

HSBC ISLAMIC FUNDS

**Unaudited Semi-Annual Report for the period from
01 January 2023 to 30 June 2023**

Unaudited semi-annual report for the period from 01 January 2023 to 30 June 2023

Société d'Investissement à Capital Variable (SICAV), Luxembourg

Information concerning the distribution of shares of HSBC Islamic Funds in or from Switzerland.

Legal Representative of the Company in Switzerland: HSBC Global Asset Management (Switzerland) Ltd., Gartenstrasse 26, P.O. Box, CH-8002 Zurich. The Prospectus, Key Investor Information Document (KIID), Articles and annual and semi-annual reports of the Company may be obtained free of charge upon request from the Legal Representative in Switzerland. A breakdown of all transactions carried out on behalf of each sub-fund of the Company for the period under review can be obtained, free of charge, from the Legal Representative in Switzerland.

Statement of changes in the investment portfolio

A list, specifying for each sub-fund total purchases and sales transacted during the period under review, may be obtained, upon request, at the registered office of the Company.

No subscription can be received on the basis of financial reports only. Subscriptions are only valid if made on the basis of the current relevant Key Investor Information Document and the current Prospectus accompanied by the latest annual and the most recent semi-annual report, if published thereafter.

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Board of Directors

- ▶ **Anthony Jeffs**, (Chairman), Global Head of Product
HSBC Global Asset Management Limited,
8 Canada Square, London E14 5HQ, United Kingdom.
- ▶ **Dr. Michael Boehm**, Chief Operating Officer
Head of Global Fund Services, Alternatives
HSBC Global Asset Management (Deutschland) GmbH,
Königsallee 21/23, 40212 Düsseldorf, Germany.
- ▶ **Jean de Courrèges**, Independent Director
Luxembourg, Grand Duchy of Luxembourg.
- ▶ **Eimear Cowhey**, Independent Director
Dublin, Ireland.
- ▶ **John Li**, Independent Director
The Directors Office S.A., 19 Rue de Bitbourg, L-1273, Luxembourg.
- ▶ **Matteo Pardi**, Head of International Markets
HSBC Global Asset Management (France)
Italian Branch,
Via San Protaso 3,
20121 Milano, Italy.

HSBC Global Shariah Supervisory Committee

The Management Company has entered into a Performance Level Agreement with HSBC Bank Middle East Limited under which the latter agrees to appoint the members of the HSBC Global Shariah Supervisory Committee ("the Shariah Committee"). The members of the Shariah Committee are:

- ▶ Dr. Nizam Yaquby - resident in Bahrain
- ▶ Dr. Mohamed Ali Elgari - resident in Saudi Arabia
- ▶ Dr. Aznan Hassan – resident in Malaysia

Management and Administration

Registered Office	4, rue Peternelchen, L-2370 Howald, Grand Duchy of Luxembourg
Management Company	HSBC Investment Funds (Luxembourg) S.A. 18, boulevard de Kockelscheuer, L-1821 Luxembourg, Grand Duchy of Luxembourg.
Administration Agent, Depositary Bank, Central Paying Agent, Registrar and Transfer Agent	HSBC Continental Europe, Luxembourg 18, boulevard de Kockelscheuer L-1821 Luxembourg, Grand Duchy of Luxembourg.
Domiciliary and Corporate Agent	ONE Corporate 4, rue Peternelchen, Cubus C3, L-2370 Howald, Grand Duchy of Luxembourg.
Investment Adviser	HSBC Global Asset Management (UK) Limited 8 Canada Square, London, E14 5HQ, United Kingdom.

Management and Administration (continued)

Share Distributors

Global Distributor

HSBC Investment Funds (Luxembourg) S.A.
18, Boulevard de Kockelscheuer,
L-1821 Luxembourg,
Grand Duchy of Luxembourg.

Distributor for Continental Europe

HSBC Global Asset Management (France)
Immeuble "cœur Défense" – Tour A,
110 Esplanade du Général de Gaulle - La Défense 4,
75419 Paris Cedex 08,
France.

Distributor and Representative for the United Kingdom

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

Paying Agent in Switzerland

HSBC Private Bank (Suisse) S.A.
Quai des Bergues 9-17, Case Postale 2888,
CH-1211 Geneva 1, Switzerland.

Auditor

PricewaterhouseCoopers, Société coopérative
2, rue Gerhard Mercator, B.P. 1443,
L-1014 Luxembourg,
Grand Duchy of Luxembourg.

Shareholder Information

Automatic Exchange of Information

The OECD has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information AEOI on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted in order to implement the CRS among the Member States.

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law").

The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are tax resident in countries with which Luxembourg has a tax information sharing agreement. Accordingly, the Company may require its investors to provide information in relation to the identity and tax residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status. Responding to CRS-related questions is mandatory. The personal data obtained will be used for the purpose of the CRS Law or such other purposes indicated by the Company in the data protection section of the Prospectus in compliance with Luxembourg data protection law. Information regarding a shareholder and his/her/its account will be reported to the Luxembourg tax authorities (Administration des Contributions Directes), which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis, if such account is deemed a CRS reportable account under the CRS Law.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to exchange information automatically under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis.

The Company reserves the right to refuse any application for Shares if the information provided or not provided does not satisfy the requirements under the CRS Law.

On 25 May 2018, the EU Council adopted a directive (2018/822 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation) that imposes a reporting obligation on parties involved in transactions that may be associated with aggressive tax planning ("DAC6"). DAC6 has been implemented in Luxembourg by the law of 25 March 2020 (the "DAC6 Law"). More specifically, the reporting obligation will apply to cross-border arrangements that, among others, meet one or more "hallmarks" provided for in the DAC6 Law that is coupled in certain cases, with the main benefit test (the "Reportable Arrangements"). In the case of a Reportable Arrangement, the information that must be reported includes inter-alia the name of all relevant taxpayers and intermediaries as well as an outline of the Reportable Arrangement, the value of the Reportable Arrangement and identification of any member states likely to be concerned by the Reportable Arrangement. The reporting obligation in principle rests with the persons that design, market or organize the Reportable Arrangement or provide assistance or advice in relation thereto (the so-called "intermediaries"). However, in certain cases, the taxpayer itself can be subject to the reporting obligation. Intermediaries (or the case maybe, the taxpayer) may be required to report a Reportable Arrangement as soon as 30 January 2021. The information reported will be automatically exchanged between the tax authorities of all Member States. In light of the broad scope of the DAC6 Law, transactions carried out by the Company may fall within the scope of the DAC6 Law and thus be reportable.

Name of the sub-fund	Tax status for redemptions	Tax status for distributions	Method used to determine the status	Period of validity of the status
HSBC Islamic Global Equity Index Fund	Out of Scope	Out of Scope	Investment Policy	1 January 2023 30 June 2023

Statement of Net Assets

as at 30 June 2023

	Notes	HSBC Islamic Global Equity Index Fund USD
Assets		
Portfolio at Market Value	3.b	1,059,867,241
Cash at Bank		3,513,307
Receivable from Brokers		1,496,113
Receivable from Shareholders		3,561,710
Debtors		127,000
Investment Income Receivable		680,011
Other Assets		5,621
Total Assets		1,069,251,003
Liabilities		
Payable to Brokers		(1,464,836)
Payable to Shareholders		(630,343)
Other Liabilities		(810,495)
Total Liabilities		(2,905,674)
Total Net Assets		1,066,345,329

The accompanying notes form an integral part of these financial statements

Statement of Operations and Changes in Net Assets

for the period ended 30 June 2023

	Notes	HSBC Islamic Global Equity Index Fund USD
Net Assets at the Beginning of the period		869,386,416
INCOME		
Investment Income	3.c	6,428,493
Other Income		40,445
Total Income		6,468,938
EXPENSES		
Management Fees	4	(2,211,546)
Taxe d'abonnement	5	(690)
Operating, Administrative and Servicing Fees	4, 8	(911,365)
Other Fees		(1,116)
Operating expenses		(110)
Total Expenses		(3,124,827)
Net Investment Income		3,344,111
Realised Gain on Sale on Investments	3.e	16,201,176
Loss on Foreign Currency		(4,740)
Realised Gain for the period		19,540,547
Change in Unrealised Appreciation of Investments		193,981,949
Change in Total Net Assets as a Result of Operations		213,522,496
Proceeds on Issue of Shares		263,735,463
Payments on Redemption of Shares		(279,337,303)
Dividends Paid	6	(961,743)
Net Assets as at the End of the period		1,066,345,329

The accompanying notes form an integral part of these financial statements

Changes in the Number of Shares

for the period ended 30 June 2023

HSBC Islamic Global Equity Index Fund

	Share Class AC (USD)	Share Class AC (EUR)	Share Class AC (SGD)*	Share Class AD (USD)	Share Class BC (GBP)	Share Class BC (USD)	Share Class BD (GBP)	Share Class BD (USD)
Number of Shares in Issue at the Beginning of the period	5,196,695.800	195,836.402	-	11,725,912.397	1,197,568.152	1,114,399.200	423,668.455	927,361.700
Number of Shares Subscribed	1,482,870.867	153,894.593	67,798.960	373,385.963	552,883.865	571,195.111	69,412.918	325,520.849
Number of Shares Redeemed	(1,423,276.669)	(1,698.727)	(9,988.754)	(8,829,504.186)	(177,880.726)	(216,192.138)	(64,308.581)	(102,071.414)
Number of Shares Cancelled	-	-	-	-	-	-	-	-
Number of Shares in Issue at the End of the period	5,256,289.998	348,032.268	57,810.206	3,269,794.174	1,572,571.291	1,469,402.173	428,772.792	1,150,811.135

*Launched on 16/06/2023

HSBC Islamic Global Equity Index Fund

	Share Class EC (USD)	Share Class IC (EUR)	Share Class IC (GBP)	Share Class IC (USD)	Share Class ID (USD)	Share Class WD (USD)	Share Class ZC (USD)
Number of Shares in Issue at the Beginning of the period	514,115.448	100.000	16,371,386.217	14,826,886.209	1,226,074.374	41,779.651	1,580,448.300
Number of Shares Subscribed	310,353.261	-	2,137,522.458	9,139,896.353	52,360.222	-	-
Number of Shares Redeemed	(105,362.690)	-	(1,929,690.794)	(2,684,542.911)	(110,500.000)	-	(95,742.677)
Number of Shares Cancelled	-	-	-	-	-	-	-
Number of Shares in Issue at the End of the period	719,106.019	100.000	16,579,217.881	21,282,239.651	1,167,934.596	41,779.651	1,484,705.623

Statistics over the last three years

for the period ended 30 June 2023

Sub-Fund	Total Expense Ratio (TER) 30 June 2023	Shares Outstanding 30 June 2023	Net Asset Value per Share		
			31 December 2021	31 December 2022	30 June 2023
HSBC Islamic					
Global Equity Index Fund					
USD					
AC (USD)	0.96%	5,256,289.998	USD 23.88	USD 17.85	USD 22.18
AC (EUR)	1.08%	348,032.268	-	EUR 8.15	EUR 9.89
AC (SGD)*	1.01%	57,810.206	-	-	SGD 10.06
AD (USD)	0.93%	3,269,794.174	USD 22.27	USD 16.62	USD 20.59
BC (GBP)	0.65%	1,572,571.291	GBP 13.14	GBP 11.02	GBP 13.01
BC (USD)	0.65%	1,469,402.173	USD 11.58	USD 8.68	USD 10.81
BD (GBP)	0.65%	428,772.792	GBP 15.75	GBP 13.15	GBP 15.43
BD (USD)	0.60%	1,150,811.135	USD 12.79	USD 9.56	USD 11.83
EC (USD)	1.80%	719,106.019	USD 11.70	USD 8.67	USD 10.73
IC (GBP)	0.56%	16,579,217.881	GBP 13.02	GBP 10.93	GBP 12.91
IC (USD)	0.52%	21,282,239.651	USD 23.45	USD 17.60	USD 21.93
IC (EUR)	0.64%	100.000	-	EUR 9.65	EUR 11.75
ID (USD)	0.51%	1,167,934.596	USD 25.38	USD 18.95	USD 23.43
WD (USD)	0.03%	41,779.651	USD 24.27	USD 18.11	USD 22.33
YC (GBP)**	-	-	GBP 32.76	-	-
YD (USD)***	-	-	USD 18.65	-	-
ZC (USD)	0.14%	1,484,705.623	USD 28.35	USD 21.36	USD 26.65
Total Net Assets			USD 3,056,439,943	USD 869,386,416	USD 1,066,345,334

*Share Class AC (SGD) Launched on 16/06/2023

**Share Class YC (GBP) closed 18/11/2022, number of shares cancelled attributable to the merger with the HSBC Contractual Fund. Further details regarding the Merger are disclosed in Note 14.

***Share Class YD (USD) closed on 30/09/2022

Portfolio of Investments and Other Net Assets

as at 30 June 2023

HSBC Islamic Global Equity Index Fund
Statement of investments as at 30 June 2023
(Expressed in USD)

Description	Face Value	Currency	Evaluation	% net assets	Description	Face Value	Currency	Evaluation	% net assets
INVESTMENTS					NETHERLANDS				
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					ADYEN				
SHARES					ASML HOLDING				
AUSTRALIA					PROSUS				
BHP BILLITON	225,793	AUD	7,413,893	0.69		1,358	EUR	2,349,487	0.22
CSL	23,640	AUD	4,364,842	0.41		17,804	EUR	2,878,225	1.21
WESTFARMERS	55,600	AUD	1,826,080	0.17		52,367	EUR	3,834,566	0.36
Ltd NPV	93,053	AUD	2,133,239	0.20				19,061,868	1.79
			15,738,054	1.47	SOUTH KOREA				
CAYMAN ISLANDS					SAMSUNG ELECTRONICS				
Ltd USD0.000003125	60,500	HKD	626,879	0.06		189,462	KRW	10,381,479	0.97
JD.com Inc A NPV	54,534	HKD	192,604	0.02				10,381,479	0.97
Pinduoduo Inc ADR V4Ord	28,009	USD	1,936,542	0.18	SWEDEN				
			2,756,025	0.26	ATLAS COPCO "A"				
CHINA					NOVARTIS "R"				
MEITUAN DIANPING	240,712	HKD	3,756,614	0.35		183,449	SEK	2,501,961	0.23
TENCENT HOLDINGS	24,1021	HKD	10,098,627	0.96				2,501,961	0.23
			13,955,241	1.31	SWITZERLAND				
DENMARK					ABB "R"				
NOVO NORDISK "B"	70,717	DKK	11,391,645	1.07		74,871	CHF	2,944,125	0.28
			11,391,645	1.07		22,864	CHF	3,875,622	0.36
FRANCE					LONZA GROUP				
AIR LIQUIDE	22,936	EUR	4,108,807	0.39		3,262	CHF	1,944,840	0.18
ESSLOR INTERNATIONAL	13,334	EUR	2,510,881	0.24		109,784	CHF	13,203,776	1.24
KERING	3,162	EUR	1,738,674	0.16		105,286	CHF	10,591,561	0.99
L'OREAL	11,034	EUR	5,141,472	0.48		30,773	CHF	9,407,495	0.88
SANOFI	50,308	EUR	5,389,810	0.51		1220	CHF	400,371	0.04
SCHNEIDER ELTE	25,016	EUR	4,542,922	0.43		6,748	CHF	1,928,647	0.18
			23,432,566	2.21	TAIWAN				
GERMANY					Mediatek Inc TWD 10				
SAP	48,679	EUR	6,646,036	0.62		83,000	TWD	1,833,518	0.17
			6,646,036	0.62		558,337	TWD	10,326,129	0.97
INDIA					MANUFACTURING				
RELIANCE INDUSTRIES	87,314	USD	5,439,662	0.51				12,159,647	1.14
			5,439,662	0.51	UNITED KINGDOM				
IRELAND					ANGLO AMERICAN				
ACCENTURE CORP	30,493	USD	9,409,530	0.88		58,587	GBP	1,663,242	0.16
MEDTRONIC	64,238	USD	5,659,368	0.53		68,027	GBP	9,752,181	0.91
NewLinde PLC NPV	23,640	USD	9,008,731	0.84		32,261	GBP	2,424,810	0.23
			24,077,629	2.25		87,266	GBP	2,907,887	0.27
JAPAN					RIO TINTO				
DAIICHI SANKYO	95,354	JPY	3,001,769	0.28		46,470	GBP	2,945,417	0.28
DAIKIN INDUSTRIES	14,343	JPY	2,904,126	0.27		15,164	GBP	5,999,307	0.56
FAST RETAILING	9,200	JPY	2,337,316	0.22				25,692,844	2.41
HOYA	17,430	JPY	2,059,166	0.19	UNITED STATES				
KEYENCE	9,796	JPY	4,598,600	0.43	3M CO				
MURATA MANUFACTURING	33,162	JPY	1,889,092	0.18		26,637	USD	2,666,097	0.25
NIDEC	26,053	JPY	1,414,092	0.13		83,964	USD	9,163,755	0.86
RERUIT HOLDINGS	83,093	JPY	2,623,263	0.25		85,187	USD	11,477,245	1.08
SHIN-ETSU CHEMICAL	99,100	JPY	3,269,165	0.31		22,189	USD	10,850,189	1.02
TOKYO ELECTRON	23,900	JPY	3,399,758	0.32		77,908	USD	8,874,500	0.83
			27,496,317	2.58		287,014	USD	34,355,576	3.22
					ALPHABET "A"				
					ALPHABET "C"				
					AMAZON.COM				
					APPLE				
					Applied Mats				
					BRISTOL MYERS SQUIBB				
					BROADCOM CORP COM				
					CHEVRON				
					CISCO SYSTEMS				
					COCA-COLA				
					ConocoPhillips Com				
					USD0.01				
					DANAHER				
					ELI LILLY				
					EXXON MOBIL				
					FACEBOOK				

Portfolio of Investments and Other Net Assets (continued) as at 30 June 2023

HSBC Islamic Global Equity Index Fund
Statement of investments as at 30 June 2023
(expressed in USD)

Description	Face Value	Currency	Evaluation	% net assets
HOM E DEPOT	48,896	USD	15,189,053	142
HONEYWELL INTERNATIONAL	32,130	USD	6,666,975	0.63
INTEL	20,194	USD	6,752,907	0.63
INTUITIVE SURGICAL	16,919	USD	5,785,283	0.54
JOHNSON & JOHNSON	125,478	USD	20,769,119	195
LOWES	28,795	USD	6,499,032	0.61
MASTERCARD	40,367	USD	15,876,341	149
MERCK & CO	122,518	USD	14,137,352	133
MICROSOFT	242,856	USD	82,702,182	7.76
"A"	65,426	USD	4,772,172	0.45
NIKE "B"	59,597	USD	6,577,721	0.62
NVIDIA	119,458	USD	50,533,123	4.74
PEPSICO	66,445	USD	12,306,943	1.15
PFIZER	272,579	USD	9,998,198	0.94
PROCTER AND GAMBLE	113,804	USD	17,268,619	162
QUALCOMM	53,948	USD	6,421,970	0.60
S&P GLOBAL	15,837	USD	6,348,895	0.60
SALESFORCE.COM	47,368	USD	10,006,964	0.94
SERVICENOW	9,871	USD	5,547,206	0.52
STARBUCKS	55,353	USD	5,483,268	0.51
TARGET CORP COM	22,286	USD	2,939,523	0.28
TESLA MOTORS	110,081	USD	34,051,303	3.19
TEXAS INSTRUMENTS	43,936	USD	7,909,360	0.74
THERMO FISHER SCIENTIFIC	18,575	USD	9,691,506	0.92
UNION PACIFIC	29,439	USD	6,023,808	0.56
UNITED PARCEL SERVICES	34,917	USD	6,258,872	0.59
VISA "A"	78,135	USD	13,555,500	1.74
WALMART STORES	67,724	USD	10,644,858	100
			802,696,945	75.29
TOTAL SHARES			1,047,724,356	98.26
DEPOSITARY RECEIPTS				
CAYMAN ISLANDS				
ALIBABA GROUP HOLDING	87,171	USD	7,265,703	0.68
JD.COM	54,534	USD	1,861,245	0.17
			9,126,948	0.85
INDIA				
INFOSYS	117,675	USD	3,015,937	0.28
			3,015,937	0.28
TOTAL DEPOSITARY RECEIPTS			12,142,885	1.13
TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			1,059,867,241	99.39
TOTAL INVESTMENTS			1,059,867,241	99.39
OTHER NET ASSETS LESS LIABILITIES			6,478,088	0.61
TOTAL NET ASSETS			1,066,345,329	100.00

Portfolio of Investments and Other Net Assets (continued) as at 30 June 2023

HSBC Islamic Global Equity Index Fund

Economic Division of Investment

(expressed as a percentage of net assets)

	%
Technology	43.34
Healthcare	15.92
Consumer Goods	10.97
Consumer Services	10.66
Industrials	6.76
Oil & Gas	4.48
Financials	4.18
Basic Materials	2.85
Other Investments	0.23
Other net assets less liabilities	0.61
Total Net Assets	100.00

Notes to the Financial Statements

for the period ended 30 June 2023

1. Basis of presentation

HSBC ISLAMIC FUNDS (the "Company") is incorporated under the laws of the Grand Duchy of Luxembourg as an investment company with variable capital (Société d'Investissement à Capital Variable). The capital comprises various Shares of different classes (the "Share Classes" or "Classes of Shares") within different compartments each relating to a separate portfolio (a "sub-fund") consisting of securities, cash and other sundry assets and liabilities.

The accompanying financial statements present the assets and liabilities of the only sub-fund of the Company which therefore represents the Company as a whole. The financial statements of the Company are expressed in the currency designated in the Company's prospectus for the sub-fund and the financial statements of the Company are expressed in United States dollars (USD). The Company's financial statements have been prepared in accordance with the format prescribed by the Luxembourg law for Luxembourg investment companies.

The Company qualifies as an undertaking for collective investment in transferable securities under Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended (the "2010 Law") and is authorised by the Commission de Surveillance du Secteur Financier.

In the Company's prospectus and in the reports, the short name of the sub-fund is used. The complete name of the sub-fund is "HSBC Islamic" plus the short name of the sub-fund.

2. Share Capital

The Company currently offers the following Classes of Shares:

Class	Description
Class A	A Shares are available to all investors. The minimum initial investment amount and the minimum holding for A Shares are USD 5,000 or the equivalent in the relevant currency of denomination of the sub-fund.
Class B	B Shares are available to sub-distributors who are prohibited from accepting and retaining inducements from third parties under applicable laws and regulations or court rulings or sub-distributors who have a separate fee arrangement with their clients in relation to the provision of investment services and activities (for example, in the European Union, services and activities performed under MiFID II) and who have opted not to accept and retain inducements from third parties. The minimum initial investment amount and the minimum holding for B Shares are USD 5,000 or the equivalent in the relevant currency of denomination of the sub-fund.
Class E	E Shares are available in certain countries, subject to the relevant regulatory approval, through certain distributors selected by the global distributor. The minimum initial investment amount and the minimum holding for E shares are USD 5,000 or the equivalent in the relevant currency of denomination of the sub-fund.
Class I	I Shares are only available for investors qualifying as institutional investors within the meaning of article 174 of the 2010 Law. The minimum initial investment amount and the minimum holding for I Shares are USD 1,000,000 or the equivalent.
Class S	S Shares are available through specific distributors selected by the Global Distributor provided that the investors qualify as institutional investors within the meaning of article 174 of the 2010 Law. The minimum initial investment amount and the minimum holding for S Shares are USD 500,000 or the equivalent. S Shares will incur no charges. All the fees and charges allocated to such class of Shares will be paid directly by members or affiliated entities of the HSBC Group. No S Shares were issued as at 30 June 2023.
Class W	W Shares are available through certain distributors selected by the Global Distributor provided that the investors qualify as institutional investors within the meaning of article 174 of the 2010 Law. The minimum initial investment amount and the minimum holding for W Shares are USD 100,000 or the equivalent. W Shares will incur no charges. All the fees and charges allocated to such class of Shares will be paid directly by members or affiliated entities of the HSBC Group.
Class Y	Y Shares are available to certain distributors selected by the Global Distributor provided that the investors qualify as institutional investors within the meaning of article 174 of the 2010 Law. The minimum initial investment amount and the minimum holding for Y Shares are USD 100,000 or the equivalent.
Class Z	Z Shares are available to investors having entered into a discretionary management agreement with an HSBC Group entity and to investors subscribing via distributors selected by the Global Distributor provided that such investors qualify as institutional investors within the meaning of article 174 of the 2010 Law. The minimum initial investment amount and the minimum holding for Z Shares are USD 1,000,000 or the equivalent.

Notes to the Financial Statements

for the period ended 30 June 2023 (continued)

2. Share Capital (continued)

The Board of Directors has resolved to issue Distribution and Capital-Accumulation Shares as different classes of the sub-funds. Capital-Accumulation Shares of the Company are identifiable by a "C" following the sub-fund and Share Class names and do not pay any dividends. Distribution Shares of the Company are identifiable by a "D" following the sub-fund and Share Class names.

The Company has applied for UK reporting fund status for certain distributing Share Classes from the accounting period commencing on 1 April 2010. Prior to this, the Company had applied UK distributor status for such distributing Share Classes.

Details of which Share Classes have UK reporting fund status can be found on the HM Revenue & Customs' website at www.hmrc.gov.uk. At the date of this report the exact location of this report is <https://www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds.xlsm>.

As at 30 June 2023, the following share classes were open,

HSBC Islamic Global Equity Index Fund	
Class	Launch date
AC (USD)	12 November 2009
AC (EUR)	13 January 2022
AC (SGD) *	16 June 2023
AD (USD)	09 January 2001
BC (GBP)	23 October 2020
BC (USD)	27 April 2021
BD (GBP)	24 April 2020
BD (USD)	09 March 2021
EC (USD)	09 April 2021
IC (EUR)	02 November 2022
IC (GBP)	01 March 2021
IC (USD)	31 March 2017
ID (USD)	25 February 2016
WD (USD)	31 March 2004
ZC (USD)	14 May 2014

* Share class AC (SGD) launched on the 16/06/2023

3. Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Company's financial statements.

a) Accounting convention

The financial statements have been prepared under the historical cost convention modified by the revaluation of investments.

b) Assets and portfolio securities valuation

Investments are included in the Statement of Net Assets at their market value at 30 June 2023. The market values are based on closing mid-market prices on leading markets.

c) Income and Expenses

Dividends are accounted for on an ex-dividend basis.

d) Foreign Exchange

The cost of investments, income and expenses in currencies other than the Company's relevant reporting currency have been recorded at the rate of exchange ruling at the time of the transaction. The market value of the investments and other assets and liabilities in currencies other than the relevant reporting currency has been converted at the rates of exchange ruling at 30 June 2023.

Notes to the Financial Statements

for the period ended 30 June 2023 (continued)

3. Accounting Policies (continued)

e) Realised Gain/(Loss) on Sale of Investments

Realised gain/(loss) on sale of investments is the difference between the historical average cost of the investment and the sale proceeds.

4. Charges and Expenses

Management Fees

The Company pays to the Management Company a management fee per annum on the basis of the net asset value of the sub-funds, calculated daily and payable monthly in arrears at the rate disclosed in the Company's prospectus. The fee covers all management, advisory and distribution services provided to the sub-fund by the Management Company, the Investment Adviser and the distributors. The Management Company is responsible for discharging, out of such fee, the fees of the Investment Adviser and the distributors and other recognised intermediaries or such other person as the Management Company may determine at its discretion.

The management fee payable to the Management Company out of the net asset value of the relevant category of shares issued in the sub-fund is as follows:

HSBC Islamic Global Equity Index Fund	
A	0.750%
B	0.375%
E	1.530%
I	0.375%
S	0.000%
W	0.000%
Y	0.000%
Z	0.000%

S and W Shares incur no charges. All the fees and charges allocated to such Share Classes will be paid directly by members or affiliated entities of the HSBC Group.

Z Shares incur no annual management charge.

Operating, Administrative and Servicing Fees

Specific provisions for Y Shares - Operating, Administrative and Servicing Expenses

Y Shares incur operating, administrative and servicing expenses fixed at 0.30% of the net asset value per annum. This fee is paid quarterly in arrears. The excess of such expenses above such annual rate will be borne directly by the Management Company or its affiliates, and equally the Management Company or its affiliates may retain any surplus.

The Company pays to the Management Company a fee of 0.01% p.a. on the net asset value of the sub-funds payable monthly.

The Company pays to HSBC Bank Middle East Limited a fee for its services rendered with respect to the appointment of the Shariah Committee. The fee is payable at the end of each calendar quarter. It currently amounts to USD 2,500 and is subject to annual review. The Company also pays reasonable related out-of-pocket expenses of the Shariah Committee.

The Company pays to the Depository Bank a fee which is payable quarterly in arrears. In addition the Depository Bank is entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses and disbursements and the fees and expenses of its correspondent banks.

The Company pays to the Administration Agent and the Registrar and Transfer Agent a fee which has been agreed between the parties based on different services and transactions provided. This fee is payable quarterly.

The Company also pays other expenses incurred in its operation including the fees of its auditors and legal advisers, the cost of printing and distributing the annual and half-yearly reports, the prospectus, the Key Investor Information Documents, the costs and expenses incurred in connection with the formation and registration of the Company in various jurisdictions, and fees and expenses involved in registering and maintaining the registration of the Shares of the Company (the "Shares"), with any governmental agency or stock exchange, the cost of publication of prices, fees of the Board of Directors and reasonable out-of-pocket expenses incurred by them and its other operating expenses such as accounting and pricing costs and other recurring or non-recurring expenses.

Notes to the Financial Statements

for the year period 30 June 2023 (continued)

4. Charges and Expenses (continued)

Allocation of Charges and Expenses

The sub-fund or each Class of Shares is charged with all costs or expenses attributable to it. Costs and expenses not attributable to the sub-fund or Class of Shares are allocated between the Class of Shares on an equitable basis. Charges and expenses shall be charged first against investment income. The costs and expenses incurred in connection with the formation and registration of the Company as a UCITS in Luxembourg and elsewhere and the offer of Shares, all legal and printing costs and other preliminary expenses were borne by the sub-funds out of their assets on a pro rata accrual basis and amortised against capital over five years when incurred. As at 30 June 2023 all such formation expenses have been fully amortized.

Directors' Fees, Expenses and Interests

A Director may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is interested, provided that they have disclosed to the other Directors, prior to the conclusion of any such transaction or arrangement, the nature and extent of any interest therein. Subject to approval of the Board, a Director may vote in respect of any contract or arrangement or any proposal whatsoever in which they have an interest, having first disclosed such interest. A Director shall not be disqualified by their office from contracting with the Company. If a Director declares an interest in any contract which the Company is considering entering into, they may be counted in the quorum of any meeting to consider the contract and may vote on any resolution to enter into such contract.

The Company pays an annual fee to each of the Independent Directors amounting to EUR 15,000. This amount is paid by the Management Company through the operating, administrative and servicing expenses paid by the Company. The amount of Operating, Administrative and Servicing Expenses is accrued with every net asset value calculation and paid quarterly in arrears. For the period-end as at 30 June 2023, a total of EUR 15,000 has been charged as Independent Directors fees.

5. Taxation of the Company

The Company is not subject to taxation in Luxembourg on its income, profits or gains.

The Company is not subject to net wealth tax in Luxembourg.

No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the Shares of the Company.

The sub-fund is, nevertheless, in principle, subject to a subscription tax (taxe d'abonnement) levied at the rate of 0.05% per annum based on their net asset value at the end of the relevant quarter, calculated and paid quarterly.

A reduced subscription tax rate of 0.01% per annum is however applicable to any sub-fund whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both. A reduced subscription tax rate of 0.01% per annum is also applicable to any sub-fund or Share Classes provided that their shares are only held by one or more institutional investors within the meaning of article 174 of the 2010 Law (an "Institutional Investor").

A subscription tax exemption applies to:

- The portion of any sub-fund's assets (prorata) invested in a Luxembourg investment fund or any of its sub-funds to the extent it is subject to the subscription tax;
- Any sub-fund (i) whose securities are only held by Institutional Investor(s), and (ii) whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions, and (iii) whose weighted residual portfolio maturity does not exceed 90 days, and (iv) that have obtained the highest possible rating from a recognised rating agency. If several Share Classes are in issue in the relevant sub-fund meeting (ii) to (iv) above, only those Share Classes meeting (i) above will benefit from this exemption;
- Any sub-fund, whose main objective is the investment in microfinance institutions;
- Any sub-fund, (i) whose securities are listed or traded on a stock exchange and (ii) whose exclusive object is to replicate the performance of one or more indices. If several Share Classes are in issue in the relevant sub-fund meeting (ii) above, only those Share Classes meeting (i) above will benefit from this exemption; and
- Any sub-fund only held by pension funds and assimilated vehicles.

Notes to the Financial Statements

for the period ended 30 June 2023 (continued)

5. Taxation of the Company (continued)

Withholding tax

Investment income on bonds and dividend income received by the Company may be subject to non-recoverable withholding tax in the source countries. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The Company may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

Distributions made by the Company as well as liquidation proceeds and capital gains derived therefrom are not subject to withholding tax in Luxembourg.

6. Dividends

The following dividends were declared, out of the profits of the Company for the year ended 31 December 2022, for the Classes of Shares listed below:

Sub-Fund	Dividend per share
HSBC Islamic Global Equity Index Fund	
-Class AD (USD)	0.056214
HSBC Islamic Global Equity Index Fund	
-Class BD (GBP)	0.101885
HSBC Islamic Global Equity Index Fund	
-Class BD (USD)*	0.061679
HSBC Islamic Global Equity Index Fund	
-Class ID (USD)	0.149894
HSBC Islamic Global Equity Index Fund	
-Class WD (USD)	0.237284

*The dividend rates disclosed in the note are reported in Sub-fund currency by using the exchange rate as at record dates of the distributions.

7. Transactions Expenses

The transaction expenses linked to security dealing have been written off against the realised gain/(loss) on the sale of investments.

The sub-fund bears the costs and expenses of buying and selling portfolio securities and financial instruments, brokerage fees and commissions, taxes payable, and other transaction related expenses. These transaction fees are accounted for on a cash basis and are paid when incurred or invoiced from the net assets of the sub-fund to which they are attributable. Transaction fees are allocated across each sub-fund's Share Classes.

The Company bears any extraordinary expenses including, without limitation, litigation expenses and the full amount of any tax, levy, duty or similar charge and any unforeseen charges imposed on the Company or its assets.

The Company incurred transaction costs relating to purchase or sale of transferable securities, money market instruments, or other eligible assets:

HSBC Islamic Global Equity Index Fund	USD 51,029.
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8. Dividend Purification

The Shariah Committee has issued guidelines to quantify the annual amount of income of the Company that should be donated to charity, being derived from companies eligible for investment pursuant to the investment objective, policy and restrictions set out in the Prospectus for each sub-fund, but that are engaged in an activity or activities of a marginal nature which is or are proscribed by the Shariah Committee and which is not or are not screened out by the investment restrictions. Such amount will be calculated on an annual basis, based on the purification ratios, expressed as a percentage of each company's dividend. The purification ratios will be provided by the relevant index provider for each sub fund, for all companies in which the sub-funds have invested. For companies, whose purification ratios are not provided by the index provider, purification ratios will be calculated based on the financial information of these companies received from the Investment Advisers. Such income will be disbursed as a charitable donation to one or more worthy causes approved by the Shariah Committee.

A total amount of USD 166,114 for purification fees was accrued from 1 January 2023 to 30 June 2023 for HSBC Islamic Global Equity Index Fund.

Notes to the Financial Statements

for the period ended 30 June 2023 (continued)

9. Forward Foreign Exchange Contracts

The Company may use Shariah compliant Forward Foreign Exchange Contracts for hedging purposes. As at 30 June 2023, there were no open Forward Foreign Exchange contract entered into.

10. Commitment Approach

There are currently no derivative positions in the sub-fund, however, if approved by the Shariah Committee, the sub-funds may, to a limited extent, enter into simple positions in financial derivative instruments transactions for investment purposes other than hedging techniques and efficient portfolio management, in particular to gain exposure on financial markets when the relevant sub-fund Investment Adviser believes that it is more efficient to purchase financial derivative instruments than the corresponding physical securities. The sub-fund will use the commitment approach.

The commitment approach is generally calculated by converting the derivative contract into the equivalent position in the underlying asset embedded in that derivative, based on the market value of the underlying. Purchased and sold financial derivative instruments may be netted in accordance to the CESR's guidelines 10/788 in order to reduce global exposure. Beyond these netting rules and after application of hedging rules, it is not allowed to have a negative commitment on a financial derivative instrument to reduce overall exposure and as such, risk-exposure numbers will always be positive or zero.

11. Disclosure requirements for Index-tracking UCITS: HSBC Islamic Global Equity Index Fund

The HSBC Islamic Global Equity Index Fund is the sole index tracking sub-fund existing at the date of this report.

The annualised tracking error for the period ended 30 June 2023 is 0.1054%.

The annualised tracking errors are internally calculated by HSBC Global Asset Management (UK) Limited, based upon investment accounting performance returns using close of market prices, gross of fees, based on monthly data points. For example, 12 monthly points for 1 year, 36 monthly points for 3 years and 60 monthly points for 5 years.

The anticipated level of tracking error between the HSBC Islamic Global Equity Index Fund and the index "Dow Jones Islamic Market Titans 100 index", in normal market conditions is 0.20%. The HSBC Islamic Global Equity Index Fund is in line with anticipated tracking error.

12. Total Expense Ratio

The Total Expense Ratio ("TER") has been computed by the Administrator as required per the Swiss Funds & Asset Management Association "AMAS" guidelines on the calculation and disclosure of the TER of collective investment schemes. The actual expenses incurred during the period are annualised and calculated as a percentage of the average Assets Under Management of the share class for the period.

Synthetic TER is applicable for a sub-fund that invests at least 10% of its net assets as a fund of funds in other collective investment schemes (target funds) which publish a TER within the meaning of the present guidelines. A composite (synthetic) TER of the fund of funds is to be calculated by the administrator, as of the closing date of the financial year or the end of the first half of the financial year.

13. Anti-Dilution Mechanisms

When investors buy or sell shares in a sub-fund, the Investment Adviser may need to buy or sell the underlying investments within the sub-fund. Without an anti-dilution mechanism to take account of these transactions, all shareholders in the sub-fund would pay the associated costs of buying and selling these underlying investments. These transaction costs can include, but are not limited to, bid-offer spreads, brokerage and taxes on transactions.

There are two anti-dilution mechanisms available to the sub-fund, a pricing adjustment and an anti-dilution levy, both mechanisms aim to protect shareholders in a sub-fund.

There is an adjustment of the Net Asset Value per Share for a pricing adjustment and no adjustment of the Net Asset Value per Share for an anti-dilution mechanism.

Each mechanism has three main components:

1. A threshold rate
2. A buy rate
3. A sell rate

These components may be different for each sub-fund. Details of which anti-dilution mechanism is in operation on a particular sub-fund can be obtained from the Management Company.

Notes to the Financial Statements

for the period ended 30 June 2023 (continued)

13. Anti-Dilution Mechanisms (continued)

Should the Company decide to change the anti-dilution mechanism in operation for a particular sub-fund (i.e. from a pricing adjustment to an anti-dilution levy or vice versa), prior approval will be sought from relevant regulators (where required) and affected investors will receive at least one month's prior written notification.

Anti-Dilution Levy

The anti-dilution levy aims to mitigate the effect of transactions costs on the Net Asset Value of a sub-fund incurred by net subscriptions or redemptions.

The anti-dilution levy is triggered when the difference between subscriptions and redemptions, as a percentage of the sub-fund's Net Asset Value, exceeds the threshold on any particular Dealing Day. In the case of net capital inflows, the anti-dilution levy will be deducted from each subscription amount and accordingly reduce the number of Shares received by an investor or, in the case of net capital outflows, will be deducted from each redemption amount and accordingly reduce the redemption proceeds received by an investor.

The amount of the anti-dilution levy may be reduced or waived at the discretion of the Board of Directors. The amount of the anti-dilution levy may be reduced or waived at the discretion of the Board of Directors.

Investors should note that sub-distributors may levy the sales charge (if any) on an investor's full subscription and may not take into account the application of an anti-dilution levy.

Pricing Adjustment

The pricing adjustment aims to mitigate the effect of transactions costs on the Net Asset Value per Shares of a sub-fund incurred by significant net subscriptions or redemptions

The Company uses a partial swing pricing adjustment which means that the pricing adjustment is triggered when the difference between subscriptions and redemptions, as a percentage of the sub-fund's Net Asset Value, exceeds the threshold on any particular Dealing Day. The Net Asset Value of the sub-fund will be adjusted up or down using the adjustment rates (buy adjustment rate for net subscriptions or sell adjustment rate for net redemptions).

The adjustment of the Net Asset Value per Share will apply equally to each Share Class in a specific sub-fund on any particular Dealing Day. The pricing adjustment is applied to the capital activity at the level of a sub-fund and does therefore not address the specific circumstances of each individual investor transaction. These components may be different for each sub-fund.

If it is in the interests of shareholders, when the net capital inflows or outflows in a sub-fund exceeds a predefined threshold agreed from time to time by the Board of Directors, the Net Asset Value per Share may be adjusted by a maximum rate, as disclosed in the latest prospectus available, in order to mitigate the effects of transaction costs.

Under normal market conditions, this adjustment will not exceed 2%. However, it may be significantly higher during exceptional market conditions such as periods of high volatility, reduced asset liquidity and market stress. The current adjustment rates for each sub-fund are available on HSBC Global Asset Management's website in the Fund Centre at www.assetmanagement.hsbc.com.

The pricing adjustment rates are reviewed on at least a quarterly basis by the relevant investment management team and agreed with the local risk team. The swing threshold rates are reviewed on at least a yearly basis. Recommendations to adjust the pricing adjustment rates and thresholds are made through the respective Pricing/Valuation committee and submitted to the Management Company for consideration and review.

In the event that the proposal is accepted, the Management Company will implement at the changes at the next available opportunity. Changes to the swing threshold rates require additional approval from the Board of Directors before implementation.

Until the threshold rate is triggered, no anti-dilution levy or pricing adjustment is applied and the transaction costs will be borne by the sub-fund. This will result in a dilution (reduction in the Net Asset Value per Share) to existing shareholders.

For the avoidance of doubt, it is clarified that fees other than the sales charge will continue to be calculated on the basis of the unadjusted Net Asset Value for pricing adjustment.

A list of the sub-funds that have applied the mechanism of pricing adjustment (whether the NAV has swung or not) during the financial period is available at <https://www.assetmanagement.hsbc.co.uk/en/intermediary/fund-centre>.

As at 30 June 2023, there were no pricing adjustment.

Notes to the Financial Statements

for the year ended 30 June 2023 (continued)

14. Significant Events

Russia's invasion of Ukraine

Russia's invasion of Ukraine has had, and could continue to have, severe adverse effects on regional and global economic markets for securities and commodities. Following Russia's actions, various governments have issued broad-ranging economic sanctions against Russia including, among other actions:

- a prohibition on doing business with certain Russian companies, large financial institutions, officials and oligarchs;
- the removal by certain countries and the European Union of selected Russian banks from the Society for Worldwide Interbank Financial Telecommunications ("SWIFT"), the electronic banking network that connects banks globally; and
- restrictive measures to prevent the Russian Central Bank from undermining the impact of the sanctions.

The current events, including sanctions and the potential for future sanctions, which include (but not limited to) those impacting Russia's energy sector, and other actions, and Russia's retaliatory responses to those sanctions and actions, could continue to have, an adverse effect on global markets performance and liquidity, thereby negatively affecting the value of the portfolios' investments beyond any direct exposure to Russian issuers. They also give rise to material uncertainty and risk with respect to markets globally and the performance of the Portfolios and their investments or operations could be negatively impacted. Investors should be aware that the duration of the ongoing hostilities and the vast array of sanctions and related events cannot be predicted. The Company does not have any exposure to Russian securities.

15. Subsequent Events

There were no events subsequent to the annual report date which would require adjustments to or disclosures in these financial statements.

Publication of performance for sub-funds distributed in Switzerland – Information concerning the Swiss Investors

Publication of Performance for sub-funds distributed in Switzerland is required as per the AMAS (Asset Management Association Switzerland) # guidelines on the calculation and publication of performance data of collective investment schemes.

Sub-fund	ISIN	Share Class	Share Class Currency	Calendar Year Performance		
				2021	2022	2023
HSBC Islamic Global Equity Index Fund	LU0466842654	AC	USD	25.63%	(25.28)%	24.29%
HSBC Islamic Global Equity Index Fund	LU0110459103	AD	USD	25.68%	(25.25)%	24.25%
HSBC Islamic Global Equity Index Fund	LU0187035489	WD	USD	26.83%	(24.56)%	24.63%
HSBC Islamic Global Equity Index Fund	LU0466843462	ZC	USD	26.72%	(24.66)%	24.80%
HSBC Islamic Global Equity Index Fund	LU1313573898	ID	USD	26.16%	(24.93)%	24.41%
HSBC Islamic Global Equity Index Fund	LU1569385302	IC	USD	26.21%	(24.94)%	24.57%
HSBC Islamic Global Equity Index Fund	LU2092166128	BD	GBP	27.31%	(16.06)%	24.41%
HSBC Islamic Global Equity Index Fund	LU2092165666	BC	GBP	27.15%	(16.07)%	18.03%
HSBC Islamic Global Equity Index Fund	LU2092164776	IC	GBP	30.20%	(16.04)%	18.09%
HSBC Islamic Global Equity Index Fund	LU2233257695	BD	USD	27.95%	(25.02)%	24.41%
HSBC Islamic Global Equity Index Fund	LU2288915254	EC	USD	17.04%	(25.91)%	23.77%
HSBC Islamic Global Equity Index Fund	LU2233258073	BC	USD	15.80%	(25.04)%	24.49%
HSBC Islamic Global Equity Index Fund	LU0806931092	AC	EUR	-	(18.55)%	21.46%
HSBC Islamic Global Equity Index Fund	LU2373168785	IC	EUR	-	(3.47)%	21.72%
HSBC Islamic Global Equity Index Fund	LU2602419157	AC*	SGD	-	-	0.64%

*Share class AC (SGD) launched on 16th June 2023.

The shares classes are launched during 2023 and hence the performance for 2023 does not represent a full 6 month period.

Past performance is not an indication of current or future performance. The performance data do not take the commissions on the issue and redemption of shares into account.

Currency Conversion Table

To help shareholders in the Company calculate the performance of their individual investment in the reference currency, the following table has been produced.

The table shows the value of one US dollar against various currencies (as at the given dates).

The market value of investments as well as other assets and liabilities expressed in currencies other than the reporting currency are translated at the exchange rate prevailing as at 30 June 2023.

The consolidated figures are expressed in USD and include the total of the financial statements of the sub-fund. For the Statement of Net Assets and the Statement of Operations and Changes in Net Assets, the exchange rate prevailing at the sub-fund's valuation point in Luxembourg as at 30 June 2023 is:

	30 June 2023	31 December 2022
	USD	USD
AUD	1.5023	1.4781
CHF	0.8947	0.9235
DKK	6.8249	6.9716
EUR	0.9166	0.9375
GBP	0.7866	0.8296
HKD	7.8366	7.7943
JPY	144.5350	133.2250
KRW	1,317.6500	1,264.5000
SEK	10.8013	10.4563
TWD	31.1445	30.7455

Fund Holiday Calendar for 2023

HSBC ISLAMIC FUNDS

HSBC Islamic Global Equity Index Fund will have no net asset value (the “NAV”) calculated on the following days. Any requests for subscriptions or redemptions of shares received on these dates will be held over to the next Dealing Day:

▶ all Saturdays and Sundays

In addition, the sub-fund will have no NAV calculated on the following days:

02-Jan	UK, US
16-Jan	US
20-Feb	US
07-Apr	Luxembourg, UK, US
10-Apr	Luxembourg, UK
01-May	Luxembourg, UK
08-May	UK
09-May	Luxembourg
18-May	Luxembourg
29-May	Luxembourg, UK, US
19-Jun	US
23-Jun	Luxembourg
04-Jul	US
15-Aug	Luxembourg
28-Aug	UK
04-Sep	US
01-Nov	Luxembourg
23-Nov	US
22-Dec	UK
25-Dec	Luxembourg, UK, US
26-Dec	Luxembourg, UK
29-Dec	UK

Appendix I (Unaudited Additional Disclosures) – Taxation of the Company (foreign countries)

The following summary is based on the Company's understanding of the law and practice currently in force in the in other jurisdictions and is subject to changes therein.

United Kingdom

It is the intention of the Board of Directors to conduct the affairs of the Company so that it does not become resident in the United Kingdom. On the basis that the Company is not resident in the United Kingdom for tax purposes it should not be subject to United Kingdom corporation tax on its income and capital gains.

The table below shows reporting income for the previous financial year period 31 December 2022, as per Chapter 7 of the UK Offshore Funds (Tax) regulations 2009. The information should be used by UK tax payers for the purposes of completing their UK tax returns.

Sub-Fund	Share Class / Series	ISIN Code	Currency of the following amounts	Per class excess reportable income over distributions in respect of the reporting year	Fund distribution date	Does the fund remain a reporting fund at the date this report is made available?	Distribution per class in respect of the reporting year	Date of distribution*
HSBC Islamic Global Equity Index Fund	Class AC (USD)	LU0466842654	USD	0.0431	30 June 2023	Yes	0.0000	N/A
HSBC Islamic Global Equity Index Fund	Class AC (EUR)	LU0806931092	EUR	0.0125	30 June 2023	Yes	0.0000	N/A
HSBC Islamic Global Equity Index Fund	Class AD (USD)	LU0110459103	USD	0.0186	30 June 2023	Yes	0.0562	28 February 2023
HSBC Islamic Global Equity Index Fund	Class IC (USD)	LU1569385302	USD	0.1229	30 June 2023	Yes	0.0000	N/A
HSBC Islamic Global Equity Index Fund	Class ID (USD)	LU1313573898	USD	0.0986	30 June 2023	Yes	0.1499	28 February 2023
HSBC Islamic Global Equity Index Fund	Class WD (USD)	LU0187035489	USD	0.2401	30 June 2023	Yes	0.2373	28 February 2023
HSBC Islamic Global Equity Index Fund	Class YC (GBP)	LU1092475968	GBP	0.2451	18 May 2023	No	0.0000	N/A
HSBC Islamic Global Equity Index Fund	Class YD (USD)	LU1063824095	USD	0.0000	31 March 2023	No	0.0000	N/A
HSBC Islamic Global Equity Index Fund	Class ZC (USD)	LU0466843462	USD	0.2376	30 June 2023	Yes	0.0000	N/A
HSBC Islamic Global Equity Index Fund	Class BC (GBP)	LU2092165666	GBP	0.0625	30 June 2023	Yes	0.0000	N/A
HSBC Islamic Global Equity Index Fund	Class BD (GBP)	LU2092166128	GBP	0.0624	30 June 2023	Yes	0.0847	28 February 2023
HSBC Islamic Global Equity Index Fund	Class EC (USD)	LU2288915254	USD	0.0000	30 June 2023	Yes	0.0000	N/A
HSBC Islamic Global Equity Index Fund	Class BD (USD)	LU2233257695	USD	0.0272	30 June 2023	Yes	0.0617	28 February 2023
HSBC Islamic Global Equity Index Fund	Class BC (USD)	LU2233258073	USD	0.0505	30 June 2023	Yes	0.0000	N/A
HSBC Islamic Global Equity Index Fund	Class IC (GBP)	LU2092164776	GBP	0.0634	30 June 2023	Yes	0.0000	N/A
HSBC Islamic Global Equity Index Fund	Class IC (EUR)	LU2373168785	EUR	0.0022	30 June 2023	Yes	0.0000	N/A

As at the date of this report, the above-mentioned sub-fund remains reporting fund.

* The date upon which a declared dividend was scheduled to be paid.

Appendix II (Unaudited Additional Disclosures) – UK SORP Disclosure

Investment Risk

Information in relation to certain investment risks are disclosed for selected sub-fund as follows:

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as market prices, foreign exchange rates and investment income rates. It comprises of three major types of risks i.e. currency risk, investment income rate risk and other price risk.

As it is invested in equities, the Fund is exposed to the risk that the equity markets decline. This risk is monitored in absolute terms by the equity exposure and relative to the benchmark by the calculation of the ex-ante tracking-error.

The Sharia committee has expressly declared the use of financial derivatives instruments as inappropriate for the sub-fund, unless otherwise approved by the committee.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.

Investing in assets denominated in a currency other than that of the investor's own currency perspective exposes the value of the investment to exchange rate fluctuations. The Fund does not enter into any FX hedging transactions in order to manage its exposure to foreign exchange movements.

The table below summarises the sub-fund's exposure to currency risks.

Sub-fund	Currency	Net currency exposure in Sub-fund currency
HSBC Islamic Global Equity Index Fund	Other	214,305,701

(ii) Interest rate risk

Investment income rate risk is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market investment income rates.

HSBC Islamic Global Equity Index Fund aims to track the performance of the Dow Jones Islamic Market Titans 100 Index, through investment in a diversified portfolio of securities as defined by the relevant index. The sub-fund does not invest in fixed income securities; hence the Fund's portfolio is not exposed to interest rate risk.

(iii) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

HSBC Islamic Global Equity Index Fund aims to track the performance of a world index, i.e. Dow Jones Islamic Market Titans 100 Index, through investment in a diversified portfolio of securities as defined by the relevant index, which meets Islamic investment principles as interpreted and laid down by the Shariah Committee and provided to the Board of Directors. The sub-fund does not invest in fixed income securities, thus the Fund is not exposed to credit risk.

Credit ratings

All amounts due from brokers, cash and short-term deposits are held by parties with a credit rating of AA-/Aa or higher.

Appendix II (Unaudited Additional Disclosures) – UK SORP Disclosure (continued)

Investment Risk (continued)

Market risk (continued)

(iv) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Other price risk arises principally in relation to the sub-fund's return seeking portfolio which includes shares and depositary receipts.

The sub-fund manages this exposure to other price risk by constructing a diverse portfolio of investments across various markets.

At the year end, the sub-fund's exposure to investments subject to other price risk was:

	USD
Direct	
Shares	1,047,724,356
Depositary Receipts	12,142,885

Fair Value Hierarchy

Fair value is the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction.

The fair value of financial instruments has been determined using the following fair value hierarchy:

Category (a) The quoted price for an identical asset in an active market.

Category (b) When quoted prices are unavailable, the price of a recent transaction for an identical asset adjusted if necessary.

Category (c) Where a quoted price is not available and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is determined by using a valuation technique which uses:

C (i) observable market data; or

C (ii) non-observable data.

All the investments of HSBC ISLAMIC FUNDS detailed in the "Portfolio of Investments and Other Net Assets" are classified as "Transferable Securities admitted to an official stock exchange listing", hence are classified under category (a).

HSBC Global Asset Management, the initiator to the HSBC ISLAMIC FUNDS, is the asset management specialist of the HSBC Group and operates through HSBC Bank plc and its subsidiaries

HSBC Global Asset Management is the trading name of HSBC Global Asset Management Limited. HSBC Global Asset Management is established at 8 Canada Square, London E14 5HQ, United Kingdom, which is its registered office.

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