

fund **objective**

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

fund facts	top 10 holdings	sector breakdown																																																
Launch date: 1 March 2018 Fund size: £2.74m Price per share: 202.20p Charges: Inv Mgmt Charges: 0.00% Additional Charges: 0.00% Current underlying fund(s): L&G Japan Equity Index Fund Benchmark: FTSE All World Japan Index	<table border="1"> <thead> <tr> <th></th> <th>%</th> </tr> </thead> <tbody> <tr><td>1. Toyota Motor</td><td>4.29</td></tr> <tr><td>2. Softbank Group</td><td>2.26</td></tr> <tr><td>3. Sony Corp</td><td>1.82</td></tr> <tr><td>4. Mitsubishi UFJ Financial</td><td>1.64</td></tr> <tr><td>5. Keyence Corp</td><td>1.52</td></tr> <tr><td>6. Takeda Pharmaceutical</td><td>1.50</td></tr> <tr><td>7. Sumitomo Mitsui Financial Group</td><td>1.29</td></tr> <tr><td>8. Honda Motor Co</td><td>1.24</td></tr> <tr><td>9. KDDI Corp</td><td>1.23</td></tr> <tr><td>10. Recruit Holdings</td><td>1.11</td></tr> <tr><td>Total</td><td>17.90</td></tr> </tbody> </table>		%	1. Toyota Motor	4.29	2. Softbank Group	2.26	3. Sony Corp	1.82	4. Mitsubishi UFJ Financial	1.64	5. Keyence Corp	1.52	6. Takeda Pharmaceutical	1.50	7. Sumitomo Mitsui Financial Group	1.29	8. Honda Motor Co	1.24	9. KDDI Corp	1.23	10. Recruit Holdings	1.11	Total	17.90	<table border="1"> <thead> <tr> <th></th> <th>%</th> </tr> </thead> <tbody> <tr><td>Consumer Goods</td><td>23.63</td></tr> <tr><td>Industrials</td><td>23.17</td></tr> <tr><td>Financials</td><td>13.22</td></tr> <tr><td>Consumer Services</td><td>11.35</td></tr> <tr><td>Health Care</td><td>8.86</td></tr> <tr><td>Telecommunications</td><td>5.76</td></tr> <tr><td>Basic Materials</td><td>5.73</td></tr> <tr><td>Technology</td><td>5.48</td></tr> <tr><td>Utilities</td><td>1.88</td></tr> <tr><td>Oil & Gas</td><td>0.92</td></tr> <tr><td>Total</td><td>100.00</td></tr> </tbody> </table> 		%	Consumer Goods	23.63	Industrials	23.17	Financials	13.22	Consumer Services	11.35	Health Care	8.86	Telecommunications	5.76	Basic Materials	5.73	Technology	5.48	Utilities	1.88	Oil & Gas	0.92	Total	100.00
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fund **performance**

	30 Jun 2018 - 30 Jun 2019 %	30 Jun 2017 - 30 Jun 2018 %	30 Jun 2016 - 30 Jun 2017 %	30 Jun 2015 - 30 Jun 2016 %	30 Jun 2014 - 30 Jun 2015 %
Fund	-1.51%	10.50%	23.77%	7.32%	19.32%
Benchmark	-1.45%	10.51%	23.97%	7.75%	19.03%
Relative Performance	-0.06%	-0.01%	-0.20%	-0.43%	0.29%

Rolling time period	3 months	6 months	1 year	3 year p.a.	5 year p.a.	Since launch
Fund	4.01%	8.24%	-1.51%	10.44%	11.52%	9.53%
Benchmark	3.92%	8.38%	-1.45%	10.52%	11.61%	9.63%
Relative Performance	0.09%	-0.14%	-0.06%	-0.08%	-0.09%	-0.10%

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. The fund was launched on 1st March 2018, but links to an underlying fund which has been existence for a number of years. Before 1st March 2018, performance is simulated based on data provided by Legal and General, the underlying fund provider. Thereafter, returns are produced by Fidelity on a monthly basis.

market commentary

The Japanese equity market declined in the second quarter. Global trade frictions and concerns over its implications for the Japanese economy weighed on investor sentiment. The yen's strength against the US dollar and selling by overseas investors also restrained share prices. Much of the downside was concentrated in May, when an escalation in trade frictions between the US and China exacerbated concerns about the outlook for global growth and corporate earnings. The US threat to impose punitive tariffs on all imports from Mexico, which was withheld later, further dampened sentiment. Heightened risk aversion and the limited policy avenues open to the Bank of Japan compared with other central banks contributed to the strength of the yen, which generated additional headwinds for Japanese stocks. Mid/small-cap value names were relative laggards during the quarter, while large-cap growth stocks proved more resilient.

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

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for members of the HSBC Bank (UK) Pension Scheme

HSBC Bank Pension Trust (UK) Limited, 8 Canada Square London E14 5HQ
 Registration number: 489775

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.

