

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.

fund facts

Launch date:
2 March 2015

Fund size:
£6.36m

Price per share:
229.10p

Current underlying fund(s):
H2O Adagio Global Bond Fund

Benchmark:
LIBOR +2% per annum over a rolling 5 year basis

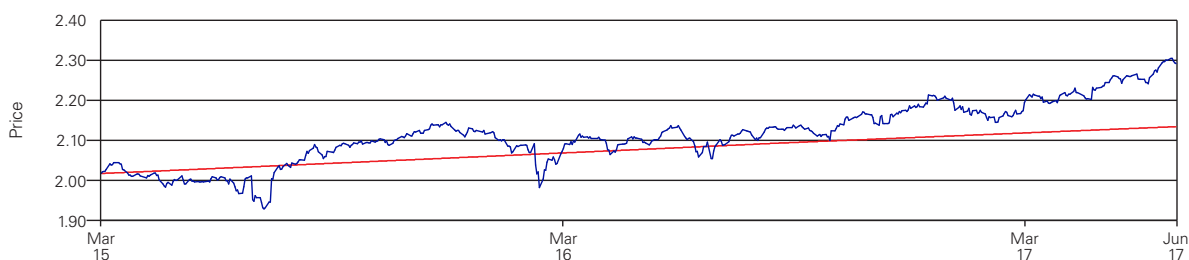
asset breakdown

	%
H2O Adagio Global Bond Fund	100.00
Total	100.00



fund performance

	30 Jun 2016 - 30 Jun 2017 %	30 Jun 2015 - 30 Jun 2016 %	30 Jun 2014 - 30 Jun 2015 %	30 Jun 2013 - 30 Jun 2014 %	30 Jun 2012 - 30 Jun 2013 %
Fund	9.88%	6.76%	N/A	N/A	N/A
Benchmark	2.31%	2.53%	N/A	N/A	N/A
Relative Performance	7.57%	4.23%	N/A	N/A	N/A



Rolling time period	3 months	6 months	1 year	3 year p.a.	5 year p.a.	Since launch
Fund	3.48%	3.90%	9.88%	N/A	N/A	13.53%
Benchmark	0.56%	1.12%	2.31%	N/A	N/A	5.77%
Relative Performance	2.92%	2.78%	7.57%	N/A	N/A	7.76%

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 bonds slid over the quarter as the global fixed income rally came to a halt. Corporate bonds outperformed government bonds over the second quarter. Short-dated US Treasuries posted losses as yields rose after the US Federal Reserve increased interest rates by 0.25% in June, the central bank's second rate rise in 2017. However, yields on longer-dated Treasuries fell as inflation expectations weakened during the quarter due to poor inflation data. Investors also reassessed the Trump administration's ability to enact reforms promised during the campaign, including tax changes. Meanwhile, corporate bonds outperformed government debt as credit spreads tightened on both investment grade and high yield bonds amid an ongoing search for yield.

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.	Med

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.

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.

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:
 email: HSBCpension@willistowerswatson.com
 phone: 01737 227 575

Issued June 2017

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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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