

fund **objective**

To mitigate against pension conversion risk (for non-increasing and fixed increase annuities)

fund **facts**

**Launch date:**  
23 February 2007

**Fund size:**  
£81.38m

**Price per share:**  
279.10p

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

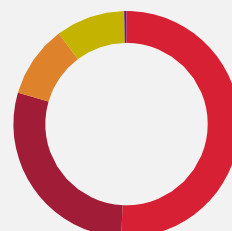
**Current underlying fund(s):**  
Legal & General Pre-Retirement Bond Fund

top 10 **holdings**

		%
1. UK Treasury 4.25% 2046		6.19
2. UK Treasury 4.5% 2034		5.55
3. UK Treasury 4.25% 2027		5.10
4. UK Treasury 4.5% 2042		4.67
5. UK Treasury 4.25% 2049		3.82
6. UK Treasury 4.25% 2055		1.46
7. Engie 5% 2060		1.05
8. UK Treasury 4.75% 2038		0.99
9. GSK 5.25% 2042		0.84
10. Pfizer 2.735% 2043		0.84
<b>Total</b>		<b>30.51</b>

asset **breakdown**

	%
Corporates	50.75
Gilts	28.74
Sub-Sovereigns	10.29
Collateralized	9.89
Sovereigns	0.33
<b>Total</b>	<b>100.00</b>



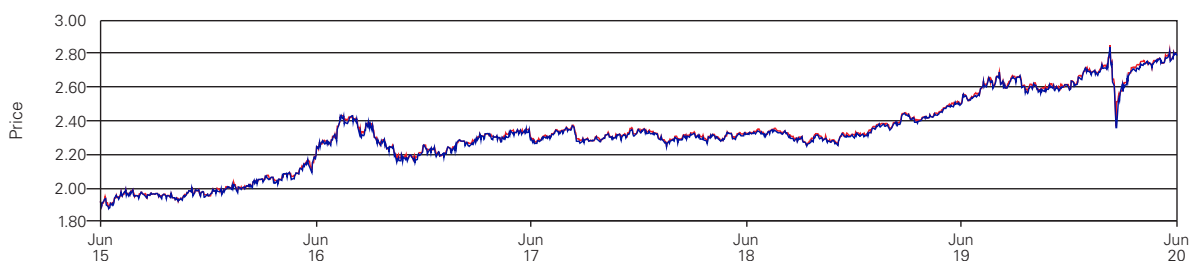
**Benchmark:**

A composite of Gilts and Corporate Bonds

From 4 October 2011 until 25 March 2015 50% FTSE A Over 15 Year Gilt Index and 50% iBoxx £ Non Gilt Over 15 Year Index. Prior to 4 October 2011, FTSE Over 15 Year Gilt Index

fund **performance**

	30 Jun 2019 - 30 Jun 2020 %	30 Jun 2018 - 30 Jun 2019 %	30 Jun 2017 - 30 Jun 2018 %	30 Jun 2016 - 30 Jun 2017 %	30 Jun 2015 - 30 Jun 2016 %
<b>Fund</b>	12.00%	7.51%	1.05%	4.61%	14.40%
<b>Benchmark</b>	11.67%	7.55%	1.34%	4.67%	14.28%
<b>Relative Performance</b>	0.33%	-0.04%	-0.29%	-0.06%	0.12%



Rolling time period	3 months	6 months	1 year	3 year p.a.	5 year p.a.	Since launch
Fund	8.39%	8.05%	12.00%	6.76%	7.80%	179.10%
Benchmark	8.17%	8.07%	11.67%	6.77%	7.80%	180.71%
Relative Performance	0.22%	-0.02%	0.33%	-0.01%	0.00%	-1.61%

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

UK bonds advanced over the quarter, with corporate bonds outperforming government bonds (Gilts). After witnessing the most aggressive sell-off in risk assets in March, risk sentiment improved significantly in the second quarter. The UK government's decision to extend its economic policy response to tackle the global pandemic, coupled with positive news flow from clinical trials of a potential COVID-19 vaccine also buoyed investor sentiment. The Bank of England (BoE) left its key interest rate unchanged. In April, retail sales plummeted at a record low, employment and wages fell, and jobless claims increased roughly 70% to over 2 million. However, the economy appeared to have bottomed out, as both the manufacturing and services Purchasing Managers' Index (PMI) picked up somewhat in May, although they were still in contractionary territory.

## 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.	Low

## 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 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

### Issued June 2020

Copyright HSBC Bank Pension Trust (UK) Limited 2015. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of HSBC Bank Pension Trust (UK) Limited. Members of the pension scheme may, however, copy appropriate extracts in connection with their own benefits under the 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.

for members of the HSBC Bank (UK) Pension Scheme

HSBC Bank Pension Trust (UK) Limited, 8 Canada Square London E14 5HQ  
Registration number: 489775

