

The DC Funds

European (ex UK) Equities - passive as at 31 March 2021

Fund Objective

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

Fund Facts

Launch Date:
1/3/2018

Fund Size:
£8.89m

Price Per Share:
252.20p

Base Currency:
GBP

Does this fund form part of an HSBC default strategy?
No

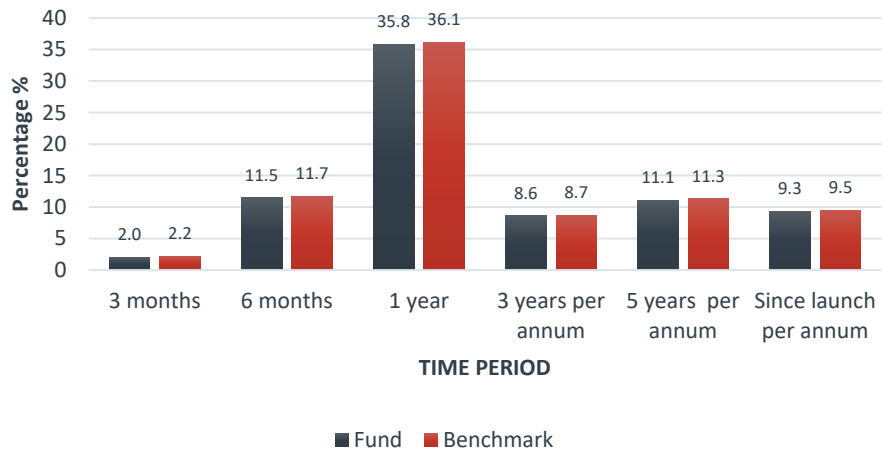
Charges:
Inv Mgmt Charges: 0.00%
Additional Charges: 0.00%

Current Underlying Fund(s):
100% L&G European (Ex UK) Equity Index Fund

Current Benchmark:
FTSE Developed Europe ex-UK Index

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. The fund was launched on 1st March 2018, but links to an underlying fund which has been existence for a number of years. Before 1st March 2018, performance is simulated based on data provided by L&G, the underlying fund provider. Thereafter, returns are produced by Fidelity on a monthly basis.

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 |
|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | % | % | % | % | % |
| Fund | 35.8 | -7.6 | 2.0 | 3.7 | 27.4 |
| Benchmark | 36.1 | -7.8 | 2.2 | 3.9 | 28.0 |
| Relative Performance | -0.3 | 0.2 | -0.2 | -0.2 | -0.6 |

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Market Commentary

European markets rose strongly over the first quarter. While concerns around more virulent strains of COVID-19, rising infection cases, and the economic fallout from subsequent lockdowns kept markets in check, increasing hopes for a global economic recovery led by vaccine rollouts buoyed equities. Additional fiscal stimulus in the US, strong corporate earnings and improving economic data also supported investor sentiment, despite a rise in US bond yields. The European Central Bank (ECB) has indicated that it will continue to purchase assets under the pandemic emergency purchase programme (PEPP) until at least the end of March 2022. Rising optimism strengthened the value rally seen in the fourth quarter of 2020. Against a backdrop of rising bond yields and a surge in crude oil prices, financials and energy were the key performers. Conversely, defensive sectors such as utilities, consumer staples and health care fell the most. Source: Fidelity. This is general market commentary and should not be considered as advice.

TOP 10 HOLDINGS

| | | |
|----|--------------|---------------|
| 1 | Nestle | 3.91% |
| 2 | ASML | 2.99% |
| 3 | Roche | 2.81% |
| 4 | Novartis | 2.24% |
| 5 | LVMH | 2.05% |
| 6 | SAP | 1.70% |
| 7 | Siemens | 1.53% |
| 8 | Total | 1.40% |
| 9 | Novo Nordisk | 1.36% |
| 10 | Sanofi | 1.33% |
| | TOTAL | 21.32% |

GEOGRAPHICAL BREAKDOWN

| | | |
|----|--------------|----------------|
| 1 | France | 21.71% |
| 2 | Germany | 19.66% |
| 3 | Switzerland | 18.72% |
| 4 | Netherlands | 8.93% |
| 5 | Sweden | 7.76% |
| 6 | Italy | 5.31% |
| 7 | Spain | 4.99% |
| 8 | Denmark | 4.76% |
| 9 | Finland | 2.76% |
| 10 | Other | 5.40% |
| | TOTAL | 100.00% |

INDUSTRY SECTOR BREAKDOWN




| | | |
|----|-------------------|----------------|
| 1 | Industrials | 17.76% |
| 2 | Financials | 16.06% |
| 3 | Health Care | 15.00% |
| 4 | Consumer Services | 13.73% |
| 5 | Consumer Goods | 9.06% |
| 6 | Technology | 8.93% |
| 7 | Basic Materials | 5.38% |
| 8 | Utilities | 4.67% |
| 9 | Oil & Gas | 4.06% |
| 10 | Other | 5.35% |
| | TOTAL | 100.00% |

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, 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

If you have any questions contact the Scheme Administrator, Willis Towers Watson, at: Email: HSBCpension@willistowerswatson.com

Phone: 01737 227 575

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