

# PRODUCT KEY FACTS



HSBC Japan Index Fund  
A sub-fund of the  
HSBC Index Tracker Investment Funds OEIC  
Retail Share Classes & C Share Classes

HSBC Global Asset Management (UK) Limited

28 April 2022

*This Statement provides you with key information about this product.  
This statement is a part of the offering document.  
You should not invest in this product based on this statement alone.*

## Quick facts

**Authorised Corporate Director (ACD) / Investment Manager:** HSBC Global Asset Management (UK) Limited

**Depository:** State Street Trustees Limited

**Custodian:** HSBC Bank plc

<b>Total expense ratio (Ongoing Charges Figure)</b> (15 November 2021)	Retail Share Classes	0.28%
	C Share Classes	0.13%

**Underlying index:** FTSE Japan Index

**Base currency:** Pounds Sterling of the United Kingdom

**Financial year end of this fund:** 15 May

**Dividend policy:** Paid out or accumulated annually

### Min. investment:

Retail Share Classes: Lump Sum: £1,000 initial, £500 additional

C Share Classes: Lump Sum £1,000,000 initial, £1,000 additional

**Regular Savers:**(Retail Acc / Accumulation C Share Classes only)  
£50 per month initial, £10 additional

**Dealing frequency:** Daily

## What is this product?

The HSBC Japan Index Fund ("the Fund") is a sub-fund of HSBC Index Tracker Investment Funds, a company which is constituted in the form of an Open-Ended Investment Company. The Fund aims to provide growth over the long term, by tracking the performance of the FTSE Japan Index (the "Index"). This means that the fund will seek to invest in all of the companies that make up the Index and in the same or very similar proportions in which they are included in the Index. The Fund is domiciled in the United Kingdom and its home regulator is the Financial Conduct Authority.

## Objectives and Investment Strategy

### Objectives

Up to 26 June 2022: The Fund aims to provide growth over the long term, which is a period of five years or more, by tracking the performance of the FTSE Japan Index (the "Index").

From 27 June 2022: The Fund aims to track the performance of the FTSE Japan Index (the "Index") before the deduction of charges and tax.

### Strategy (Policy)

To achieve its investment objective, the Fund will invest directly in shares (equities) companies that make up the FTSE Japan Index.

The Fund may also invest in the following assets which are not part of the Index:

- cash to manage day-to-day cash flow requirements
- units or shares collective investment schemes, including collective investment schemes managed or operated by the HSBC Group in order to manage day-to-day cash flow requirements.
- equity related securities such as American Depositary Receipts and Global Depositary Receipts (which are certificates typically issued by a bank or trust company evidencing ownership of shares of a non-US issuer) in order to achieve exposure to a stock instead of using a physical security.

The Fund may invest in derivatives for efficient portfolio management, including hedging, which means investment techniques that aim to reduce risks, reduce costs or generate growth and income. The Fund does not intend to use derivatives extensively and their use will be consistent with the risk profile of the Fund.

The Fund may sometimes not invest in all of the companies that make up the Index. This is determined by the Investment Manager in situations of poor liquidity, excessive cost to the Fund or where there are investment restrictions due to regulations or the ACD's banned weapons policy or other investment restrictions to which the ACD is bound.

## Collateral / Counterparties

The Fund may enter into securities lending transactions. Please refer to the offering document for details on the types of collateral that may be accepted, the criteria for approval of borrowers (counterparties) and risk factors.

## About the Index

The FTSE Japan Index is comprised of large and mid-cap Japanese companies that are constituents of the FTSE All-World Index. The FTSE All-World Index in turn represents the large and mid-cap companies within the FTSE Global Equity Index Series (GEIS).

The Index rebalances quarterly on the third Friday of September, December, March and June.

Investors may obtain a brief description of the Index rules and the latest available information on closing levels and constituents from the website of the Index provider as follows:

Closing levels: [www.ftserussell.com](http://www.ftserussell.com) and choose Indexes / Equity / Global Equity Index Series inc All-World, Emerging (GEIS)" and then choose FTSE Japan.

Constituents: [www.ftserussell.com](http://www.ftserussell.com) and choose Indexes then Resources, Constituents and Weights, FTSE Global Equity Index Series and then choose FTSE Japan.

The website has not been reviewed by the SFC and may contain information of funds not authorised by the SFC.

## Derivatives

The Fund will not invest in Financial Derivative Instruments ("FDI") extensively or primarily for investment purposes. The Fund's net derivative exposure (excluding hedging) may be up to 50% of the Fund's value (NAV).

## What are the key risks?

**Investment involves risks. Please refer to the offering document for details including the risk factors.**

**The following are important warnings and potential investors should consider the following risk factors before investing in the Company.**

### General

There are inherent risks in investing in securities markets. Security prices are subject to market fluctuations and can move irrationally and be unpredictably affected by many and various factors including political and economic events, pandemics and market rumours. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may go down as well as up and investors may receive back less than the original amount invested. In addition, the Fund may not be able to adapt to market changes due to the inherent investment nature of index funds. Falls in an index, may, therefore, result in a corresponding fall in the value of the Fund. There is no guarantee that the investment objectives of the Fund will be achieved. It is important to note that past performance cannot be regarded as an indication of future performance. Please remember that inflation will reduce what you can buy in the future with your investment.

### Currency Exchange Rates

Investments will be made in assets denominated in currencies other than the base currency and exchange rate movements may affect the value of an investment favourably or unfavourably, separately from gains or losses otherwise made by such investments.

### Geographical Concentration

This Fund invests predominantly in one geographical area, any decline in the economy of this area may affect the prices and value of the shares or units held by the Fund.

### Index Tracking

The capital performance of the Index will be tracked using either a full replication technique or a sampling-optimisation technique. The composition of the index may change and constituent securities or the index may from time to time be delisted.

Where it is not possible under the FCA Rules to invest in a stock such that the amount held is consistent with that stock's weighting within the Index, then additional exposure to the stock will be sought by investing in transferable securities (which may or may not be constituents of the Index) which themselves aim to closely replicate the performance of the stock or which it is expected will perform in a similar way to that stock, subject to any restrictions that may be provided by the FCA Rules. There is a risk that the stocks selected will not accurately replicate the capital performance of the Index.

The investments of the Fund may be concentrated in one or two securities in the event that the Index is so concentrated.

There is a possibility that the Index may be wrongly calculated due to the use of incorrect data and/or a virus contaminating the index calculation software. There is also a possibility that the calculation of the Index may be incomplete due to technical failure during the calculation of the Index.

There is no guarantee that the Fund will, at any time, be able to exactly replicate the performance of the Index.

Although the ACD will make every effort to minimize tracking error, no specific error can be guaranteed. Tracking error is likely to be greatest during extreme market volatility and when specific events affect the largest constituent securities of the Index. Neither the Company nor any of its service providers shall be liable to any other person for any tracking error in relation to the Index. The tracking error will be published in the annual audited financial statement of the Company and the interim report.

Investors should note that the composition of the Index may change from time to time and that shares currently comprising the Index may, subsequently, be delisted and other shares added to form part of the Index. Such changes are beyond the control of the Company or any of its service providers.

As each Fund aims to track the performance of an index, the fund manager does not have the discretion to adapt to changes to the market that the index represents. In particular, falls in the value of the index are expected to result in corresponding falls in the value of the Fund.

#### Effect of Initial Charge

In the event that the ACD makes an initial charge, this is added to the cost of the investment at outset and an investor who redeems his Shares in the short term may not (even in the absence of a fall in the value of the relevant investments) realise the original amount invested. Shares should, therefore, be viewed as a medium to long term investment.

There is currently no initial charge on the HSBC Japan Index Fund.

#### Suspension of Dealings

In certain circumstances the right to redeem Shares may be suspended (see "Suspension of Dealings in the Company" contained in the full Company Prospectus).

#### Liabilities

Although each sub-fund within HSBC Index Tracker Investment Funds so far as possible will be treated as bearing the liabilities, expenses, costs and charges attributable to it, the sub-funds are not separate legal entities. Accordingly, if a sub-fund's assets are not sufficient, the ACD may re-allocate assets, liabilities, expenses, costs and charges between the sub-funds in a manner which would be fair to the Shareholders of the Company generally. The ACD would normally expect any such re-allocation to be effected on a pro rata basis having regard to the Net Asset Value of the relevant sub-funds.

Shareholders are not, however, liable for the debts of the Company. A Shareholder is not therefore liable to make any further payment to the Company after he has paid the purchase price of the Shares.

#### Emerging Markets

Where Funds invest in some overseas markets these investments may carry risks associated with failed or delayed settlement of market transactions and with the registration and custody of securities.

Investment in emerging markets may involve a higher risk than those inherent in established markets.

Investors should consider whether or not investment in such Funds is either suitable for or should constitute a substantial part of a prudent investor's portfolio.

Companies in emerging markets may not be subject:

- (a) to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in major markets;
- (b) to the same level of government supervision and regulation of stock exchanges as countries with more advanced securities markets.

Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions.

Restrictions on foreign investment in emerging markets may preclude investment in certain securities by certain Funds and, as a result, limit investment opportunities for the Funds. Substantial government involvement in, and influence on, the economy may affect the value of securities in certain emerging markets.

The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in delays in realising investments.

Lack of liquidity and efficiency in certain of the stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the ACD may experience more difficulty in purchasing or selling holdings of securities than it would in a more developed market.

#### Securities Lending

The Fund may enter into securities lending transactions. The major risk relating to securities lending transactions is that the redelivery of the stock may not be completed.

#### Is there any guarantee?

**Like most funds, this Fund does not have any guarantees. You may not get back the amount of money you invest.**

#### What are the fees and charges?

##### Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the Fund.

<b>Fee</b>	<b>What you pay</b>
Subscription fee	0%
Conversion fee	0%
Switching fee	0%
Redemption fee	0%

Please note the ACD may introduce such fees by giving not less than 60 days' written notice in accordance with the FCA Rules to the Shareholders. Please refer to the offering documents for details.

A dilution adjustment may be made if on any Dealing Day the aggregate transactions in Shares of all Classes in a Fund result in a net increase or decrease of Shares which exceed the threshold as set out in the Prospectus, for that Fund. This is to protect existing investors in the Fund from the effects of Dilution.

#### **Ongoing fees payable by the Fund**

**The following expenses will be paid out of the Fund. They affect you because they reduce the return you get on your investments.**

	<b>Annual rate (as a % of the fund's value)</b>
<b>Management fee</b>	
<b>Retail Share Classes:</b> The Fund pays a management fee to the ACD	0.25%
<b>C Share Classes:</b> The Fund pays a management fee to the ACD	0.10%

#### **Depository fee**

The rate of periodic charge for the Fund is currently 0.01% per annum of the Net Asset Value of the Fund, on the first £200,000,000, 0.007% per annum of the Net Asset Value of the Fund on the next £1,800,000,000 and 0.005% per annum on the balance above £2,000,000,000, plus Value Added Tax (VAT) as applicable.

#### **Custodian fee**

The cost of custody generally depends upon the market value of the stock involved and currently in respect of each Fund ranges from 0.0015% per annum and 0.62% per annum of such market value. In addition there are transaction charges which range between £4.40 and £100 per transaction.

#### **Performance fee**

Not applicable.

#### **Administration fee**

Not applicable.

#### **Other fees**

The Fund may also pay other fees such as audit fees and FCA authorisation fees.

Please see the Prospectus for further details of other duties, charges and other costs payable by the Fund.

#### **Additional Information**

- The net asset value of this Fund is calculated and the price of Shares published each "business day". They are available online at [www.assetmanagement.hsbc.com/uk](http://www.assetmanagement.hsbc.com/uk)  
The website has not been reviewed by the SFC and may contain information of funds not authorised by the SFC.
- Shares are bought and redeemed at the price calculated at the Fund's next-determined valuation point after HSBC Global Asset Management (UK) Limited receives the request in good order. The Fund's valuation point is 12 noon (United Kingdom time) on a business day being the dealing cut-off time.
- Investors may obtain information on the intermediaries from [http://www.assetmanagement.hsbc.com/hk/individuals/how\\_to\\_buy.html](http://www.assetmanagement.hsbc.com/hk/individuals/how_to_buy.html)  
The website has not been reviewed by the SFC.

#### **Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.