# the **DC funds**

### UK Equities – **passive** as at 30 June 2017

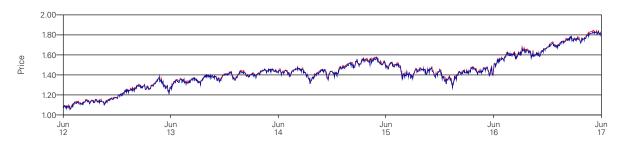
## fund objective

To provide long-term capital growth in excess of UK price inflation by investing in UK listed shares. The fund aims to perform in line with the benchmark as closely as possible.

fund <b>facts</b>	top 10 <b>holdings</b>		sector <b>breakdown</b>	
Launch date:		%		%
23 February 2007	1. Royal Dutch Shell	7.23	Financial Services	26.78
Fund size:	2. HSBC Holdings	6.15	Consumer Goods	15.46
fund size: f17.02m	3. British American Tobacco	4.18	Oil & Gas	11.38
<b>Price per share:</b> 179.60p	4. BP	3.66	Industrials	11.31
	5. GlaxoSmithKline	3.40	Consumer Services	11.28
[.	6. AstraZeneca	2.79	Healthcare	9.34
Current underlying	7. Vodafone Group	2.49	Basic Materials	6.59
fund(s): Legal & General UK Equity Index Fund	8. Diageo	2.41	Telecommunications	3.79
	9. Unilever	2.14	Utilities	3.18
	10.Reckitt Benckiser Group	2.09	Technology	0.89
<b>Benchmark:</b> FTSE All-Share Index	Total	36.54	Total	100.00

#### fund performance

	30 Jun 2016 - 30 Jun 2017 %	30 Jun 2015 - 30 Jun 2016 %	30 Jun 2014 - 30 Jun 2015 %	30 Jun 2013 - 30 Jun 2014 %	30 Jun 2012 - 30 Jun 2013 %
Fund	22.76%	-0.48%	3.59%	12.06%	18.08%
Benchmark	21.30%	-0.48%	3.51%	13.10%	17.93%
Relative Performance	1.46%	0.00%	0.08%	-1.04%	0.15%



Rolling time period	3 months	6 months	1 year	3 year p.a.	5 year p.a.	Since launch
Fund	2.16%	7.10%	22.76%	8.17%	10.86%	79.60%
Benchmark	2.15%	6.80%	21.30%	7.60%	10.84%	77.46%
Relative Performance	0.01%	0.30%	1.46%	0.57%	0.02%	2.14%

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.



#### market commentary

UK equities rose during the quarter, supported by an optimistic global economic outlook. This marked the fourth consecutive quarter of positive returns for the UK market. The Bank of England (BoE) upgraded its growth forecasts for the economy, but signalled it is in no rush to raise interest rates. Meanwhile, the UK government triggered Article 50 and officially kicked off its exit from the European Union (EU). While formal negotiations are expected to take at least two years, the implications of a 'hard Brexit', essentially a clean break with the EU, remains to be seen. Small-cap companies were the biggest gainers, outperforming their mid and large-cap peers.

#### risk rating

Very 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.	High
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.	Med
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.	High

# 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.

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: email: HSBCpension@willistowerswatson.com phone:01737 227 575

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for members of the HSBC Bank (UK) Pension Scheme



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.