The DC Funds

Emerging Markets Equities - active as at 31 March 2023

Fund objective

To provide long-term capital growth in excess of UK price inflation by investing in shares predominantly listed in developing countries. The fund aims to outperform the benchmark over the long-term.

Fund description

The Fund currently invests in two active funds which invest in companies domiciled in the emerging markets. Approximately half the fund is invested in a concentrated portfolio of around 50-80 shares with a focus on companies that exhibit strong long-term sustainable profitability characteristics. The other half is invested in a portfolio of between 60-100 shares with a focus on companies that are expected to benefit from strong revenue growth characteristics. The investment managers have discretion over which shares to hold and when to buy/sell them. ESG factors are considered within the investment process where relevant.

Fund Facts

Launch Date:
10/4/2011

Fund size:
£91.93m

Price Per Share:
192.9p

Base Currency:
GBP

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

Charges:
Inv Mgmt Charges: 0.00%
Additional Charges: 0.03%

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.

Current Underlying Fund(s):

50% GW&K Emerging Markets Fund
50% JPMorgan Emerging Markets Sustainable Equity Fund

Current Benchmark:

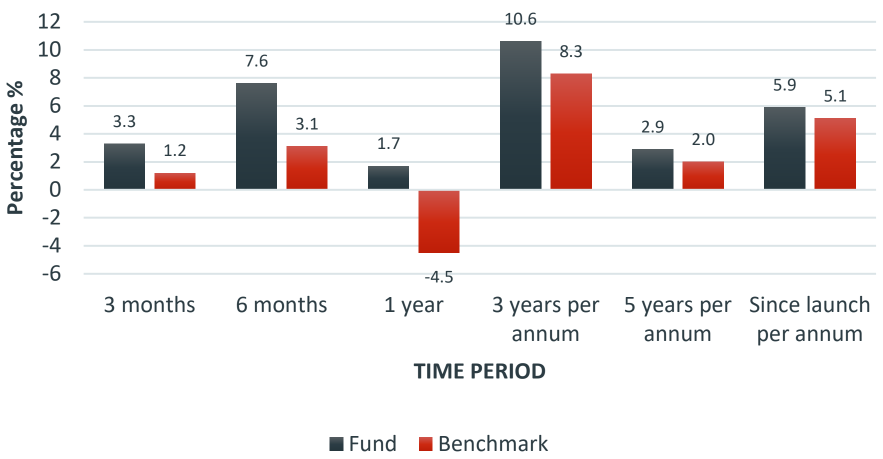
MSCI Emerging Markets Index

Volatility (% per annum):

	3 Years	5 Years
Fund:	13.6	14.7
Benchmark:	14.2	14.5

Annualised volatility: a measure of how variable returns for a fund or comparative market index have been around their historical average (also known as "standard deviation"). Two funds may produce the same return over a period. The fund whose monthly returns have varied less have a lower annualised volatility and may be considered to have achieved its returns with less risk. The calculation is the standard deviation of monthly returns presented as an annualised number. Volatility for funds and indices are calculated independently of each other.

Fund Performance



Note

Total fund performance is made up of a composite of all the current and historic underlying investment manager(s) fund arrangement(s). As such, the longer-term performance shown may not solely reflect that of the current investment manager fund arrangement(s) for this fund. 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, gross income reinvested and net of fees. Indicative prices have been used if a portfolio valuation fell on a non-trading day.

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Fund performance (continued)

	31 Mar 2022 - 31 Mar 2023	31 Mar 2021- 31 Mar 2022	31 Mar 2020 - 31 Mar 2021	31 Mar 2019 - 31 Mar 2020	31 Mar 2018 - 31 Mar 2019
	%	%	%	%	%
Fund	1.7	-8.3	44.8	-15.1	0.6
Benchmark	-4.5	-6.8	42.8	-13.2	0.1
Relative Performance	6.2	-1.5	2.0	-1.9	0.5

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Market Commentary

Emerging markets rallied but underperformed global markets. Equities were supported by the economic reopening in China and a weaker US dollar in January, but came under pressure in February and early March, as global risk-off sentiment was triggered by expectations of more aggressive interest rate hikes by the US Federal Reserve (Fed). Turmoil among developed market banks also raised concerns about global financial instability. Sentiment reversed from mid-March as these fears began to fade. Emerging market equities were also supported by indications that China was increasing support for the internet sector and carrying out reforms aimed at state-owned enterprises. Emerging Asia was the best performer, followed by Latin America, and emerging Europe, the Middle East and Africa (EMEA). Within emerging Asia, China's performance was supported by the economic reopening and the government's moves to support the internet and gaming sectors. The commodity-rich Latin America region enhanced gains due to strength in industrial metals. At a sector level, information technology and communication services were the best performing sectors, while utilities and health care were among the worst performers. Source: Fidelity. This is general market commentary and should not be considered as advice.

GEOGRAPHICAL BREAKDOWN		
1	Asia	80.36%
2	Latin America	10.24%
3	Africa	3.43%
4	Cash & Other	3.15%
5	Europe	2.11%
6	Middle East	0.71%
	TOTAL	**100.00%**

INDUSTRY SECTOR BREAKDOWN		
1	Technology	23.40%
2	Financials	21.75%
3	Consumer Services	21.05%
4	Other	13.21%
5	Consumer Goods	11.66%
6	Industrials	4.69%
7	Health Care	1.80%
8	Oil & Gas	1.64%
9	Basic Materials	0.80%
	TOTAL	**100.00%**

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.	VH
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.	M
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.	H

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, fund managers may need to delay when you can access your holdings in a fund(s) due to exceptional market circumstances. 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 are a Defined Contribution (DC) only member and have any questions, please contact the DC Scheme Administrator, Willis Towers Watson, at:
Email: HSBCpension@willistowerswatson.com; Phone: 01737 227 575

If you are a hybrid member and have any questions, please contact the Defined Benefit Scheme Administrator, Equiniti, at:
Email: HSBCHybridPensions@equiniti.com; Phone: 0371 384 2631

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