

# the DC funds

Global Bonds – **active**  
as at 30 September 2018

## fund objective

To provide long-term capital growth in excess of UK price inflation. The fund aims to have less capital risk than an equities based fund.

### fund facts

**Launch date:**  
2 March 2015

**Fund size:**  
£73.40m

**Price per share:**  
239.60p

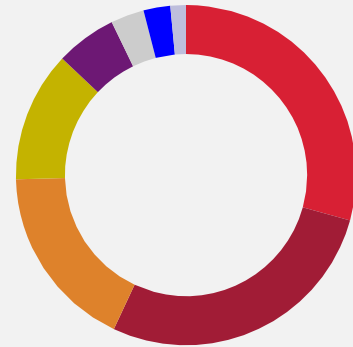
**Charges:**  
Inv Mgmt Charges: 0.00%  
Additional Charges: 0.10%

**Current underlying fund(s):**  
M&G Total Return Credit Fund  
KAMES Absolute Return Bond Fund

**Benchmark:**  
LIBOR +2% per annum over a rolling 5 year basis

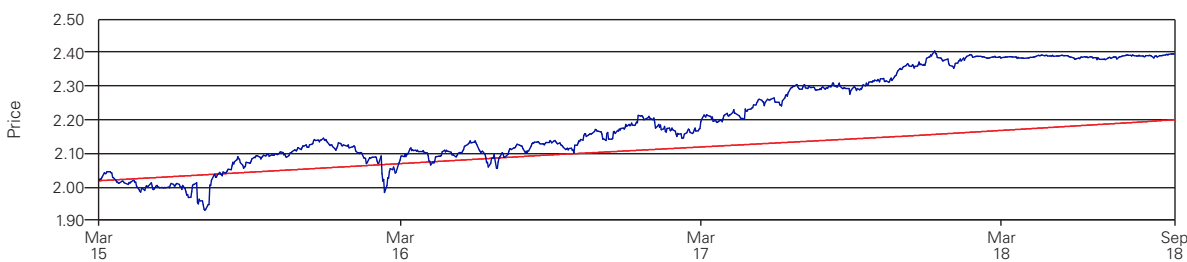
### asset breakdown

	%
Financials	29.29
Industrials	27.69
Securitised	17.63
Net cash and derivatives	12.41
Utilities	5.78
Covered	3.18
Quasi and foreign government	2.54
Asset Backed Securities	1.48
<b>Total</b>	<b>100.00</b>



## fund performance

	30 Sep 2017 - 30 Sep 2018	30 Sep 2016 - 30 Sep 2017	30 Sep 2015 - 30 Sep 2016	30 Sep 2014 - 30 Sep 2015	30 Sep 2013 - 30 Sep 2014
	%	%	%	%	%
<b>Fund</b>	3.36%	9.13%	1.43%	N/A	N/A
<b>Benchmark</b>	2.51%	2.27%	2.51%	N/A	N/A
<b>Relative Performance</b>	0.85%	6.86%	-1.08%	N/A	N/A



Rolling time period	3 months	6 months	1 year	3 year p.a.	5 year p.a.	Since launch
Fund	0.67%	0.55%	3.36%	4.59%	N/A	18.73%
Benchmark	0.65%	1.28%	2.51%	2.43%	N/A	9.03%
Relative Performance	0.02%	-0.73%	0.85%	2.16%	N/A	9.70%

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

Fixed income markets posted mixed returns over the quarter. Corporate bonds outperformed government bonds as credit spreads tightened, led by the US. Economic activity in the US remained positive, which prompted the US Federal Reserve to raise interest rates by 0.25 percentage points. As a result, the US Treasury yield curve edged higher, despite concerns around trade agreements with China. Yields in other core developed bond markets also rose in line with US Treasury yields. In Europe, risk sentiment was negatively impacted towards the end of the quarter as the Italian government announced its deficit target at 2.4% for 2019, which was well above market expectations. Elsewhere, the Bank of Japan introduced explicit forward guidance in its monetary policy.

## 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
<b>Capital Risk</b>	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
<b>Inflation Risk</b>	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.	Med
<b>Pension Conversion Risk</b>	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.	Med

## 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.

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](http://www.futurefocus.staff.hsbc.co.uk)

If you have any questions contact the HSBC Administration Team at:

email: [HSBCpension@willistowerswatson.com](mailto:HSBCpension@willistowerswatson.com)

phone: 01737 227 575

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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.

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