

# The DC Funds

Cash - active as at 31 March 2021

## Fund Objective

To protect the absolute value of the investment by investing in deposits and other short term money market instruments. The fund aims to perform in line with the benchmark.

### Fund Facts

**Launch Date:**  
23/2/2007

**Fund Size:**  
£126.88m

**Price Per Share:**  
192.20p

**Base Currency:**  
GBP

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

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

**Charges:**

Inv Mgmt Charges: 0.00%  
Additional Charges: 0.00%

**Current Underlying Fund(s):**

100% L&G Cash Fund

**Current Benchmark:**

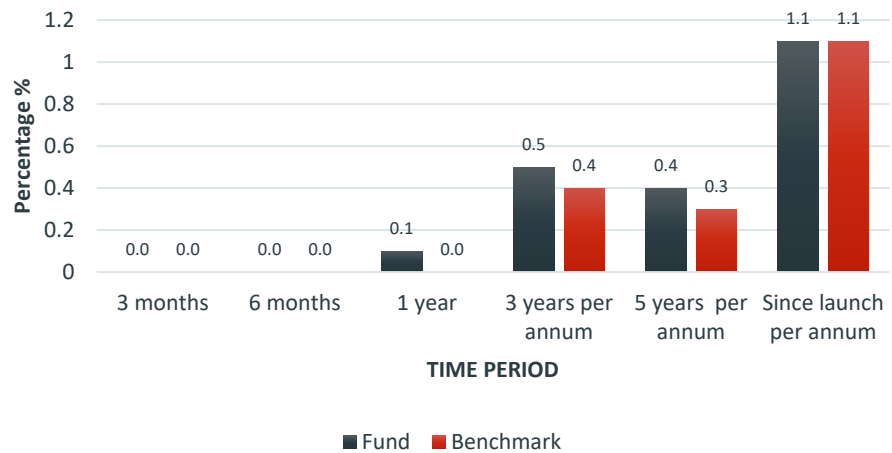
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**Charges:**

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.

## 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 (i.e. no bid/offer spread), gross income reinvested and net 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

### Fund Performance (continued)

	31 Mar 2020 - 31 Mar 2021	31 Mar 2019 - 31 Mar 2020	31 Mar 2018 - 31 Mar 2019	31 Mar 2017 - 31 Mar 2018	31 Mar 2016 - 31 Mar 2017
	%	%	%	%	%
<b>Fund</b>	0.1	0.7	0.6	0.3	0.3
<b>Benchmark</b>	0.0	0.5	0.5	0.2	0.2
<b>Relative Performance</b>	0.1	0.2	0.1	0.1	0.1

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### Market Commentary

In the UK, the Bank of England (BoE) upgraded the short-term prospects of the UK economy, but reiterated that it was in no hurry to raise interest rates until there was clear evidence that the recovery was eliminating spare capacity in the economy. On the macroeconomic front, the IHS Markit/CIPS UK services Purchasing Managers' Index (PMI) rose from 49.5 in February to 56.8 in March, driven by stronger new business, as the government's roadmap out of lockdown provided greater clarity to consumers and supported sentiment. The unemployment rate for the three months to January also dipped to 5.0% from 5.1% in the previous rolling quarter. Consumer confidence picked up on the back of an improvement in consumers' view on the general economic situation over the next 12 months. Meanwhile, core inflation fell to 0.9% in February, edging down from January's reading of 1.5%. Nonetheless, the inflation figure for 2021 is expected to rise close to the BoE's 2.0% target due to a combination of higher energy prices, economic recovery and supply-chain pressure linked to Brexit. Source: Fidelity. This is general market commentary and should not be considered as advice.

#### TOP 10 HOLDINGS

1	UK Treasury	22.71%
2	Bred - Banque Populaire	8.41%
3	Cooperatieve Rabobank UA	8.41%
4	BNP Paribas London	8.41%
5	PMC Loan	8.41%
6	Sumitomo Mitsui Banking	8.34%
7	National Bank of Canada	8.10%
8	Bank of Tokyo-Mitsub London	8.10%
9	DZ Bank AG	8.10%
10	Nationwide Building Society	6.23%
	<b>TOTAL</b>	<b>95.22%</b>

#### DAYS TO MATURITY

1	0 to 7 days	51.12%
2	7 days to 1 month	41.84%
3	1 to 3 months	7.04%
	<b>TOTAL</b>	<b>100.00%</b>

#### GEOGRAPHICAL BREAKDOWN

1	United Kingdom	41.20%
2	France	16.82%
3	Japan	16.44%
4	Germany	9.03%
5	Netherlands	8.41%
6	Canada	8.10%
	<b>TOTAL</b>	<b>100.00%</b>

#### CREDIT RATINGS BREAKDOWN




1	A	31.70%
2	A+	25.23%
3	AA	22.71%
4	Cash	12.26%
5	AA-	8.10%
	<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
<b>Capital Risk</b>	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.	
<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 or bond funds particularly if the interest you're earning is less than the rate of inflation and you are some way from retirement.	
<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, 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, 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 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 have any questions contact the Scheme Administrator, Willis Towers Watson, at: Email: [HSBCpension@willistowerswatson.com](mailto:HSBCpension@willistowerswatson.com)

Phone: 01737 227 575

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