

the DC funds

Diversified Assets – **active**
as at 31 December 2020

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 by investing in a broad range of asset classes including equities, bonds, and a range of alternative assets. The fund aims to perform in line with the benchmark, over the long-term.

fund facts

Launch date:

4 October 2011

Fund size:

£642.98m

Price per share:

147.60p

Charges:

Inv Mgmt Charges: 0.00%

Additional Charges: 0.06%

Current underlying fund(s):

BlackRock Aquila Life Market Advantage Fund

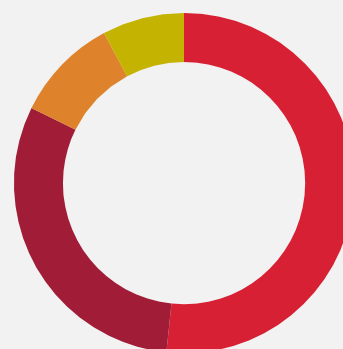
Ninety One Diversified Growth Fund

Benchmark:

SONIA + 3% (per annum)

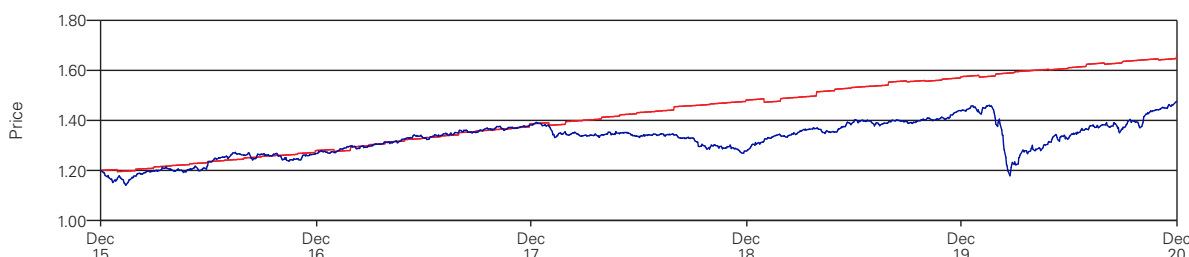
asset breakdown

	%
Equities	51.66
Bonds	30.62
Cash	9.92
Alternatives	7.80
Total	100.00



fund performance

	31 Dec 2019 - 31 Dec 2020 %	31 Dec 2018 - 31 Dec 2019 %	31 Dec 2017 - 31 Dec 2018 %	31 Dec 2016 - 31 Dec 2017 %	31 Dec 2015 - 31 Dec 2016 %
Fund	2.64%	12.52%	-7.53%	8.99%	5.58%
Benchmark	3.82%	6.29%	6.80%	8.27%	6.59%
Relative Performance	-1.18%	6.23%	-14.33%	0.72%	-1.01%



Rolling time period	3 months	6 months	1 year	3 year p.a.	5 year p.a.	Since launch
Fund	8.13%	11.06%	2.64%	2.22%	4.21%	47.60%
Benchmark	0.76%	1.53%	3.82%	5.63%	6.34%	78.47%
Relative Performance	7.37%	9.53%	-1.18%	-3.41%	-2.13%	-30.87%

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

Global equities performed positively as encouraging COVID-19 vaccine trials and the subsequent rollout of vaccination programmes in different countries fuelled optimism towards global growth. Against this global backdrop, all key regional markets ended higher, with Pacific ex Japan and UK equities rising strongly. Emerging markets also gained and outperformed developed markets. At the sector level, energy and financials were among the strongest performers. Fixed income markets posted mixed returns over the quarter, with corporate bonds outperforming government bonds. Credit spreads tightened amid strong positive technicals, on hopes that COVID-19 vaccine rollouts will boost an economic recovery and ward off corporate defaults. Returns in sterling terms were undermined by its appreciation against the US dollar, the yen and the euro.

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. 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
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.

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

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

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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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