

The DC Funds

North American Equities - passive as at 30 June 2023

Fund objective

To provide long-term capital growth by investing predominantly in North American listed shares. Over the long term the fund aims to perform in line with the benchmark as closely as possible and provide growth above inflation.

Fund description

This Fund invests in shares of companies based in North America. It is therefore exposed to currency risk (the risk of your investment being worth less in British Sterling terms because of changes in foreign exchange currency rates, rather than investment performance). This is a passive fund which seeks to replicate the performance of the underlying stock market index that it tracks and does not seek to add returns above the relevant index that it tracks by active management. ESG factors are considered within the investment process where relevant.

Fund Facts

Launch Date:
1/3/2018

Fund size:
£79.91m

Price Per Share:
388.8p

Base Currency:
GBP

Does this fund form part of an HSBC default strategy?
No

Charges:
Inv Mgmt Charges: 0.00%
Additional Charges: 0.00%

HSBC pays the investment management charges – not you. However, there may be costs within some of the funds and these will be reflected in the unit price. These nominal costs are variable and are likely to be between nil and 0.2% a year.

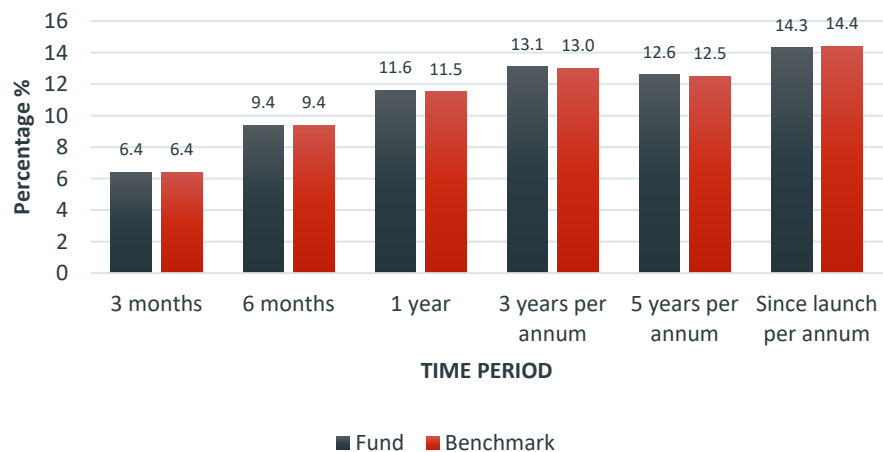
Current Underlying Fund(s):
100% L&G North American Equity Index Fund

Current Benchmark:
FTSE North America Index

| | 3 Years | 5 Years |
|-------------------|---------|---------|
| Fund: | 12.1 | 14.5 |
| Benchmark: | 12.1 | 14.5 |

Annualised volatility: a measure of how variable returns for a fund or comparative market index have been around their historical average (also known as "standard deviation"). Two funds may produce the same return over a period. The fund whose monthly returns have varied less have a lower annualised volatility and may be considered to have achieved its returns with less risk. The calculation is the standard deviation of monthly returns presented as an annualised number. Volatility for funds and indices are calculated independently of each other.

Fund Performance



Note

Past performance is not a guide to future performance. The figures are shown in Sterling and have been calculated using actual returns since the introduction of the current DC fund range.
Source: FIL Life Insurance Ltd. Single priced, gross income reinvested and net of fees. Indicative prices have been used if a portfolio valuation fell on a non-trading day. The fund was launched on 1st March 2018, but links to an underlying fund which has been in existence for a number of years. Before 1st March 2018, performance is simulated based on data provided by L&G, the underlying fund provider. Thereafter, returns are produced by Fidelity on a monthly basis.

For members of the HSBC Bank (UK) Pension Scheme

Fund performance (continued)

| | 30 June 2022 - 30 June 2023 | 30 June 2021- 30 June 2022 | 30 June 2020 - 30 June 2021 | 30 June 2019 - 30 June 2020 | 30 June 2018 - 30 June 2019 |
|-----------------------------|--------------------------------|-------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | % | % | % | % | % |
| Fund | 11.6 | 1.2 | 27.9 | 10.3 | 13.4 |
| Benchmark | 11.5 | 1.2 | 27.9 | 10.3 | 13.4 |
| Relative Performance | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |

Past performance is not a guide to future performance. The figures are shown in Sterling and have been calculated using actual returns since the introduction of the current DC fund range. Source: FIL Life Insurance Ltd. Single priced, gross income reinvested and net of fees. Indicative prices have been used if a portfolio valuation fell on a non-trading day. The fund was launched on 1st March 2018, but links to an underlying fund which has been in existence for a number of years. Before 1st March 2018, performance is simulated based on data provided by L&G, the underlying fund provider. Thereafter, returns are produced by Fidelity on a monthly basis.

Market Commentary

North American equities rose in the second quarter of 2023. Markets started the period on a positive note in light of a strong earnings season, with companies recording some of their best quarterly performance relative to analyst expectations since the fourth quarter of 2021. Cooling headline inflation data raised hopes that the US Federal Reserve (Fed) may be nearing the end of its tightening cycle. Markets seesawed through the month of May, as President Joe Biden and the speaker of the US House of Representatives negotiated a funding package to raise the debt ceiling for two years. Markets stabilised in June, as the US Senate approval the debt ceiling bill. Equities also reacted positively as the Consumer Price Index (CPI) cooled to its lowest annual rate in more than two years and the Fed paused its rate hiking cycle at the June policy meeting for the first time since March 2022. From a sector perspective, utilities and energy declined, while information technology (IT), consumer discretionary and communication services were the strongest performers. Source: Fidelity. This is general market commentary and should not be considered as advice.

| TOP 10 HOLDINGS | | |
|-----------------|---------------------|---------------|
| 1 | Apple | 7.18% |
| 2 | Microsoft | 6.29% |
| 3 | Amazon | 2.91% |
| 4 | NVIDIA | 2.50% |
| 5 | Tesla | 1.79% |
| 6 | Alphabet A | 1.76% |
| 7 | Meta Platforms A | 1.57% |
| 8 | Alphabet C | 1.54% |
| 9 | United Health Group | 1.11% |
| 10 | Berkshire Hathaway | 1.11% |
| | TOTAL | 27.76% |

| INDUSTRY SECTOR BREAKDOWN | | |
|---------------------------|-------------------|----------------|
| 1 | Technology | 31.11% |
| 2 | Consumer Services | 14.25% |
| 3 | Health Care | 12.40% |
| 4 | Industrials | 11.74% |
| 5 | Financials | 10.99% |
| 6 | Consumer Goods | 5.24% |
| 7 | Oil & Gas | 4.71% |
| 8 | Other | 4.32% |
| 9 | Utilities | 2.83% |
| 10 | Real Estate | 2.41% |
| | TOTAL | 100.00% |

For members of the HSBC Bank (UK) Pension Scheme

Risk rating

Very low Low Low/medium Medium Medium/high High Very high

All investments carry a level of risk. You need to decide how much of each type of risk you're prepared to take. The table below gives an overview of some of the risks associated with this fund

| Risk type | Description of risk | Level of risk for this fund |
|-------------------------|---|-----------------------------|
| Capital Risk | This is the risk that the value of your investments will fall. Investors in higher capital risk funds should expect to see above average growth over the long term, but might see big falls in value in the short term. The younger you are, the less worried you might be about capital risk, because your investments have time to recover their value before you retire. Higher capital risk funds may be less suitable if you are close to retirement and want more certainty. | H |
| Inflation Risk | This is the risk that the value of your investments will grow more slowly than prices rise. Inflation can be a problem for pension savings invested in cash or bond funds particularly if the interest you're earning is less than the rate of inflation and you are some way from retirement. | M |
| Pension Conversion Risk | The price of an annuity changes on a regular basis. This means that the amount of income you can secure with the same amount of money will change. Pension conversion risk is the risk that the amount of income you can buy drops before you retire, because your money is invested differently to annuity funds. That's why, if you wish to buy an annuity to provide a regular income through retirement, putting more of your DC pension pot into bonds to try to match annuity prices as you get closer to retirement age can help protect against this risk. If you wish to continue investing your pension savings during retirement and access drawdown then this is less of a concern. | H |

About the factsheet

It is important to remember that the price of units can go down as well as up. There's no guarantee that you'll get back the amount that goes into your DC pension pot. Changes in rates of currency exchange, particularly where overseas securities are held, could also affect the value of your investment. Although the funds can typically be bought and sold on a daily basis, fund managers may need to delay when you can access your holdings in a fund(s) due to exceptional market circumstances. All funds are provided through FIL Life Insurance Ltd and may invest in securities issued by or hold deposits with HSBC Holdings plc and associated companies. The Trustee can change the underlying managers or funds within this fund, or decide to withdraw or replace the fund at any time, without member consent or prior notification. This factsheet should be read alongside the investment guide.

Making fund choices is an important decision that could have a significant effect on your benefits. This factsheet has been produced to provide you with fund information and is not designed to provide advice or a recommendation on the suitability of an investment for your personal financial circumstances. The Trustee cannot give you financial advice about your fund choices. Consider taking independent financial advice before making any investment decisions.

Valuation time: Business days at 5:00pm (UK time)

Dealing Process: The cut off time for switch instructions is 2:00pm each business day.

Contact us

You can find more Scheme information at: www.futurefocus.staff.hsbc.co.uk

If you are a Defined Contribution (DC) only member and have any questions, please contact the DC Scheme Administrator, Willis Towers Watson, at:

Email: HSBCpension@willistowerswatson.com; **Phone:** 01737 227 575

If you are a hybrid member and have any questions, please contact the Defined Benefit Scheme Administrator, Equiniti, at:

Email: HSBCHybridPensions@equiniti.com; **Phone:** 0371 384 2631

Issued by HSBC Bank Pension Trust (UK) Limited 2023

© Copyright HSBC Bank Pension Trust (UK) Limited 2023. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of HSBC Bank Pension Trust (UK) Limited. Members of the pension scheme may, however, copy appropriate extracts in connection with their own benefits under the Scheme.