

the DC funds

UK Equities – **passive**
as at 31 December 2017

fund objective

To provide long-term capital growth in excess of UK price inflation by investing in UK listed shares. The fund aims to perform in line with the benchmark as closely as possible.

fund facts

Launch date:
23 February 2007

Fund size:
£17.60m

Price per share:
188.90p

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

Current underlying fund(s):
Legal & General UK Equity Index Fund

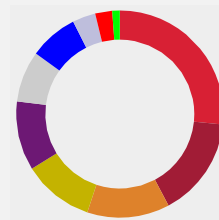
Benchmark:
FTSE All-Share Index

top 10 holdings

	%
1. Royal Dutch Shell	8.33
2. HSBC Holdings	6.19
3. British American Tobacco	4.62
4. BP	4.05
5. Diageo	2.71
6. AstraZeneca	2.61
7. GlaxoSmithKline	2.57
8. Vodafone Group	2.51
9. Prudential	1.98
10. Lloyds Banking Group	1.96
Total	37.53

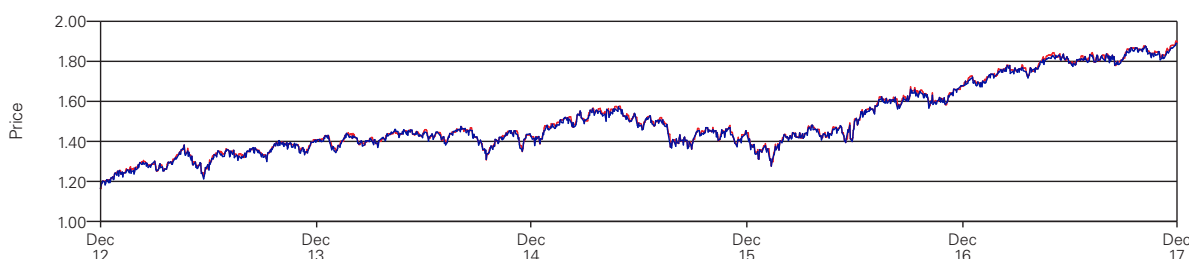
sector breakdown

	%
Financial Services	26.61
Consumer Goods	15.60
Oil & Gas	12.89
Consumer Services	11.06
Industrials	10.80
Healthcare	7.99
Basic Materials	7.60
Telecommunications	3.61
Utilities	2.66
Technology	1.18
Total	100.00



fund performance

	31 Dec 2016 - 31 Dec 2017 %	31 Dec 2015 - 31 Dec 2016 %	31 Dec 2014 - 31 Dec 2015 %	31 Dec 2013 - 31 Dec 2014 %	31 Dec 2012 - 31 Dec 2013 %
Fund	12.64%	16.22%	1.19%	2.08%	19.77%
Benchmark	13.10%	16.13%	1.34%	1.05%	20.81%
Relative Performance	-0.46%	0.09%	-0.15%	1.03%	-1.04%



Rolling time period	3 months	6 months	1 year	3 year p.a.	5 year p.a.	Since launch
Fund	4.42%	5.18%	12.64%	9.83%	10.12%	88.90%
Benchmark	4.39%	5.93%	13.10%	10.00%	10.20%	87.38%
Relative Performance	0.03%	-0.75%	-0.46%	-0.17%	-0.08%	1.52%

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

The UK stock market rose in the fourth quarter of 2017, marking the seventh consecutive quarter of positive returns. The completion of the first phase of "Brexit" negotiations supported investor sentiment as the deal ruled out a hard border for Northern Ireland and protected the rights of three million European Union (EU) citizens in the UK. Overall, UK markets performed well despite concerns around rising inflation and a lacklustre economic outlook, largely due to a strong rally in global markets. Major UK banking stocks also came into focus, as all banks passed the Bank of England's annual stress tests for the first time since these tests were introduced in 2014. On the monetary policy front, the Bank of England's (BoE) Monetary Policy Committee (MPC) voted 9-0 to maintain interest rates at 0.5%.

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.	High
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.

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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