

# the DC funds

Diversified Assets – **active**  
as at 30 September 2018

## 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:**

£416.02m

**Price per share:**

133.00p

**Charges:**

Inv Mgmt Charges: 0.00%

Additional Charges: 0.07%

**Current underlying fund(s):**

BlackRock Aquila Life Market Advantage Fund

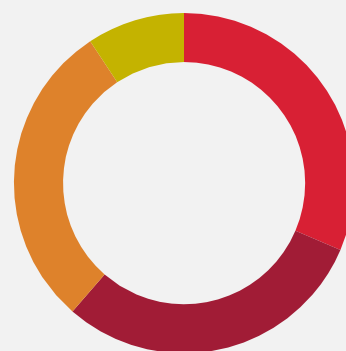
Investec Diversified Growth Fund

**Benchmark:**

Retail Prices Index +4% per annum

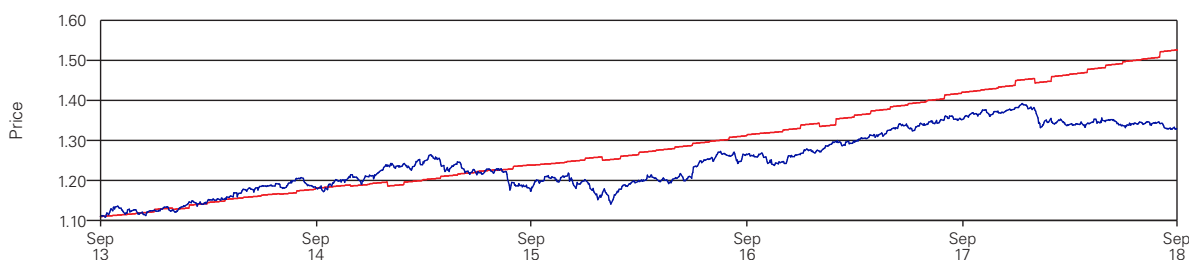
### asset breakdown

|              | %             |
|--------------|---------------|
| Cash         | 31.43         |
| Bonds        | 29.96         |
| Equities     | 29.31         |
| Alternatives | 9.30          |
| <b>Total</b> | <b>100.00</b> |



## fund performance

|                             | 30 Sep 2017 -<br>30 Sep 2018<br>% | 30 Sep 2016 -<br>30 Sep 2017<br>% | 30 Sep 2015 -<br>30 Sep 2016<br>% | 30 Sep 2014 -<br>30 Sep 2015<br>% | 30 Sep 2013 -<br>30 Sep 2014<br>% |
|-----------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>Fund</b>                 | -1.63%                            | 6.88%                             | 7.66%                             | -0.68%                            | 6.47%                             |
| <b>Benchmark</b>            | 7.40%                             | 8.00%                             | 6.13%                             | 4.81%                             | 6.35%                             |
| <b>Relative Performance</b> | -9.03%                            | -1.12%                            | 1.53%                             | -5.49%                            | 0.12%                             |



| Rolling time period  | 3 months | 6 months | 1 year | 3 year p.a. | 5 year p.a. | Since launch |
|----------------------|----------|----------|--------|-------------|-------------|--------------|
| Fund                 | -0.52%   | -0.67%   | -1.63% | 4.22%       | 3.66%       | 33.00%       |
| Benchmark            | 1.93%    | 4.11%    | 7.40%  | 7.18%       | 6.53%       | 57.11%       |
| Relative Performance | -2.45%   | -4.78%   | -9.03% | -2.96%      | -2.87%      | -24.11%      |

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 generated positive returns over the quarter. Encouraging corporate earnings and easing trade tensions between the US and Europe supported sentiment. However, continued US-China trade tensions and concerns around emerging markets led to elevated volatility. On the monetary policy front, the US Federal Reserve (Fed) raised interest rates for the third time this year in September. The Bank of England increased its key interest rate for the second time in a decade, while risks that the UK will exit the European Union without any trade, customs and regulatory measures to smoothen the transition rose. The Bank of Japan also adjusted its monetary policy to make it more flexible. Against this backdrop, the US, Japan and Europe ex UK were among the best performers, while UK equities fell. Equities advanced the most, followed by property shares, while commodities declined. Global bonds posted mixed returns, with corporate bonds outperforming government bonds.

## 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. | 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.

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 September 2018

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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.