7 for the sector. KBC has a unitary board structure. Its BOD consists of 39% women and 28% independent directors. It has segregated the roles of CEO and Chairperson. Committees include- Audit (2/3 independent), Remuneration (2/3), Nomination (2/5) and Risk & Compliance (2/5). 40% of the executive directors' s variable remuneration is based on implementation of the strategy, which includes ESG indicators.

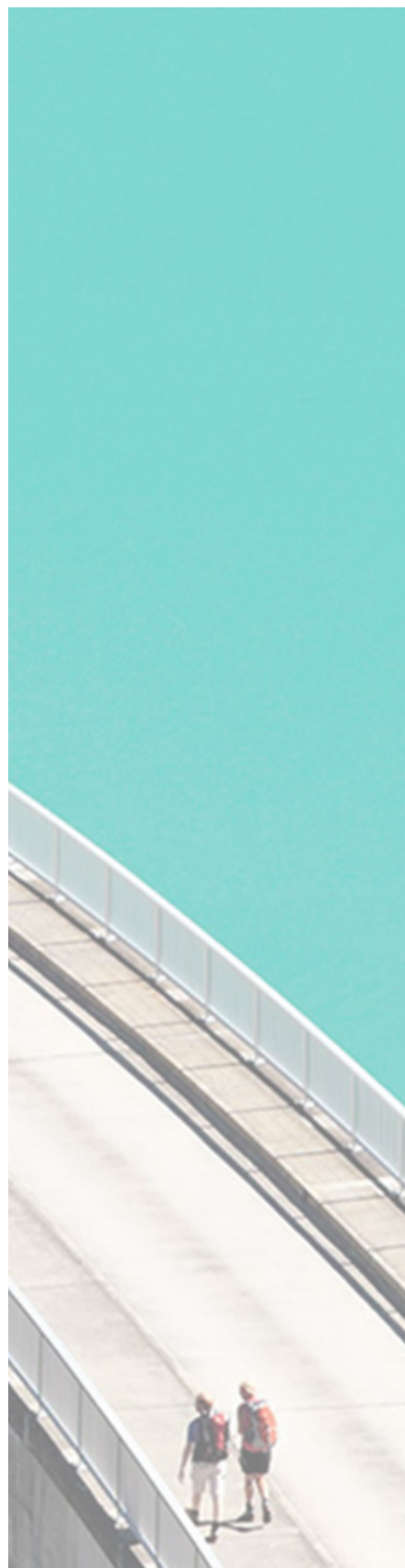
Its governance practices are relatively average as compared to its global peers. Its business ethics framework is a part of the Code of Conduct for all employees which includes detailed anti-bribery and corruption policies (KBC reported 0 violations in FY24) and has a whistleblower protection policy in place encouraging anonymous reporting (25 reports received in FY24). Possible areas of concern arise from lack of employee training & regular audits on ethical standards.

KBC leads its peers in cybersecurity practices backed by strong incident response and encryption techniques. It organises information sessions and programs for its clients to create awareness on cybersecurity and related risks and also provides training on phishing & smishing to its employees.

"Discai" is group's tech product which markets AI based applications developed in-house and in partnership with Harmoney, helps effectively fight against financial crimes like money laundering.

The company operates in countries like Belgium which has strict data security policies. The bank complies with global regulations like GDPR. It performs a data protection impact assessment wherein it informs employees of processing of its personal data and provides them with a dedicated channel to exercise their data subject rights. Executive pay practices at KBC appears to align with shareholder interests. The bank is not subject to any governance related controversy in FY24.

With an overall ESG score of 7.09 KBC Group is eligible for our fund. This good ESG score comes mainly from the good scores obtained on the E and G pillars.



## Issue of the Month

### SWISSCOM

Swisscom is the incumbent operator and leading telecommunications provider in Switzerland, offering a comprehensive range of services, including fixed-line telephony, broadband, mobile communications, and digital television. In 2024, Swisscom continued to consolidate its dominant position in the Swiss market while pursuing its international activities via Fastweb in Italy.

Since the acquisition of Fastweb in 2007, Swisscom's international operations have been concentrated in Italy. Fastweb was the third-largest broadband operator in Italy and operates its own network, offering voice, data, internet, and television products and services. It became an MNO in 2019. In 2024, Fastweb, a subsidiary of Swisscom, accounted for approximately 28% of the Group's revenue and 18% of EBITDA.

Swisscom completed the acquisition of Vodafone Italia on December 31, 2024, strengthening its position in the Italian market and significantly changing the group's portfolio. This acquisition will enable the merger with Fastweb, creating a major converged provider in Italy, with synergies estimated at €600 million per year and changing the pro forma proportion of Italy to 52% and 54% of the group's revenue and EBITDA, respectively.

In Switzerland, Swisscom serves 1.137 billion fixed lines, nearly 1.967 billion broadband connections, 1.493 billion TV customers, and 6.331 billion mobile customers by the end of 2024. The group has a nationwide network primarily in fiber optics, offering integrated services for individuals and businesses. Swisscom has continued its expansion of fiber optics, achieving coverage of 57% of homes and businesses in Switzerland, with a target of 75 to 80% by 2030.

In 2024, Swisscom generated revenue of CHF 11,036 million and EBITDA of CHF 4,355 million, slightly lower than in 2023 due to currency effects and Vodafone Italia integration costs. The net debt/EBITDA ratio was 2.4x (after acquisition). Swisscom benefits from solid market shares in all segments, as well as a high-quality network and a strong brand that strengthen its competitive position and differentiation. In addition, a net leverage cap of 2.4x set by the Swiss government, a 51% shareholder in the group, provides some financial discipline, although it will be temporarily exceeded after the completion of the acquisition. Some challenges remain, including a less conservative financial policy following this acquisition, increased exposure to Italy, a market characterized by intense competition, as well as structural pressures on domestic revenues.

### Environmental Pillar

On the environmental front (20% of the score), Swisscom is very well positioned, with a significantly lower carbon footprint than its peers and relatively ambitious reduction targets on pace to be achieved. The group is also making aggressive efforts to use clean sources of energy and plans to reach net zero by 2036.

### Social Pillar

On the social/societal front (50% of the score), Swisscom is leads most peers in labor management practices. The group conducts annual engagement surveys to monitor employee morale. There are relatively strong labor management initiatives. For example, employees benefit from non-compensation benefits including pension and retirement, although not all employees are eligible for these opportunities.

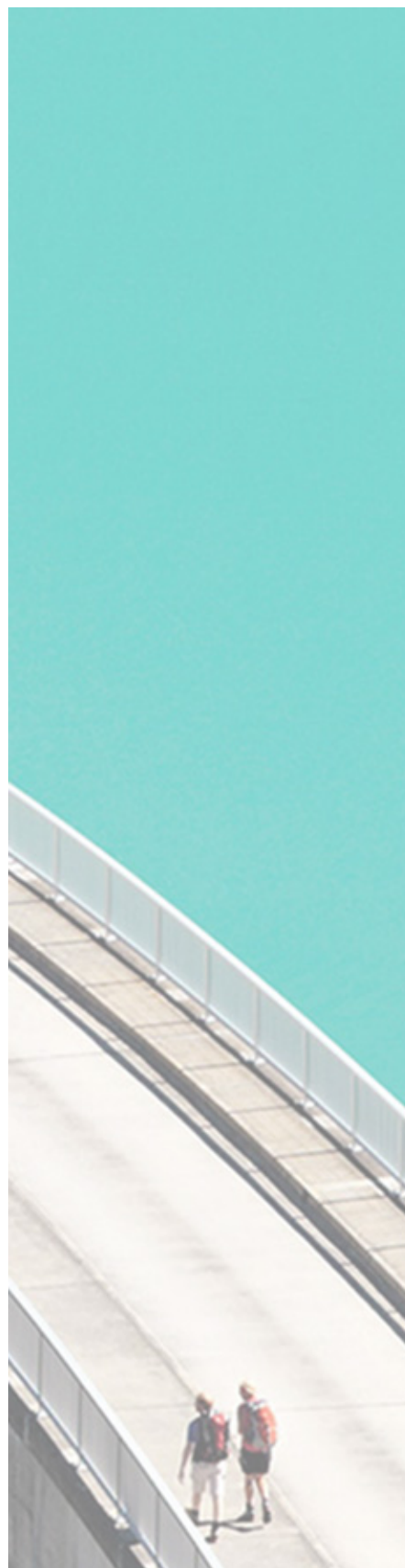
Data security, a crucial element in this sector, is subject to rigorous monitoring, including certification to external information security management standards and robust compliance programs (e.g. system audits and employee trainings). However, it appears that some business lines/subsidiaries are less well covered than others. Positively, Swisscom has ISO 27001 certification for its entire IT infrastructure.

### Governance Pillar

In terms of governance (30% of the score), Swisscom stands above its peers. All members of the Board of Directors are independent, and the roles of Chairman of the Board and CEO are well distinct. With a proportion of 40%, women are well represented on the Board of Directors. It is also notable that the Board includes an independent audit committee and an independent pay committee.

The group has a detailed anti-corruption policy, reinforced by whistleblower protection. However, it is criticized that the Board does not systematically monitor ethical issues. It should be noted that a minor controversy arose in 2024 for an alleged violation of competition rules in connection with the expansion of the fiber optic network. It has since been closed.

Swisscom is eligible for our fund thanks to its excellent environmental practices and good scores on pillars S and G. However, it is important to be careful with data security: strengthening processes and controls would be a plus. Joining the Word Economic Forum's Partnering Against Corruption Initiative (PACI) would also be appreciated.



## Fund Manager Commentary

### Economic Environment

Capital markets remain driven by tariff talks between the United States and its main trading partners, including Europe, China and many emerging countries, in an attempt to reach an agreement with the American President. Global stock markets continued the rebound that began mid-April after Donald Trump announced a 90-day pause in the implementation of reciprocal tariffs.

On the economic front, leading indicators within industry and services in the United States, as well as U.S. consumer confidence surveys, began to rise after the downward trend observed in recent months. In early May, the US Federal Reserve chose to keep its key rates within the 4.25-4.5% range owing to the lack of short-term visibility on inflation caused by future tariffs.

In the Eurozone, activity remains sluggish, and expectations have been lowered in services, with the PMI index at its weakest in 16 months, on account of France and Germany in particular. The European Commission has also revised its growth forecasts for the Eurozone down to +0.9% in 2025 and +1.4% in 2026 (vs. earlier forecasts of +1.3% and +1.6%).

Global equities rose 5.9% in euros, driven by U.S. equities (+6.5%) while emerging equities lagged the market (+4.4% in euros). U.S. rates rebounded during the month from 4.15% to 4.4%, hitting a high at 4.6%, which also lifted rates in other countries. Yields on 10-year German bonds rose 6bps to 2.5%.

### ESG-Climate Analysis

Integrating extra-financial criteria into stock-picking resulted in significantly higher exposure to ESG criteria than in the investment universe (6.69 vs. 6.04). The lead is most marked in the E (7.43 vs. 6.18) pillar. The fund has a smaller carbon footprint than its investment universe.

### Performance & current holdings

Performance was positive in absolute terms and lower than that of the investment universe. Our reduced equity exposure during the month compared to the benchmark index had a negative impact. Our selection of European stocks had a negative contribution to the fund's relative performance.

The sector allocation contributed negatively to the fund's relative performance due to overexposure to insurance, real estate, food distribution, and business services, as well as underexposure to capital goods and semiconductors. Positive contributions came from underexposure to energy, consumer staples, pharmaceuticals, healthcare equipment, and consumer durables.

Our stock selections had a negative impact on the fund's relative performance, particularly in capital goods (Alstom, Kingspan), consumer durables (Kering), specialty retail (Inditex), financial services (Deutsche Boerse), food/beverage (Heineken, Pernod Ricard), insurance (Allianz, Munich Re), and telecoms (Elisa, KPN).

Positive contributions came from banking (AIB, Bawag, Erste Group, KBC), automotive (BMW, Michelin), transportation (DHL), semiconductors (Infineon), and utilities (Edp, Acciona Renovables).

International diversification had a positive impact on absolute performance but negative in relative terms as we favour European equities. The funds HSBC RIF Global Equity performed in line with global equities markets over the month.

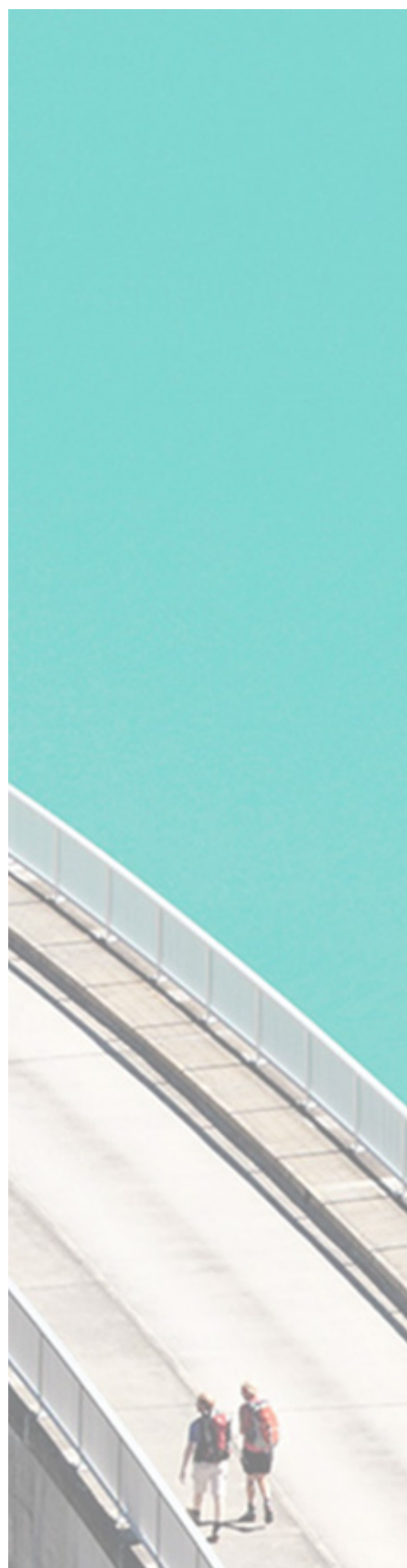
On the bond side, the absolute and relative contribution was positive due to the outperformance of private debt investments.

### Outlook

We expect growth to converge in major economies, inflation to remain slightly above its long-term trend, and monetary easing to continue at a gradual pace. The slowdown in growth and the relative under-performance of U.S. assets (equities, bonds, U.S. dollar) suggest the end of "U.S. exceptionalism" and a return to assets that are still trading at a discount (European and emerging equities).

Considering the moderate slowdown in global growth, poor political visibility, and central banks pursuing their rate cutting cycles, we have maintained a modest positive stance on sovereign yields and credit from the investment grade category which offers a decent yield.

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Document updated on 17/06/2025

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## Fund Details

### Legal Form

SICAV regulated under French law

### Investment horizon

3 years

### Investment univers

70% Bloomberg Euro Aggregate 500 MM + 25% MSCI EMU (EUR) NR + 5% MSCI World (EUR) NR

### Dividend Policy

(AC): Accumulation Shares

### \*Start Date of Management

30/09/2019

### Base Currency

EUR

### Valuation

Daily

### Dealing / Payment Date

Daily -

### Initial Fee / Exit Fee

2.00% / Nil

### Minimum Initial Investment

Thousandths of shares

### Portfolio Management Company

HSBC Global Asset Management (France)

### Custodian

Caceis Bank

### Central Paying Agent

Caceis Bank

### ISIN Code

(AC): FR0013443132

### Fees

Real internal management fees

1.00% inc. taxes

Maximum internal management fees

1.00% inc. taxes