

fund **objective**

To mitigate against pension conversion risk (for indexed annuities).

fund **facts**

Launch date:
23 February 2007

Fund size:
£32.08m

Price per share:
288.10p

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

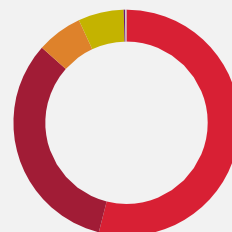
Current underlying fund(s):
Legal & General Inflation
Linked Pre-Retirement
Fund

top 10 **holdings**

	%
1. UK Gilt I/L 0.625% 2040	14.90
2. UK Gilt I/L 1.25% 2032	10.01
3. UK Gilt I/L 0.5% 2050	9.00
4. UK Gilt I/L 0.625% 2042	5.72
5. UK Gilt I/L 1.25% 2027	3.77
6. UK Gilt I/L 1.25% 2055	3.76
7. UK Gilt I/L 0.75% 2047	2.48
8. UK Gilt I/L 0.125% 2058	1.77
9. UK Gilt I/L 0.125% 2068	1.52
10. UK Gilt I/L 0.375% 2062	1.00
Total	53.93

asset **breakdown**

	%
UK Government	53.93
Corporates	32.62
Sub-Sovereigns	6.54
Collateralized	6.52
Other Sovereigns	0.21
Gilts	0.18
Total	100.00

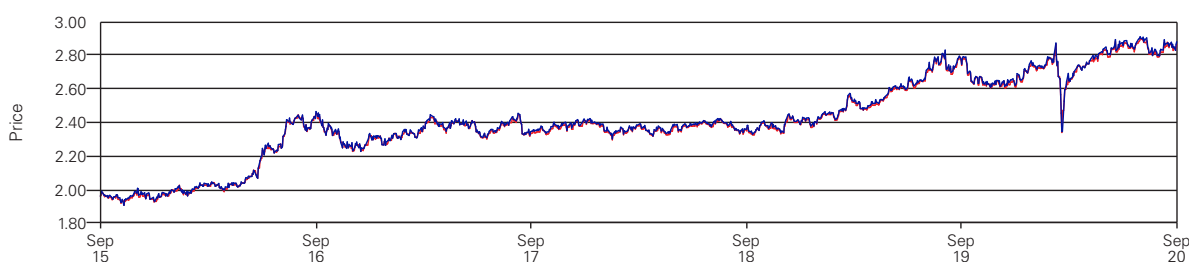


Benchmark:

A composite of inflation-linked gilts and corporate bonds
Prior to 25 March 2015 100% FTSE Over 5 Year Index-Linked Gilt Index

fund **performance**

	30 Sep 2019 - 30 Sep 2020 %	30 Sep 2018 - 30 Sep 2019 %	30 Sep 2017 - 30 Sep 2018 %	30 Sep 2016 - 30 Sep 2017 %	30 Sep 2015 - 30 Sep 2016 %
Fund	3.75%	17.67%	0.68%	-4.91%	25.77%
Benchmark	3.31%	17.40%	1.01%	-4.83%	25.12%
Relative Performance	0.44%	0.27%	-0.33%	-0.08%	0.65%



Rolling time period	3 months	6 months	1 year	3 year p.a.	5 year p.a.	Since launch
Fund	0.17%	8.80%	3.75%	7.12%	8.01%	188.10%
Benchmark	-0.05%	8.35%	3.31%	6.96%	7.82%	186.81%
Relative Performance	0.22%	0.45%	0.44%	0.16%	0.19%	1.29%

Past performance isn't 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: Morningstar, FIL Life Insurance Ltd. Single priced (i.e. no bid/offer spread), gross income reinvested and gross of fees. Indicative prices have been used if a portfolio valuation fell on a non-trading day.

for members of the HSBC Bank (UK) Pension Scheme



HSBC Bank Pension Trust (UK) Limited, 8 Canada Square London E14 5HQ
Registration number: 489775

market commentary

Index-linked UK government bonds (Gilts) posted negative returns and underperformed nominal Gilts. Ten-year UK inflation breakevens (the yield differential between nominal and inflation-linked government bonds of the same maturity) ended marginally higher over the quarter. Global breakevens rose to the end of August amid a continued rally in equities and oil prices. The release of more positive inflation data and news that the US Federal Reserve (Fed) is moving to an average inflation targeting framework also supported inflation-linked bonds. Under this framework, the Fed will allow inflation to moderately overshoot its 2% target for some time, to compensate for persistently low inflation in the run-up to the pandemic, thus eliminating concerns that it may increase interest rates to combat inflation anytime soon. However, global breakevens fell in September, as the post-COVID-19 rebound in equities came to an end.

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. The younger you are, the less worried you might be about capital risk, because your investments have time to recover their value before your retire.	Med
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 funds particularly if the interest you're earning is less than the rate of inflation.	Low
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 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.	Low

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, if an exceptional amount of withdrawals are requested, the fund manager may need to delay when you can access your holdings. 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 at any time without member consent or prior notification.

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 have any questions contact the HSBC Administration Team at:
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Charges

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.