

the DC funds

Japanese Equities - **passive**
as at 31 March 2018

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: £0.51m Price per share: 195.00p Charges: Inv Mgmt Charges: 0.00% Additional Charges: 0.00% Current underlying fund(s): L&G Japan Equity Index Fund Benchmark: FTSE Japan Index	<table border="1"> <thead> <tr> <th></th> <th>%</th> </tr> </thead> <tbody> <tr><td>1. Toyota Motor</td><td>4.20</td></tr> <tr><td>2. Mitsubishi UFJ Financial</td><td>2.13</td></tr> <tr><td>3. Softbank Group</td><td>1.61</td></tr> <tr><td>4. Sony Corp</td><td>1.54</td></tr> <tr><td>5. Honda Motor Co</td><td>1.53</td></tr> <tr><td>6. Sumitomo Mitsui Financial</td><td>1.41</td></tr> <tr><td>7. Keyence Corp</td><td>1.41</td></tr> <tr><td>8. Fanuc</td><td>1.25</td></tr> <tr><td>9. Nintendo</td><td>1.20</td></tr> <tr><td>10. Kddi Corp</td><td>1.16</td></tr> <tr><td>Total</td><td>17.44</td></tr> </tbody> </table>		%	1. Toyota Motor	4.20	2. Mitsubishi UFJ Financial	2.13	3. Softbank Group	1.61	4. Sony Corp	1.54	5. Honda Motor Co	1.53	6. Sumitomo Mitsui Financial	1.41	7. Keyence Corp	1.41	8. Fanuc	1.25	9. Nintendo	1.20	10. Kddi Corp	1.16	Total	17.44	<table border="1"> <thead> <tr> <th></th> <th>%</th> </tr> </thead> <tbody> <tr><td>Consumer Goods</td><td>24.97</td></tr> <tr><td>Industrials</td><td>23.44</td></tr> <tr><td>Financials</td><td>14.92</td></tr> <tr><td>Consumer Services</td><td>10.50</td></tr> <tr><td>Health Care</td><td>7.09</td></tr> <tr><td>Basic Materials</td><td>6.43</td></tr> <tr><td>Technology</td><td>5.36</td></tr> <tr><td>Telecommunications</td><td>4.44</td></tr> <tr><td>Utilities</td><td>1.79</td></tr> <tr><td>Oil & Gas</td><td>1.06</td></tr> <tr><td>Total</td><td>100.00</td></tr> </tbody> </table> 		%	Consumer Goods	24.97	Industrials	23.44	Financials	14.92	Consumer Services	10.50	Health Care	7.09	Basic Materials	6.43	Technology	5.36	Telecommunications	4.44	Utilities	1.79	Oil & Gas	1.06	Total	100.00
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fund performance

	31 Mar 2017 - 31 Mar 2018 %	31 Mar 2016 - 31 Mar 2017 %	31 Mar 2015 - 31 Mar 2016 %	31 Mar 2014 - 31 Mar 2015 %	31 Mar 2013 - 31 Mar 2014 %
Fund	N/A	N/A	N/A	N/A	N/A
Benchmark	N/A	N/A	N/A	N/A	N/A
Relative Performance	N/A	N/A	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	N/A	N/A	N/A	N/A	N/A	N/A
Benchmark	N/A	N/A	N/A	N/A	N/A	N/A
Relative Performance	N/A	N/A	N/A	N/A	N/A	N/A

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

Japanese stocks got off to a strong start in 2018, with key indices reaching multi-decade highs amid optimism that global growth would translate into higher corporate earnings. Positive trends in overseas markets also lifted sentiment. However, share price movements became more volatile as long-term interest rates in the US continued to rise and the yen strengthened against the US dollar. As inflation expectations gained traction, there were concerns that the US Federal Reserve could be forced to tighten its monetary policy more aggressively. While overseas markets regained some ground as volatility subsided, Japanese stocks lagged as the yen held its gains against the US dollar and domestic political risks emerged. Later, rising trade tensions between the US and China, and a sell-off in US technology stocks weighed on the Japanese market. Value and high-beta stocks were conspicuous laggards over the quarter, whereas small-cap growth and high-quality names outperformed.

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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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.

