

# The DC Funds

Diversified Assets - active as at 30 September 2023

## Fund objective

To provide long-term capital growth by investing in a broad range of asset classes including global listed shares, bonds, and a range of alternative assets. The fund aims to have less capital risk than a shares/equities based fund. Over the long term the fund aims to perform in line with the benchmark and provide growth above inflation.

## Fund description

The Fund currently invests in a single fund across a range of growth asset classes on a global basis, including company shares, bonds and other asset classes such as private credit and infrastructure (commonly referred to as alternatives), which meet the investment managers sustainability criteria. The investment manager has discretion over which investments to hold and when to buy/sell them.

### Fund Facts

**Launch Date:**  
4/10/2011

**Fund size:**  
£918.40m

**Price Per Share:**  
143.7p

**Base Currency:**  
GBP

**Does this fund form part of an HSBC default strategy?**

Yes - Flexible Income Strategy, Lump Sum Strategy, Annuity Purchase Strategy, Lifecycle 2

**Charges:**

Inv Mgmt Charges: 0.00%  
Additional Charges: 0.06%

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% Schroder Life HSBC Sustainable Diversified Growth Fund

**Current Benchmark:**

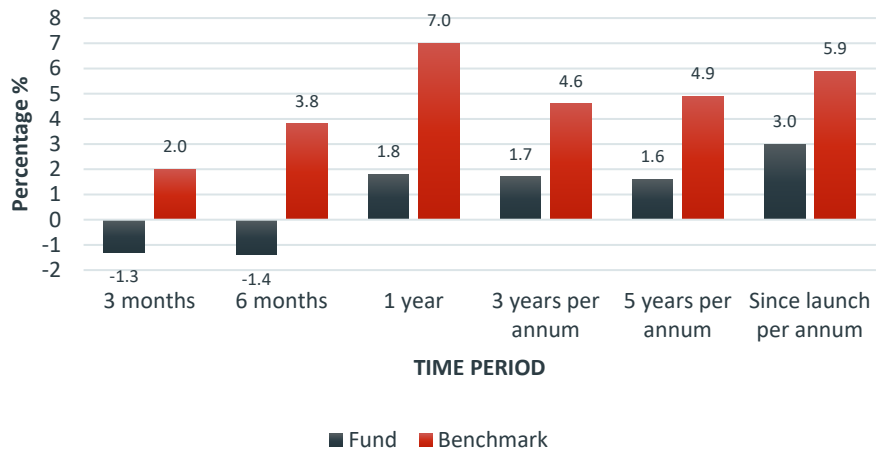
SONIA + 3% (per annum)

**Volatility (% per annum):**

	3 Years	5 Years
<b>Fund:</b>	6.1	8.0
<b>Target:</b>	7.0	7.0

Annualised volatility: a measure of how variable returns for a fund 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 fund volatility calculation is the standard deviation of monthly returns presented as an annualised number. The target is the level of volatility the investment manager seeks to stay below, over the long-term, as it aims to achieve its investment return objective.

### Fund Performance



### Note

Total fund performance is made up of a composite of all the current and historic underlying investment manager(s) fund arrangement(s). As such, the longer-term performance shown may not solely reflect that of the current investment manager fund arrangement(s) for this fund. 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.

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### Fund performance (continued)

	30 Sept 2022 - 30 Sept 2023	30 Sept 2021- 30 Sept 2022	30 Sept 2020 - 30 Sept 2021	30 Sept 2019 - 30 Sept 2020	30 Sept 2018 - 30 Sept 2019
	%	%	%	%	%
<b>Fund</b>	1.8	-8.7	13.3	-2.2	4.9
<b>Benchmark</b>	7.0	3.7	3.1	4.4	6.5
<b>Relative Performance</b>	-5.2	-12.4	10.2	-6.6	-1.6

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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.

### Market Commentary

Equities started the period on a positive note, supported by healthy corporate earnings and expectations that the current monetary policy tightening cycle is nearing an end. However, markets fell in August and September, as resilient economic data raised prospects for inflation to remain elevated and global central banks reinforced their 'higher for longer' stance on interest rates. A rating downgrade of US government debt, China's sluggish economic data and renewed stress in its real estate sector kept markets volatile. Against this backdrop, Europe ex-UK and Pacific ex-Japan underperformed, while equities in Japan outperformed other regional markets. At a sector level, energy stocks gained as crude oil prices rose. Meanwhile, utilities and consumer staples were among the key laggards. Overall, returns in US dollar terms were weighed down by its appreciation against the Euro, Sterling and Yen. Source: Fidelity. This is general market commentary and should not be considered as advice.

#### TOP 10 HOLDINGS

1	Schroder Global Sustainable Growth Portfolio	20.29%
2	Schroder Sustainable High Yield Portfolio	8.44%
3	UK Green Gilt 0.875% Jul 2023	7.73%
4	Schroder Global Sustainable Value Equity Fund	6.88%
5	Schroder ABB Sustainable Investment Grade Portfolio	5.87%
6	US 5 Year Government Bond Future	5.08%
7	Schroder ISF Carbon Neutral Credit	3.89%
8	Schroder ISF Cross Asset Momentum Component Fund	3.89%
9	Schroder ISF Emerging Market Local Currency Bond	3.65%
10	German 10 Year Bund Future	3.60%
<b>TOTAL</b>		<b>69.31%</b>

#### GEOGRAPHICAL BREAKDOWN

1	United States	35.00%
2	United Kingdom	32.38%
3	Other	16.52%
4	Japan	4.02%
5	Germany	3.70%
6	France	1.97%
7	Spain	1.93%
8	Netherlands	1.68%
9	Brazil	1.45%
10	India	1.35%
<b>TOTAL</b>		<b>100.00%</b>

#### ASSET BREAKDOWN

1	Fixed Income	44.51%
2	Equity	31.91%
3	Alternative Investments	19.08%
4	Cash	4.50%
<b>TOTAL</b>		<b>100.00%</b>

#### INDUSTRY SECTOR BREAKDOWN




1	Other	41.04%
2	Financials	20.06%
3	Consumer Goods	8.60%
4	Industrials	8.23%
5	Technology	7.39%
6	Health Care	6.85%
7	Basic Materials	3.57%
8	Utilities	2.06%
9	Consumer Services	1.60%
10	Oil & Gas	0.60%
<b>TOTAL</b>		<b>100.00%</b>

## 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.	
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.	
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.	

### 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](http://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](mailto: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](mailto:HSBCHybridPensions@equiniti.com); **Phone:** 0371 384 2631

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