

Investment-linked policy sub-funds

Annual report for the year ended 30 June 2019.



HSBC
Life

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Fund Updates

1 July 2018 to 30 June 2019

1. Changes to HSBC Insurance Global Bond Fund

HSBC Insurance Global Bond Fund (the "ILP Sub-Fund") made the following changes effective from 3 September 2018 due to changes to the Legg Mason Western Asset Global Bond Trust (the "Underlying Fund") which the ILP Sub-Fund invests into.

1. Retirement of current manager and appointment of new manager

Western Asset Management Company Pte. Ltd ("WAMC") retired as manager of the Underlying Fund in favour of Legg Mason Asset Management Singapore Pte. Limited ("LMAMS"), a Singapore incorporated company.

LMAMS has been managing collective investment schemes in Singapore since 2003. As at 31 December 2017, LMAMS had approximately S\$4.187 billion of assets under its management.

Both WAMC and LMAMS are wholly-owned subsidiaries of Legg Mason which is a global asset management firm founded in 1899 and is currently listed on the New York Stock Exchange. As at 31 December 2017, Legg Mason manages approximately US\$767.2 billion in assets invested worldwide in a broad mix of equities, fixed income, alternatives and cash strategies.

2. Appointment of sub-manager

Following WAMC's retirement as manager of the Underlying Fund, WAMC has been appointed as a sub-manager for the Underlying Fund, alongside the existing sub-managers, Western Asset Management Company, LLC and Western Asset Management Company Limited.

The Underlying Fund will continue to be managed by the same investment teams utilizing the same investment processes.

There will be no change to investment objective, focus, approach and fund management fees of the Underlying Fund.

Existing Structure		New Structure from 3 September 2018	
Existing Manager	Sub-Manager	New Manager	Sub-Managers
Western Asset Management Company Pte. Ltd.	1) Western Asset Management Company, LLC 2) Western Asset Management Company Limited	Legg Mason Asset Management Singapore Pte. Limited	1) Western Asset Management Company Pte. Ltd. 2) Western Asset Management Company, LLC 3) Western Asset Management Company Limited

2. Changes to HSBC Insurance Pacific Equity Fund

HSBC Insurance Pacific Equity Fund (USD) and HSBC Insurance Pacific Equity Fund (SGD) (the “ILP Sub-Funds”) made the following changes effective from 3 September 2018.

	Before 3 September 2018	Effective from 3 September 2018
Fund Manager	Aberdeen Asset Management Asia Limited	Aberdeen Standard Investments (Asia) Limited
Underlying Fund Name	Aberdeen Pacific Equity Fund	Aberdeen Standard Pacific Equity Fund

3. Changes to HSBC Insurance Singapore Equity Fund (the “ILP-Sub Fund”)

Following change took effect from 1 October 2018 (the “Effective Date”) due to a change in the daily valuation policy of the Schroder Singapore Trust (the “Underlying Sub-Fund”) which the ILP Sub-Fund invests into.

Schroder Investment Management (Singapore) Ltd (the “Fund Manager”) applied a dilution adjustment (“Swing Pricing”) as part of its daily valuation policy from the Effective Date. The implementation of the Swing Pricing mechanism will reduce the negative cost impact to existing investors caused by large inflow or outflow monies from the Underlying Sub-Fund.

There is no change to the investment objective, focus, approach and fund management fee of the ILP Sub-Fund.

4. Changes to HSBC Insurance World Selection Funds

The Underlying Sub-Funds of HSBC Insurance World Selection Funds 1, 3 and 5 (the “ILP Sub-Funds”) moved from unhedged Singapore dollar share classes (AC-SGD) to hedged Singapore dollar share classes (ACH-SGD). The change took effect from 31 October 2018.

There is no change to the investment objective, focus, approach and fund management fee of the ILP Sub-Fund.

5. Changes to HSBC Insurance Premium Balanced Fund, HSBC Insurance Asia Equity Fund and HSBC Insurance Singapore Bond Fund (the “ILP Sub-Funds”)

Please refer to below table for the change of Underlying Sub-fund name and Underlying fund manager name.

There is no change to the investment objective, focus, approach and fund management fee of the ILP Sub-Fund.

ILP Sub-Fund	Underlying Sub-fund name Before 1st January 2019	Underlying Sub-fund name Effective from 1st January 2019
HSBC Insurance Premium Balanced Fund	Deutsche Premier Select Trust	DWS Premier Select Trust
HSBC Insurance Asia Equity Fund	Deutsche Asia Premier Trust	DWS Asia Premier Trust
HSBC Insurance Singapore Bond Fund	Deutsche Lion Bond Fund	DWS Lion Bond Fund

	Before 7th December 2018		Effective from 7th December 2018	
ILP Sub-Fund	Fund Manager Name	Sub-Manager Name	Fund Manager Name	Sub-Manager Name
HSBC Insurance Premium Balanced Fund	Deutsche Asset Management (Asia) Limited	Deutsche Asset Management Investment GmbH	DWS Investments Singapore Limited	DWS Investment GmbH*
HSBC Insurance Asia Equity Fund	Deutsche Asset Management (Asia) Limited	Deutsche Asset Management (Hong Kong) Limited	DWS Investments Singapore Limited	DWS Investments Hong Kong Limited
HSBC Insurance Singapore Bond Fund	Deutsche Asset Management (Asia) Limited	Deutsche Asset Management (Hong Kong) Limited	DWS Investments Singapore Limited	DWS Investments Hong Kong Limited

*With effect from 1 September 2018, Deutsche Asset Management Investment GmbH is known as DWS Investment GmbH.

Fund Performance Summary (SGD)

	3-Mth (%)	Cumulative 6-Mth (%)	1-Year (%)	3-Year (%)	Annualised 3-Year (%)
HSBC Insurance Asia Equity Fund Benchmark *	(1.01) (0.81)	10.32 10.37	(2.80) (1.82)	38.84 41.13	11.56 12.17
HSBC Insurance Asia Focused Income Fund The Fund has no benchmark	2.08	8.23	4.46	13.69	4.37
HSBC Insurance Asian Bond Fund Benchmark *	1.32 0.49	4.93 0.98	4.78 1.92	6.11 4.12	2.00 1.35
HSBC Insurance China Equity Fund Benchmark *	(4.12) (4.13)	8.72 12.13	(7.50) (7.45)	44.56 50.25	13.07 14.54
HSBC Insurance Chinese Equity Fund Benchmark *	(3.14) (4.00)	10.28 11.72	(8.89) (6.77)	39.55 46.33	11.75 13.53
HSBC Insurance Emerging Markets Equity Fund Benchmark *	1.89 0.49	11.49 9.89	0.11 0.42	38.78 36.22	11.54 10.85
HSBC Insurance Ethical Global Equity Fund Benchmark *	(0.96) 2.13	7.38 13.80	(7.26) 3.00	19.67 31.43	6.17 9.54
HSBC Insurance Ethical Global Sukuk Fund Benchmark *	2.85 3.05	6.65 6.24	6.99 7.93	7.94 12.33	2.58 3.95
HSBC Insurance Europe Dynamic Equity Fund Benchmark *	3.13 4.60	15.30 17.22	(1.35) 6.39	23.95 37.25	7.42 11.13
HSBC Insurance Global Bond Fund Benchmark *	2.54 3.20	4.05 5.89	4.52 7.42	0.85 6.67	0.28 2.18
HSBC Insurance Global Emerging Markets Bond Fund The Fund has no benchmark	(0.96)	10.01	8.41	5.78	1.89
HSBC Insurance Global Emerging Markets Equity Fund Benchmark *	4.32 0.49	19.37 9.77	7.79 0.42	46.26 36.22	13.51 10.85
HSBC Insurance Global Equity Fund Benchmark *	3.04 3.88	14.74 16.12	1.25 5.51	34.66 40.34	10.43 11.96
HSBC Insurance Global Equity Portfolio Fund Benchmark *	2.93 3.88	13.16 16.68	0.68 5.51	32.74 44.32	9.90 13.01
HSBC Insurance Global Equity Volatility Focused Fund The Fund has no benchmark	3.07	15.34	4.22	21.01	6.56
HSBC Insurance Global High Income Bond Fund The Fund has no benchmark	2.98	8.55	7.70	11.08	3.57
HSBC Insurance Global Multi-Asset Fund The Fund has no benchmark	1.78	6.77	2.97	9.24	2.99
HSBC Insurance India Equity Fund Benchmark *	0.95 0.19	7.87 6.36	5.31 4.92	36.23 41.37	10.86 12.23

	3-Mth (%)	Cumulative		Annualised	
		6-Mth (%)	1-Year (%)	3-Year (%)	3-Year (%)
HSBC Insurance Pacific Equity Fund	2.32	12.23	3.71	33.19	10.02
Benchmark *	0.68	11.54	0.31	39.85	11.83
HSBC Insurance Premium Balanced Fund	1.47	4.61	4.35	22.50	7.00
The Fund has no benchmark					
HSBC Insurance Singapore Bond Fund	0.65	1.22	2.41	4.77	1.56
Benchmark *	0.48	0.93	1.78	4.25	1.40
HSBC Insurance Singapore Equity Fund	5.98	10.87	4.95	29.25	8.93
Benchmark *	6.83	12.76	7.43	34.93	10.50
HSBC Insurance US Equity Portfolio Fund	2.72	16.05	2.45	34.39	10.35
Benchmark *	4.03	18.06	8.90	45.77	13.39
HSBC Insurance US Opportunities Equity Fund	5.32	24.46	8.84	59.34	16.80
Benchmark *	4.34	20.54	9.86	64.30	18.00
HSBC Insurance World Selection 1 Fund	2.36	7.23	6.18	12.14	3.89
The Fund has no benchmark					
HSBC Insurance World Selection 2 Fund	1.94	8.27	N.A.	N.A.	N.A.
The Fund has no benchmark					
HSBC Insurance World Selection 3 Fund	2.57	10.93	5.34	23.15	7.19
The Fund has no benchmark					
HSBC Insurance World Selection 4 Fund	2.30	7.96	N.A.	N.A.	N.A.
The Fund has no benchmark					
HSBC Insurance World Selection 5 Fund	2.84	13.53	4.16	31.98	9.69
The Fund has no benchmark					

* Refer to the respective funds for the benchmark used.

Fund Performance Summary (USD)

		Cumulative		Annualised	
	3-Mth (%)	6-Mth (%)	1-Year (%)	3-Year (%)	3-Year (%)
HSBC Insurance Europe Dynamic Equity Fund (USD)	3.26	15.63	(0.52)	N.A.	N.A.
Benchmark *	4.85	17.76	7.33	N.A.	N.A.
HSBC Insurance Global Emerging Markets Bond Fund (USD)	3.44	10.55	9.35	N.A.	N.A.
Benchmark *	3.76	10.60	11.32	N.A.	N.A.
HSBC Insurance Global Emerging Markets Equity Fund (USD)	4.44	20.38	8.93	N.A.	N.A.
Benchmark *	0.61	10.58	1.21	N.A.	N.A.
HSBC Insurance Global Equity Portfolio Fund (USD)	3.01	14.08	1.19	N.A.	N.A.
Benchmark *	4.00	17.81	6.33	N.A.	N.A.
HSBC Insurance Global Equity Volatility Focused Fund (USD)	3.12	15.53	4.95	N.A.	N.A.
Benchmark *	3.61	17.00	5.74	N.A.	N.A.
HSBC Insurance Global High Income Bond Fund (USD)	3.17	9.02	8.62	N.A.	N.A.
Benchmark *	3.81	9.65	10.42	N.A.	N.A.
HSBC Insurance India Equity Fund (USD)	0.97	8.53	5.83	N.A.	N.A.
Benchmark *	0.31	7.15	5.74	N.A.	N.A.
HSBC Insurance Pacific Equity Fund (USD)	2.44	12.96	4.51	N.A.	N.A.
Benchmark *	0.80	12.37	1.09	N.A.	N.A.
HSBC Insurance US Equity Portfolio Fund (USD)	2.71	16.92	3.16	N.A.	N.A.
Benchmark *	4.15	19.20	9.75	N.A.	N.A.
HSBC Insurance World Selection 1 Fund (USD)	2.61	7.73	5.17	N.A.	N.A.
The Fund has no benchmark					
HSBC Insurance World Selection 2 Fund (USD)^	N.A.	N.A.	N.A.	N.A.	N.A.
The Fund has no benchmark					
HSBC Insurance World Selection 3 Fund (USD)	2.78	11.33	4.35	N.A.	N.A.
The Fund has no benchmark					
HSBC Insurance World Selection 4 Fund (USD)	3.18	6.00	N.A.	N.A.	N.A.
The Fund has no benchmark					
HSBC Insurance World Selection 5 Fund (USD)	3.02	13.84	2.97	N.A.	N.A.
The Fund has no benchmark					

* Refer to the respective funds for the benchmark used.

^ Fund does not have performance figures as it is not inception.

Notes to the Fund Disclosures

1. Performance figures

Performance figures are calculated using bid-to-bid prices, with any income or dividends reinvested and in Singapore dollars.

2. Expense ratio

Expense ratio are calculated in accordance with IMAS guidelines for the disclosure on expense ratio. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received. Expense ratios are presented for the 12 months ended 30 June 2019 and for the 12 months ended 30 June 2018. In the event that these ratios are not available as at the date of the report, they will be represented by the latest available period of information. The above formula is also utilised to compute the expense ratio of the underlying fund.

3. Turnover ratio

Turnover ratio represent the number of times per year that a dollar of assets is invested and is calculated based on the lower of purchases or sales for the 12 months preceding the reporting date expressed as a percentage of the daily average Net Asset Value. Turnover ratios are presented for the 12 months ended 30 June 2019 and for the 12 months ended 30 June 2018. In the event that these ratios are not available as at the date of the report, they will be represented by the latest available period of information. The above formula is also utilised to compute the turnover ratio of the underlying fund.

4. Abbreviations Used

CPFIS : Central Provident Fund Investment Scheme
GDP : Gross Domestic Product
Ltd : Limited
MV : Market Value
N.A. : Not Applicable
NAV : Net Asset Value
OA : Ordinary Account
SA : Special Account
SRS : Supplementary Retirement Scheme

HSBC Insurance Asia Equity Fund

Fund Objective

HSBC Insurance Asia Equity Fund seeks to achieve capital appreciation in the medium to long-term by investing in a diversified portfolio of Asia (ex-Japan) equity and equity-related securities (including warrants and convertible securities). Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the DWS Asia Premier Trust.

Investment and Market Review ^

Asian stocks dipped during the reporting period, with volatilities dictated by the ups and downs of the trade talks between the United States (US) and China. The US hiked tariffs from 10% to 25% on US Dollar (USD) 200 billion worth of Chinese imports in May 2019. The US also put Huawei on the entity list, which effectively barred US companies from selling to this leading Chinese telecom equipment maker without US government approval. Business activities in the region stalled, with China manufacturing purchasing managers index contracting and exports from South Korea and Taiwan shrinking. On the other hand, an expectation of rate cut in the US was built up. That eased capital outflow pressure and improved liquidity especially in Southeast Asia. India, Malaysia and Philippines cut benchmark rate in 2019. China healthcare and information technology (IT) dropped. South Korea was dragged by energy and utilities, while Taiwan consumer discretionary and industrials outperformed. Real estate outperformed in Indonesia, Philippines and Singapore. Communication services outperformed in Malaysia and Thailand.

Market Outlook and Investment Strategy ^

The rate cut expectation would provide support to the market, which awaits for a breakthrough in trade negotiations between the US and China. During the report period, the fund was dragged by Chinese healthcare and Korean energy, but was cushioned by positive performance in Chinese insurance and consumer discretionary. Currently the fund is overweight in Singapore, given its rate sensitivity and high dividends. On the other hand, it is underweight in North Asia, including China, Hong Kong, South Korea and Taiwan. These four markets are sensitive to the trade talks and slowing economy. From sector perspective, energy and financials are the most overweight sectors, while consumer staples, industrials and utilities are underweight.

^ Source: DWS Investments Singapore Limited

FUND FACTS

Underlying Fund	DWS Asia Premier Trust
Fund Manager	DWS Investments Singapore Limited
Launch Date	31 Jan 1994
CPFIS/SRS*	SRS
CPFIS Risk Classification	N.A.
As at 30 June 2019	
Offer Price	S\$ 3.05762
Bid Price	S\$ 2.90474
Fund Size	S\$ 93.59 mil
Units in Issue	32.22 mil

*Note: With effect from 28 Jun 2010, the Fund has been delisted from CPFIS.

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Asia Equity Fund	(1.01)	10.32	(2.80)	38.84	29.13	76.84	205.76
Benchmark*	(0.81)	10.37	(1.82)	41.13	39.34	108.83	144.29

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance Asia Equity Fund	11.56	5.25	5.87	4.52
Benchmark*	12.17	6.86	7.64	3.59

*MSCI AC Far East ex Japan (TR)

^Inception Date: 16 Mar 1994

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
DWS Asia Premier Trust	100.28	93.85
Other assets	0.34	0.32
Other liabilities	(0.62)	(0.58)
Total	100.00	93.59

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	9,193,676
Redemption	21,792,620

C) Underlying Fund Disclosure (DWS Asia Premier Trust)

I Allocation by Country

Country	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Cayman Islands	24.83	27.06
South Korea	14.36	15.65
China	13.95	15.20
Taiwan	12.80	13.95
Hong Kong	10.96	11.94
Singapore	6.89	7.51
Indonesia	2.82	3.07
Thailand	2.19	2.39
Philippines	1.84	2.00
Others*	9.36	10.20
Total	100.00	108.97

*Includes other countries and net assets

II Allocation by Industry

Industry	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Banks	14.52	15.82
Real Estate	10.26	11.18
Internet Services	9.67	10.54
E-Commerce	8.62	9.39
Insurance	8.41	9.16
Semiconductors	8.16	8.89
Electrical/Electronics	7.82	8.52
Oil & Gas	4.74	5.16
Telecom Services	3.38	3.68
Finance	3.38	3.68
Educational Services	2.82	3.07
Others*	18.22	19.88
Total	100.00	108.97

*Includes other industries and net assets

III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2019

N.A.

IV Top Ten Holdings of Underlying Fund

	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Tencent Holdings Limited	9.25	10.07
Alibaba Group Holding Limited	7.71	8.40
Samsung Electronics Company Limited	6.30	6.87
Taiwan Semiconductor Manufacturing Corporation Limited	6.01	6.55
China Construction Bank H Shares	5.43	5.92
AIA Group Limited	4.61	5.02
Formosa Plastics Corporation	2.80	3.05
CapitaLand Limited	2.58	2.81
CK Hutchison Holdings Limited	2.23	2.43
Ping An Insurance (Group) Company of China Limited H Shares	1.97	2.15

Top Ten Holdings of Underlying Fund

	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Tencent Holdings Limited	8.81	11.09
Samsung Electronics Company Limited	8.63	10.86
Alibaba Group Holding Limited	8.30	10.45
Taiwan Semiconductor Manufacturing Corporation Limited	5.67	7.14
Ping An Insurance (Group) Company of China Limited H Shares	4.92	6.19
China Construction Bank H Shares	4.64	5.84
United Overseas Bank Limited	3.19	4.02
China Resources Land Limited	2.50	3.15
HSBC Holdings PLC	2.45	3.08
Hana Financial Group Inc	2.42	3.05

V Exposure to Derivatives

	As at 30 Jun 2019
% of NAV	-
Market Value (S\$)	-
Realised gains / (Losses) (S\$)	(24,767)
Unrealised Gains / (Losses) (S\$)	-

VI Borrowings of Net Asset Value

	As at 30 Jun 2019
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Asia Equity Fund		Underlying Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.71%	1.79%	1.43%	1.51%
			As at 30-Jun-19	As at 30-Jun-18
Turnover Ratio	6.53%	8.07%	35.78%	31.42%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of DWS Asia Premier Trust for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

N.A.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 169.

For more information, please contact your financial consultant,
call our Customer Service Hotline on 6225 6111,
or visit our web site at www.insurance.hsbc.com.sg.

HSBC Insurance Asia Focused Income Fund

Fund Objective

HSBC Insurance Asia Focused Income Fund seeks to provide income and moderate capital growth through an active asset allocation in a diversified portfolio of fixed income and equity securities as well as money market and cash instruments. Fund investments are made by way of a feeder fund, which invests substantially all, or all its assets in the HSBC Global Investment Funds - Managed Solutions - Asia Focused Income Fund.

Investment and Market Review [^]

Concerns about trade have been a major market driver throughout 2018 with the US threatening to impose further tariffs on China. With global free trade generally accepted as a good thing in economic terms this move towards greater protectionism can only be considered a bad thing; even if the direct economic impact of measures already announced is small, the indirect effects in terms of confidence and spending plans could be significant. As such, market volatility heightened and stock markets plummeted. Stepping into 2019, markets reversed and investor sentiment recovered somewhat. Major stock markets rallied amid positive news on the trade front. On top of that, US treasury (UST) bonds have seen yields drop and bond markets returned strongly as well.

All in all, the fund ended in the positive territory over the year with the main contribution coming from the fixed income side. In particular, Asian investment grade and high yield bonds returned most favorably within the portfolio, riding on the fallen UST yields. Global and Asia ex Japan equities returned favorably as well, further supporting the fund performance. Our allocation to overweight Japanese equities detracted slightly, offsetting part of the positive returns.

Market Outlook and Investment Strategy [^]

With the trade situation appearing to settle down after the shocks of recent months, markets can focus on fundamental values and the macroeconomic and company background for direction. In terms of value it seems clear that equity markets have a clear advantage over bonds and cash over the long term. As long as company earnings can be expected to continue at current levels, therefore, stock markets appear significantly more attractive than bonds and cash, and we remain overweight equities in the portfolio.

The macro background does contain some risks however, economic data continues to undershoot expectations, both globally and in Asia. Because investors know that the economic and market cycles have been long ones, they are naturally nervous that the cycles are likely to come to an end. So any weak data or bad news causes investors to quickly take a risk averse stance. Investors are also aware that if they buy near the peak levels in stock markets, it can take some years to get back into profit, even if they are able to hold on. This nervousness about the economic and company earnings background, coupled with a fear of buying near the peak and seeing years of losses, is what appears to make investors shun equities at present. While we understand the thinking and can see the risks, we don't see the case for a significant economic slowdown and so believe that the superior value in stock markets is worth taking the risk on.

[^] Source : HSBC Global Asset Management (HK) Limited

FUND FACTS

Underlying Sub-Fund	HSBC Global Investment Funds – Managed Solutions - Asia Focused Income Fund
Fund Manager	HSBC Global Asset Management (Singapore) Limited
Launch Date	28 Jan 2013
CPFIS/SRS	SRS
CPFIS Risk	N.A.
Classification	
As at 30 June 2019	
Offer Price	S\$ 1.18222
Bid Price	S\$ 1.12311
Fund Size	S\$ 8.21 mil
Units in Issue	7.31 mil

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Asia Focused Income Fund*	2.08	8.23	4.46	13.69	15.23	N.A.	18.22

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Asia Focused Income Fund*	4.37	2.87	N.A.	2.65

*This fund has no benchmark.

[^]Inception Date: 06 Feb 2013

B) Fund Disclosure

I Allocation by Asset Class

	As at 30 Jun 2019	
Asset Class	% of NAV	MV S\$ mil
HSBC Global Investment Funds – Managed Solutions - Asia Focused Income	100.00	8.21
Total	100.00	8.21

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	1,457,118
Redemption	3,465,658

C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds – Managed Solutions - Asia Focused Income)

I Allocation by Country

	As at 30 Jun 2019	
Country	% of NAV	MV S\$ mil
China/ Hong Kong	43.28	267.53
Korea, Republic of, (South Korea)	7.61	47.04
Singapore	5.31	32.80
India	4.86	30.01
Indonesia	3.66	22.65
Taiwan	3.66	22.62
Thailand	3.36	20.78
Japan	3.09	19.11
Others*	24.45	151.11
Cash	0.72	4.42
Total	100.00	618.07

*Includes other countries

II Allocation by Industry

	As at 30 Jun 2019	
Industry	% of NAV	MV S\$ mil
Asian Investment Grade Bond	29.46	182.07
Asia ex Japan Equity	26.71	165.09
Global Equities	10.32	63.80
Asian Local Currency Bonds	10.24	63.26
Asian High Yield Bond	10.16	62.81
Global Emerging Market Debt Local Currency	10.03	62.02
Japanese Equity	3.09	19.09
Liquidity	(0.01)	(0.07)
Total	100.00	618.07

III Allocation of Debt Securities by Credit Ratings

Rating	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
(For Debt securities portfolio only)		
AAA	2.27	14.03
AA+	3.48	21.53
AA-	2.36	14.56
A+	6.45	39.85
A	5.18	32.02
A-	5.50	34.02
BBB+	6.89	42.57
BBB	8.66	53.52
BBB-	5.44	33.61
BB+	1.21	7.49
BB	1.73	10.71
BB-	3.47	21.43
B+	1.62	10.01
Unrated	2.14	13.24
Others*	3.49	21.57
Total	59.89	370.16

*Includes lower rated debt securities

IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
HSBC FTSE All-World Index Instl Acc	10.33	63.81
HSBC GIF Global Em Mkts Local Dbt ZD	10.03	62.02
HSBC Japan Index Instl Acc	3.09	19.11
Taiwan Semiconductor Mfg	1.77	10.95
Tencent Holdings Ltd	1.69	10.47
AIA Group Ltd	1.59	9.81
Ping An Insurance Co Ltd	1.18	7.27
China Construction Bank	0.98	6.06
CNOOC Ltd	0.97	5.99
Hong Kong Exchanges & Clear	0.96	5.95

Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
HSBC FTSE All-World Index Instl Acc	10.16	136.85
HSBC GIF Global Em Mkts Local Dbt ZD	9.37	126.34
HSBC Japan Index Instl Acc	2.02	27.27
Tencent Holdings Ltd	1.99	26.90
HSBC GIF India Fixed Income ZD	1.84	24.87
Samsung Electronics Co Ltd	1.63	21.97
Taiwan Semiconductor Co Ltd	1.29	17.43
China Construction Bank	1.12	15.08
AIA Group Ltd	0.95	12.86
Industrial & Commercial Bk Of China	0.92	12.44

V Exposure to Derivatives

	As at 30 Jun 2019
% of NAV	0.14%
Market value (S\$)	872,527
Realised Gains / (Losses) (S\$)	(15,379,983)
Unrealised Gains / (Losses) (S\$)	1,036,228

VI Borrowings of Net Asset Value

	As at 30 Jun 2019
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Asia Focused Income Fund		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.68%	1.69%	1.65%	1.66%
			As at 30-Jun-19	As at 30-Jun-18
Turnover Ratio	13.61%	19.04%	0.36%	67.45%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Global Investment Funds – Managed Solutions - Asia Focused Income for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

HSBC Insurance Asia Focused Income Fund invests S\$8.21 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Funds – Managed Solutions - Asia Focused Income, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 30 June 2019 amounts to S\$55,430.

III Material Information that will adversely impact the valuation of the ILP sub-fund □

N.A.

IV Soft Dollar Commission Arrangement

The investment adviser and its connected persons of the fund have entered into soft commission arrangements (relating solely to research services, defined as soft commissions by the Hong Kong Securities and Futures Commission, that are utilized by the Company) with certain brokers, for which goods and services used to support the investment decision making process were received by it or its connected persons.

The investment adviser or its connected persons do not make direct payment for these services, but transact and agree an amount of business with brokers on behalf of the fund. All transactions were entered into in the ordinary course of business and in normal commercial terms.

Commissions were paid by the Company on these transactions. The goods and services utilized for the Company include the following: research and advisory services, economic and political analysis, portfolio analysis, market analysis and investment related publications.

E) Financial Statements

Refer to page 169.

**For more information, please contact your financial planner,
call our Customer Service Hotline on 6225 6111,
or visit our web site at www.insurance.hsbc.com.sg.**

HSBC Insurance Asian Bond Fund

Fund Objective

HSBC Insurance Asian Bond Fund seeks to maximize returns over the long-term by investing mainly in the bond markets of Asia's developing economies. There is no target industry or sector. Fund investments are by way of a feeder fund, which invests substantially all or all its assets in the Legg Mason Western Asset Asian Bond Trust.

Investment and Market Review [^]

Asian credit continues to perform well with positive tailwinds coming from the rates world as we saw the UST 10-year ending June at 2.01%. A truce in

US-China trade tensions and more crucially expectations of a more dovish US Federal Reserve (Fed) anchored Asian markets and risk appetite. Continued muted inflation raised expectations of monetary easing across Asia.

Trade tensions have become a significant headwind to global trade and growth. The more externally exposed economies of Asia such as Korea, Taiwan and Singapore will likely see considerable headwinds to growth in the second half of the year. So far in 2019, central banks in India, the Philippines and Malaysia have cut rates while the central banks of Indonesia, South Korea and China are expected to follow suit in the coming few months. ASEAN growth weakness persists on multiple fronts, though exogenous factors remain a potential trigger for downside risks even as endogenous risks remained well managed. Indonesia has the largest policy space to move when it comes to monetary policy and will likely do so if the Fed turns decisively dovish. Bank South Pacific is likely next, moving closely alongside Indonesia. Malaysia and Singapore are more likely to remain on their current courses while creating space for a policy response at the risk of a more protracted downturn

Market Outlook and Investment Strategy [^]

Asia continues to see a strong domestic anchor in both its local and USD-denominated debt market, noticeably in the primary issuance space. In the US space, Asia-based investors' dominance of USD-denominated bond primary deals has been growing progressively to 79% in the first five months of 2019—a significant rise from 53% in 2010 and 64% in 2015. This also has an effect of dampening volatility and has led to Asian investment-grade credit exhibiting low volatility globally. In the local currency space, supply technicals look favourable. Malaysia, Thailand, Indonesia and the Philippines are all running ahead of issuance schedules given strong demand. Thailand and the Philippines are also projected to see slower issuance on the back of slower expenditure. The latest EM capital flows report highlighting that second quarter of 2018 (2Q18) stands out as a post-crisis low for gross capital flows in EM, which was likely driven by the combination of escalating trade tensions, dollar appreciation and rising US interest rates at the time. The International Monetary Fund (IMF)'s data for EM capital flows show a sustained recovery in both inward and outward capital flows across the major components, including foreign direct investment (FDI) and bank lending.

While the macro environment remains positive for Asian bonds, investors do not appear to be chasing the rally but only cautiously buying on dips. Asian fixed-income assets have shown strength, backed up by a dovish Fed amidst a cloudy global trade outlook while falling inflation creates significant policy space for central banks in Asia to ease monetary policy. Confidence and stabilization in China's growth remain key anchors in Asia's growth momentum.

[^] Source: Legg Mason Asset Management Singapore Pte. Limited

FUND FACTS

Underlying Fund	Legg Mason Western Asset Asian Bond Trust
Fund Manager	Legg Mason Asset Management Singapore Pte. Limited
Launch Date	06 Oct 2008
CPFIS/SRS	SRS
CPFIS Risk Classification	N.A.
As at 30 June 2019	
Offer Price	S\$ 2.00579
Bid Price	S\$ 1.90550
Fund Size	S\$ 23.61 mil
Units in Issue	12.39 mil

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Asian Bond Fund	1.32	4.93	4.78	6.11	10.49	54.53	100.58
Benchmark*	0.49	0.98	1.92	4.12	6.58	32.00	68.77

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Asian Bond Fund	2.00	2.02	4.45	6.74
Benchmark*	1.35	1.28	2.82	5.02

*US\$ 3-month LIBOR (hedged to S\$)

[^]Inception Date: 28 Oct 2008

B) Fund Disclosure

I Allocation by Asset Class

	As at 30 Jun 2019	
Asset Class	% of NAV	MV S\$ mil
Legg Mason Western Asset Asian Bond Trust	99.96	23.60
Other assets	1.99	0.47
Other liabilities	(1.95)	(0.46)
Total	100.00	23.61

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	4,233,625
Redemption	10,311,623

C) Underlying Fund Disclosure (Legg Mason Western Asset Asian Bond Trust)

I Allocation by Country

	As at 30 Jun 2019	
Country	% of NAV	MV S\$ mil
China	31.12	11.03
Singapore	20.20	7.16
Hong Kong	16.51	5.85
Indonesia	6.07	2.15
South Korea	3.16	1.12
Malaysia	2.77	0.98
India	1.10	0.39
Others*	16.93	6.00
Cash	2.14	0.76
Total	100.00	35.44

*Includes other countries

II Allocation by Industry

	As at 30 Jun 2019	
Industry	% of NAV	MV S\$ mil
Financials	37.61	13.33
Real Estate	22.49	7.97
Construction & materials	8.35	2.96
Transportation	7.82	2.77
Miscellaneous	6.80	2.41
Electrical and Electronics	6.60	2.34
Retail	2.12	0.75
Government	2.09	0.74
Utilities	2.00	0.71
Hotel	1.98	0.70
Cash	2.14	0.76
Total	100.00	35.44

III Allocation of Debt Securities by Credit Ratings

Rating	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
(For Debt securities portfolio only)		
AA-	0.76	0.27
Aa3	2.82	1.00
A1	1.13	0.40
A	1.86	0.66
A2	5.95	2.11
A-	0.76	0.27
A3	0.79	0.28
BBB+	1.58	0.56
Baa1	7.42	2.63
BBB	7.39	2.62
Baa2	6.63	2.35
BBB-	3.05	1.08
Unrated	28.16	9.98
Others*	29.56	10.47
Cash	2.14	0.76
Total	100.00	35.44

*Includes lower rated debt securities

IV Top Ten Holdings of Underlying Fund

	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
HSBC Holdings PLC (Ser EMTN) (Reg S) Var Perp	3.63	1.29
Indonesia Eximbank Ser OB 7.6% 15/08/2020	3.53	1.25
DBS Group Holdings Ltd Ser Reg S (Reg) Var 11/12/2028	3.25	1.15
CHN Aoyuan Property GRP (Reg) (Reg S) 7.95% 07/09/2021	3.19	1.13
China SCE GRP Holdings Ltd (Reg S) (Reg) 8.75% 15/01/2021	3.19	1.13
Yuzhou Properties Co Ltd (Reg S) (Reg) 7.9% 11/05/2021	3.16	1.12
Tsinghua Unic Ltd (Reg) (Reg S) 4.75% 31/01/2021	2.99	1.06
First Real Estate Invest (Reg) (Reg S) (Ser MTN) Var Perp	2.91	1.03
Sembcorp Industries Ltd MTN Var Perp	2.82	1.00
Commonwealth Bank Aust (Reg S) (Br) Ser EMTN 4.2% 26/10/2020	2.82	1.00

Top Ten Holdings of Underlying Fund

	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Indonesia Government SER FR69 (Reg) 7.875% 15/04/2019	8.87	3.50
First Real Estate Invest (Reg) (Reg S) (SER MTN) VAR PERP	3.14	1.24
Korea Development Bank SER 625 (Reg) (Reg S) 4.2% 15/12/2018	3.12	1.23
Indonesia Eximbank SER OB 7.6% 15/08/2020	3.04	1.20
DBS Group Holdings Ltd SER REGS (Reg) VAR 11/12/2028	2.79	1.10
Commonwealth Bank Aust (Reg S) (BR) SER EMTN 4.2% 26/10/2020	2.61	1.03
Sembcorp Industries Ltd MTN VAR PERP	2.53	1.00
QUE CT Treasury Pte Ltd (Reg S) (BR) 3.03% 05/09/2020	2.53	1.00
Sembcorp Industries Ltd SER MTN (Reg S) Var Perp	2.48	0.98
Industrial & Commercial Bank Of China Ltd Ser EMTN (Reg S) 3.2% 19/09/2018	2.15	0.85

V Exposure to Derivatives

N.A.

As at 30 Jun 2019

VI Borrowings of Net Asset Value

N.A.

As at 30 Jun 2019

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Asian Bond Fund		Underlying Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.29%	1.28%	1.26%	1.25%
Turnover Ratio	12.91%	11.96%	As at 30-Jun-19 29.66%	As at 30-Jun-18 72.51%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of Legg Mason Western Asset Asian Bond Trust for the financial year ended 30 Jun 2019 is not available.

**Based on audited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

N.A.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 169.

**For more information, please contact your financial consultant,
call our Customer Service Hotline on 6225 6111,
or visit our web site at www.insurance.hsbc.com.sg.**

HSBC Insurance China Equity Fund

Fund Objective

HSBC Insurance China Equity Fund seeks to provide capital growth primarily through investment in equity and equity related securities of companies which are headquartered in and/or listed in or have a substantial business exposure to the People's Republic of China ("China"). Fund investments are made by way of a feeder fund through the Underlying Sub-Fund, Schroder China Opportunities Fund.

Investment and Market Review ^

Chinese equities performed poorly over the third quarter in 2018 (3Q18), largely in response to the escalation in trade tensions with the US. The US implemented tariffs on a total of \$250 billion of Chinese goods, some of which are set to increase in January, and threatened tariffs on a further \$267 billion of goods. There was little progress in bilateral Trade negotiations and China responded with tariffs on \$110 billion of US goods. Meanwhile, Chinese macroeconomic data disappointed. The authorities announced a range of targeted economic support measures, including a shift to fiscal stimulus and credit easing. The central bank also re-introduced macro-prudential measures to stabilise the renminbi (RMB). Chinese equities extended their losses in the last quarter of 2018 (4Q18). Persistent concerns over the US-China trade conflict and the pace of US interest rate hikes dominated sentiment. The darkening global economic outlook further troubled investors. Notably, China's economy recorded its weakest quarterly growth since the global financial crisis. Policymakers responded with measures to support the economy, including cutting banks' reserve requirement ratios and boosting credit for small and private companies. Chinese equities rebounded strongly in the first quarter in 2019 (1Q19) after significant declines in 2018, thanks to progress in US-China trade negotiations and the dovish shift by major central banks. Sentiment was further buoyed by index provider MSCI's move to increase the weighting of China-listed shares in its benchmark indices. The US-China trade war escalated in May after the US raised tariffs on US\$200 billion worth of Chinese imports and added Chinese telecommunications group Huawei to a trade blacklist. China countered with retaliatory tariffs on US goods. However, easing trade tensions and hopes that policymakers would introduce further stimulus measures to shore up growth proved supportive later in the period. Both China and the US subsequently agreed to a truce and will resume trade negotiations following a meeting between their leaders in June.

Market Outlook and Investment Strategy ^

After a difficult second half of 2018 (2H18), Greater China equity markets recovered to register one of their best starts to a year in 2019. Key to this major reversal in sentiment was the shift in policy stance from the Fed and the Chinese authorities. Both have moved towards a more accommodative position, more supportive of medium-term growth and liquidity. The various stimulus measures introduced by the Chinese government since last year appear to have helped the economy find a bottom. Fiscal spending also picked up, with an acceleration of infrastructure spending coming through. Key to highlight, however, is that these policies were largely aimed at cushioning downside to the economy rather than providing large-scale stimulus, in our view. In terms of positioning, we maintain our key exposures in domestically focused names and sectors showing structural growth trends. We remain underweight in technology stocks given uncertainties brought about by regulatory headwinds and scrutiny, as well as potential delays in the roll-out of 5G networks and corresponding handset equipment. In the medium term we continue to favour domestic Chinese consumption names and Hong Kong consumer goods companies with strong brand value and pricing power that will benefit from upgrade trends. We have added to core positions in the A-share market on the recent pullback and have also added selectively to industrials names in the renewables space, where we believe the outlook for profitability and returns are starting to improve. We remain focused on companies with strong fundamentals and will be looking for opportunities to re-enter or rotate as value emerges.

^ Source: Schroder Investment Management (Singapore) Ltd

FUND FACTS

Underlying Sub-Fund	Schroder International Opportunities Portfolio - Schroder China Opportunities Fund
Fund Manager	Schroder Investment Management (Singapore) Ltd
Launch Date	13 Nov 2003
CPFIS/SRS	SRS
CPFIS Risk Classification	N.A.

As at 30 June 2019

Offer Price	S\$ 2.78142
Bid Price	S\$ 2.64235
Fund Size	S\$ 80.77 mil
Units in Issue	30.57 mil

*Note: With effect from 31 Aug 2016, the Fund has been delisted from CPFIS

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance China Equity Fund	(4.12)	8.72	(7.50)	44.56	60.51	60.35	178.14
Benchmark*	(4.13)	12.13	(7.45)	50.25	54.89	N.A.	N.A.**

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance China Equity Fund	13.07	9.93	4.84	6.79
Benchmark*	14.54	9.15	N.A.	N.A.**

* Benchmark Details:

Inception to February 2009 – MSCI China Index

From February 2009 to March 2011 – MSCI China 10/40 Capped Net Index

From March 2011 to April 2013 – MSCI TR China Gross

From April 2013 onwards – MSCI TR China Net

** MSCI TR China Net was benchmark since April 2013; previous benchmark was MSCI China Index performance of composite Index is unavailable from 08 December 2003.

[^]Inception Date: 08 Dec 2003

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019 % of NAV	MV S\$ mil
Schroder International Opportunities Portfolio - Schroder China Opportunities Fund	100.36	81.06
Other assets	0.36	0.30
Other liabilities	(0.72)	(0.59)
Total	100.00	80.77

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)
S\$

Subscription	7,584,073
Redemption	24,150,286

C) Underlying Sub-Fund Disclosure (Schroder International Opportunities Portfolio - Schroder China Opportunities Fund)

I Allocation by Country

Country	As at 30 Jun 2019 % of NAV	MV S\$ mil
Luxembourg	98.52	112.61
Other net assets/(liabilities)	1.48	1.69
Total	100.00	114.30

*HSBC Insurance China Equity Fund feeds wholly into Schroder China Opportunities Fund (a feeder fund investing into a corresponding sub-fund in the Schroder International Selection Fund (SISF), an open-ended investment company incorporated in Luxembourg).

II Allocation by Industry

As at 30 Jun 2019

N.A. (The fund invests wholly into an underlying collective investment scheme.)

III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2019

N.A.

IV Top Ten Holdings of Underlying Sub-Fund*

As at 30 Jun 2019
% of NAV MV S\$ mil

Schroder International Selection Fund – China Opportunities C Accumulation Share Class	98.52	112.61
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Top Ten Holdings of Underlying Sub-Fund*

	As at 30 Jun 2018 % of NAV	MV S\$ mil
Schroder International Selection Fund – China Opportunities C Accumulation Share Class	98.66	130.70

*The rest of the holdings of the underlying sub-fund are cash-in-transits and accruals.

V Exposure to Derivatives

	As at 30 Jun 2019
% of NAV	0.00%*
Market value (S\$)	(1,843)
Realised Gains / (Losses) (S\$)	(15,596)
Unrealised Gains / (Losses) (S\$)	(1,843)

* Less than 0.01%

VI Borrowings of Net Asset Value

	As at 30 Jun 2019
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance China Equity Fund		Underlying Sub-fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.78%	1.75%	1.70%	1.67%
Turnover Ratio	5.08%	5.65%	As at 30-Jun-19 4.49%	As at 30-Jun-18 3.37%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of Schroder International Opportunities Portfolio - Schroder China Opportunities Fund for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

N.A.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

The Fund invests substantially into the Schroder International Selection Fund China Opportunities. In the management of the underlying fund, the Manager may accept soft dollar commissions from, or enter into soft dollar arrangements with, stockbrokers who execute trades on behalf of the Fund and the soft dollars received are restricted to the following kinds of services:

- (i) research, analysis or price information;
- (ii) performance measurement;
- (iii) portfolio valuations; and
- (iv) administration services.

In the management of the Fund, the Manager currently does not receive or enter into any soft dollar commissions or arrangements.

E) Financial Statements

Refer to page 170.

**For more information, please contact your financial consultant,
call our Customer Service Hotline on 6225 6111,
or visit our web site at www.insurance.hsbc.com.sg.**

HSBC Insurance Chinese Equity Fund

Fund Objective

HSBC Insurance Chinese Equity Fund seeks long-term capital growth mainly through a diversified portfolio of investments in equity and equity equivalent securities of companies listed on a major stock exchange or other regulated market of the People's Republic of China ("China"), including Hong Kong SAR, as well as companies which carry out a preponderant part of their business activities in China. Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the HSBC Global Investment Funds – Chinese Equity Fund.

FUND FACTS

Underlying Sub-Fund	HSBC Global Investment Funds – Chinese Equity Fund	
Fund Manager	HSBC Global Asset Management (Singapore) Limited	
Launch Date	18 Jan 2016	
CPFIS/SRS	SRS	
CPFIS Risk Classification	N.A.	
As at 30 June 2019		
Offer Price	S\$	1.48823
Bid Price	S\$	1.41382
Fund Size	S\$	16.54 mil
Units in Issue		11.70 mil

Investment and Market Review ^

The Chinese Equity Fund fell by 8.8% over the 12 months as of June 30 2019 (SGD terms), while its benchmark, Morgan Stanley Capital International (MSCI) China 10/40 Net lost 6.8% (SGD terms) over the same period.

Chinese equities fell sharply in 2H18, driven by a string of macro factors such as the heightening US-China trade tension, US interest rate hike and domestic headwinds featuring moderating growth and weakening property market etc. Stepping into 2019, the market sentiment recovered in the first four months where the progress on US-China trade talk was positive, domestic policy support was strong and US Fed tone was dovish. In terms of domestic policies, we have seen reserve requirement ratio (RRR) cut, relaxation of small and medium enterprises (SME) loan definition and introduction of new quota for local government debt etc. Better than expected domestic data in the first quarter also supported market sentiments. However, the market fell in May as US-China trade tension renewed after US President Trump raised tariffs on \$200 billion Chinese goods from 10% to 25% and banned Chinese tech giant Huawei. Also, domestic data in April and May came in mixed, suggesting growth has not completely bottomed out yet.

The fund moderately underperformed the index mainly dragged by unfavourable stock selection calls in consumer discretionary and healthcare sectors. However, sector allocation was successful especially in consumer staples and IT.

Market Outlook and Investment Strategy ^

Easing in US-China trade tension could bode well for investors' risk appetite and trigger short term market sentiment recovery. In long term, however, domestic growth and policy support will play a more important role. We expect the ongoing cyclical recovery to continue as the accommodative policy stance and effects of macro policy support continue to feed through. Nevertheless, pressure on trade talks, economic growth and deleveraging remain key risks to the market. Looking ahead, as the market is entering the earnings season very soon, we expect investors to shift the focus back to corporate earnings. Companies with strong fundamentals and growth are expected to outperform. Short term uncertainties on trade tension could introduce more volatility to the market but this could also create more mispricing opportunities for disciplined investors to capture.

We are overweight consumer discretionary and consumer staples on the back of continuing premiumization trend and government's supportive policies, including value added tax (VAT) cut and favourable policy support on auto consumption. We are also overweight healthcare sector as this sector is relatively immune to US-China trade dispute and we see immense growth potential in China's innovative drug market.

^ Source: HSBC Global Asset Management (HK) Limited

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Chinese Equity Fund	(3.14)	10.28	(8.89)	39.55	N.A.	N.A.	41.38
Benchmark*	(4.00)	11.72	(6.77)	46.33	N.A.	N.A.	51.15

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance Chinese Equity Fund	11.75	N.A.	N.A.	10.62
Benchmark*	13.53	N.A.	N.A.	12.80

*MSCI China (10/40) Capped Net Index

^Inception Date: 25 Jan 2016

B) Fund Disclosure

I Allocation by Asset Class

	As at 30 Jun 2019	
Asset Class	% of NAV	MV S\$ mil
HSBC Global Investment Funds – Chinese Equity Fund	99.94	16.53
Other assets	0.24	0.04
Other liabilities	(0.18)	(0.03)
Total	100.00	16.54

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	9,998,998
Redemption	382,123

C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds – Chinese Equity)

I Allocation by Country

	As at 30 Jun 2019	
Country	% of NAV	MV S\$ mil
H Shares (Hong Kong)	26.01	424.08
P Chips (Hong Kong & China)	19.46	317.30
Red Chips (Hong Kong)	14.34	233.73
A Shares (Shanghai)	8.12	132.37
Others*	29.09	474.16
Cash	2.98	48.59
Total	100.00	1,630.23

*Includes other countries

II Allocation by Industry

	As at 30 Jun 2019	
Industry	% of NAV	MV S\$ mil
Consumer Discretionary	25.83	421.32
Financials	25.25	411.56
Communication Services	16.34	266.43
Consumer Staples	8.36	136.26
Health Care	6.82	111.16
Real Estate	6.14	100.03
Energy	4.74	77.24
Industrials	1.83	29.78
Utilities	0.91	14.87
Materials	0.80	12.99
Cash	2.98	48.59
Total	100.00	1,630.23

III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2019

N.A.

IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Tencent Holdings Ltd	9.67	157.68
Alibaba Group Holding Ltd	9.52	155.21
China Construction Bank Corp	6.86	111.83
Ping An Ins Grp Co of China Ltd	6.31	102.81
Kweichow Moutai Co Ltd-A	4.71	76.82
CNOOC Ltd	4.68	76.25
Indl and Comm Bank of China Ltd	4.03	65.75
New Oriental Education & Tec	4.02	65.56
China Mobile Ltd	3.64	59.36
AIA Group Ltd	3.55	57.84

Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Alibaba Group Holding Ltd	9.46	195.41
Tencent Holdings Ltd	9.21	190.29
China Construction Bank Corp	6.34	130.89
Ping An Ins Grp Co of China Ltd	6.19	127.93
Indl and Comm Bank of China Ltd	4.56	94.17
Baidu Inc	4.55	93.89
CNOOC Ltd	3.86	79.67
China Petroleum & Chemical Corp	3.10	64.05
China Resources Enterprise Ltd	2.90	59.89
Sino Biopharmaceutical Ltd	2.65	54.77

V Exposure to Derivatives

N.A.

As at 30 Jun 2019

VI Borrowings of Net Asset Value

N.A.

As at 30 Jun 2019

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Chinese Equity Fund		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.93%	1.94%	1.90%	1.90%
Turnover Ratio	2.15%	4.87%	1.85%	128.98%
*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Global Investment Funds – Chinese Equity Fund for the financial year ended 30 Jun 2019 is not available.				
**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.				

II Related-Party Transactions

HSBC Insurance Chinese Equity Fund invests S\$ 16.53 million, equivalent to 99.94% of its net asset value in HSBC Global Investment Funds – Chinese Equity Fund, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 30 June 2019 amounts to S\$85,778.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

The investment adviser and its connected persons of the fund have entered into soft commission arrangements (relating solely to research services, defined as soft commissions by the Hong Kong Securities and Futures Commission, that are utilized by the Company) with certain brokers, for which goods and services used to support the investment decision making process were received by it or its connected persons.

The investment adviser or its connected persons do not make direct payment for these services, but transact and agree an amount of business with brokers on behalf of the fund. All transactions were entered into in the ordinary course of business and in normal commercial terms.

Commissions were paid by the Company on these transactions. The goods and services utilized for the Company include the following: research and advisory services, economic and political analysis, portfolio analysis, market analysis and investment related publications.

E) Financial Statements

Refer to page 170.

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or visit our web site at www.insurance.hsbc.com.sg.**

HSBC Insurance Emerging Markets Equity Fund

Fund Objective

HSBC Insurance Emerging Markets Equity Fund seeks to achieve capital growth primarily through investment in equity securities of emerging markets companies. Fund investments are made by way of a feeder fund, which invests substantially all, or all its assets in the Schroder Emerging Markets Fund.

Investment and Market Review [^]

Emerging Markets generated a modest gain over the 12-month period. The MSCI Emerging Markets Index increased in value, but underperformed the MSCI World. GDP growth subsequently disappointed, slowing to 0.5% year on year (yoy) in 1Q19, negatively impacted by uncertainty linked to pension reform. However, signs of progress in negotiations with congress supported market sentiment later in the period. Economic growth decelerated to 0.5% yoy in 1Q19, negatively impacted by higher VAT and sanctions uncertainty. Inflation maintained a downward trajectory, reaching 5.1% yoy in May, and the central bank cut interest rates by 25bps to 7.25% in June. It also signalled potential for further easing this year. Despite the blockade by regional countries, the market rallied, amid ongoing government support. Meanwhile the government continued to respond to the country's economic problems with unconventional policy measures. Chinese equities lost value as trade tensions with the US escalated and domestic macroeconomic data deteriorated. In response to slowing activity, the authorities deployed stimulus measures. The US implemented tariffs on \$250 billion of Chinese imports and added Chinese telecommunications group Huawei to a trade blacklist, citing security concerns. In retaliation, China added tariffs to \$110 billion of US imports. During the period, MSCI announced plans to quadruple the weight of China A-share's weight in its emerging market indexes between May and November 2019.

Market Outlook and Investment Strategy [^]

Recent developments in the US-China trade dispute suggest that negotiations may be prolonged, with uncertainty likely to persist. There is a risk that China's willingness to engage in talks is diminished by the continued escalation of US tariff measures. Equally, it may be that China is playing for time, bringing negotiations closer to next year's US presidential election. There may still be an incentive for a pause in tensions, ahead of November 2020, given the economic ramifications of ongoing uncertainty. A partial agreement is still our base case, but the timing is uncertain, and issues of strategic competition are unlikely to be resolved. There is potential that the Fed outlook becomes more accommodative as a result of the weaker trade outlook. However, the transmission of lower rates may be dominated by ongoing elevated uncertainty. Furthermore, the dollar may also be more resilient relative to previous expectations as a function of its safe haven status. The prospect of tighter dollar liquidity in the coming months, should the UST ramp up debt issuance to rebuild its cash reserves, also bears monitoring.

Aggregate EM valuations are close to their historical average on a price-earnings basis and are below the long term average on a price-book basis. However, earnings per share revisions continue to be negative amid ongoing uncertainty. Relative to developed markets, the MSCI Emerging Markets Index trades on a forward price-earnings ratio discount of 23%. We are also cognisant of ongoing geopolitical concerns which have potential implications for EM. These include the protests in Hong Kong, Brexit and its implications for eurozone growth, as well as tensions in the Persian Gulf. That said, increased deployment of stimulus in China, an easing in dollar strength and positive steps from both sides with regard to trade conflict resolution could help support EM earnings and therefore provide upside risks to EM. The upcoming US election campaign, and the economic impairment resulting from tariff measures could yet spur more meaningful progress in the coming months. It is hard to predict, but the US administration's August announcement of delays to some tariffs on Chinese goods suggest these factors may now be having an impact.

[^] Source: Schroder Investment Management (Singapore) Ltd

FUND FACTS

Underlying Sub-Fund	Schroder International Choice Portfolio - Schroder Emerging Markets Fund
Fund Manager	Schroder Investment Management (Singapore) Ltd
Launch Date	06 Nov 2006
CPFIS/SRS*	SRS
CPFIS Risk Classification	N.A

As at 30 June 2019

Offer Price	S\$ 1.35393
Bid Price	S\$ 1.28623
Fund Size	S\$ 29.66 mil
Units in Issue	23.06 mil

*Note: With effect from 1 Oct 2008, the Fund has ceased to accept new monies under CPFIS.

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Emerging Markets Equity Fund	1.89	11.49	0.11	38.78	24.18	52.98	35.39
Benchmark*	0.49	9.89	0.42	36.22	22.71	64.40	46.37

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance Emerging Markets Equity Fund	11.54	4.43	4.34	2.43
Benchmark*	10.85	4.18	5.10	3.07

*MSCI Emerging Markets Index

^Inception Date: 21 Nov 2006

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Schroder International Choice Portfolio - Schroder Emerging Markets Fund	100.03	29.67
Other assets	0.57	0.17
Other liabilities	(0.60)	(0.18)
Total	100.00	29.66

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	2,844,000
Redemption	6,260,700

C) Underlying Sub-Fund Disclosure (Schroder International Choice Portfolio – Schroder Emerging Markets Fund)

I Allocation by Country

Country	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Luxembourg	98.47	136.37
Other net assets/(liabilities)	1.53	2.12
Total	100.00	138.49

*HSBC Insurance Emerging Markets Equity Fund feeds wholly into Schroder Emerging Markets Fund (a feeder fund investing into a corresponding sub-fund in the Schroder International Selection Fund (SISF), an open-ended investment company incorporated in Luxembourg).

II Allocation by Industry

As at 30 Jun 2019

N.A. (The fund invests wholly into an underlying collective investment scheme.)

III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2019

N.A.

IV Top Ten Holdings of Underlying Sub-Fund*

	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Schroder International Selection Fund - Emerging Markets A Accumulation Share Class	98.47	136.37

Top Ten Holdings of Underlying Sub-Fund*

	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Schroder International Selection Fund - Emerging Markets A Accumulation Share Class	98.93	120.50

*The rest of the holdings of the underlying fund are cash-in-transits and accruals.

V Exposure to Derivatives	As at 30 Jun 2019
% of NAV	-
Market value (S\$)	-
Realised Gains / (Losses) (S\$)	(5,895)
Unrealised Gains / (Losses) (S\$)	-

VI Borrowings of Net Asset Value	As at 30 Jun 2019
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Emerging Markets Equity Fund		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.97%	1.98%	1.94%	1.95%
Turnover Ratio	7.12%	7.68%	0.00%	2.01%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of Schroder International Choice Portfolio - Schroder Emerging Markets Fund for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions
N.A.

III Material Information that will adversely impact the valuation of the ILP sub-fund
N.A.

IV Soft Dollar Commission Arrangement

The Fund invests substantially into the Schroder International Selection Fund Emerging Markets. In the management of the underlying fund, the Manager may accept soft dollar commissions from, or enter into soft dollar arrangements with, stockbrokers who execute trades on behalf of the Fund and the soft dollars received are restricted to the following kinds of services:

- (i) research, analysis or price information;
- (ii) performance measurement;
- (iii) portfolio valuations; and
- (iv) administration services.

In the management of the Fund, the Manager currently does not receive or enter into any soft dollar commissions or arrangements.

E) Financial Statements

Refer to page 170.

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HSBC Insurance Ethical Global Equity Fund

Fund Objective

HSBC Insurance Ethical Global Equity Fund seeks to generate capital appreciation by way of a feeder fund, which invests substantially all or all its assets into the Franklin Templeton Shariah Funds – Templeton Shariah Global Equity Fund. The Underlying Sub-Fund invests principally in Shariah-compliant equity and equity-related securities including common stocks of companies located anywhere in the world, including emerging markets.

Investment and Market Review [^]

For the one-year period ending June 30th, 2019, the Templeton Shariah Global Equity fund returned - 6.0% net, I (acc) USD share class, compared to the 3.8% return of the MSCI AC World Islamic Index. Primary sources of relative underperformance were (1) stock selection in Asia, along with an overweight allocation, (2) stock selection in the Health Care sector, and (3) stock selection in the Consumer

Consumer Staples sector, along with an underweight allocation. Within Asia, Japan was notably weak due to lagging stock selection and an overweight allocation, whereas China and Korea holdings also detracted from relative performance due to overweight allocations to those countries and stock selection. Regionally, our US holdings and underweight allocation also hurt relative results. Within Health Care and Consumer Staples, the notable detractors were China Medical System Holding, Ryohin Keikaku, Matsumotokiyoshi Holdings, and Bayer AG. Turning to contributors, stock selection in Energy, Real Estate, and IT all contributed positively to relative performance. Within Energy, which is our second largest sector weight in the portfolio, we used oil price weakness in late 2018 to add selectively to undervalue opportunities in the sector. With crude up nearly 35% year-to-date and a generally balanced market, we believe current prices in the \$60-70 range represent fair value, though recognize near-term political risks to price stability given US President Trump's increasingly vocal criticism of organization of the petroleum exporting countries (OPEC). In the current environment, we prefer integrated oil companies with strong dividends, growing free cash flow and improving returns.

Market Outlook and Investment Strategy [^]

Despite continued challenges, we believe we are taking the necessary steps to improve investment outcomes in a difficult environment. These steps include upgrading the quality of the portfolio to own more defensive, dividend-paying holdings in a late-cycle, low-rate environment, as well as allocating resources to uncover the best long-term investment opportunities in overlooked market segments.

Under new Templeton Chairman, Dr. Sandy Nairn, we've enhanced our research database, developed a new system to quantify economic exposures at the portfolio level, made targeted changes to research coverage and investment personnel and begun to manage more focused portfolios with fewer stocks to ensure that only the highest conviction names are represented in the Fund. We were encouraged by the recent outperformance of the Fund in June, and expect that the progress underway at the portfolio level will continue to translate into improving returns.

Looking at the bigger picture, recent challenges mark the third significant episode of underperformance in our firm's seven decade history, joining the Japan Bubble of the late '80s and the technology, media and telecom (TMT) Bubble of the late '90s. Through each of these events we have always emerged stronger, eventually reaping the rewards of prudence and discipline once the cycle turns. We have every reason to believe this will again be the case as conditions evolve, and we are working hard to position our portfolios to maximize long-term benefits. Through it all, we owe our clients gratitude for their patience and confidence, which we expect will be rewarded in time.

[^] Source: Templeton Asset Management Ltd.

FUND FACTS

Underlying Sub-Fund	Franklin Templeton Shariah Funds - Templeton Shariah Global Equity Fund		
Fund Manager	Templeton Asset Management Ltd.		
Launch Date	29 Sep 1995		
CPFIS/SRS	OA/SRS		
CPFIS Risk Classification	Higher Risk – Broadly Diversified		
As at 30 June 2019			
Offer Price		S\$	1.38802
Bid Price		S\$	1.31862
Fund Size		S\$	46.26 mil
Units in Issue			35.08 mil

Note: With effect from 18 Nov 2013, the underlying sub-fund of HSBC Insurance Ethical Global Equity Fund, HSBC Amanah Funds - HSBC Amanah Global Equity - Z Class was replaced with Franklin Templeton Shariah Funds – Templeton Shariah Global Equity Fund.

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Ethical Global Equity Fund	(0.96)	7.38	(7.26)	19.67	6.08	63.13	38.80
Benchmark*	2.13	13.80	3.00	31.43	35.15	123.98	N.A.**

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Ethical Global Equity Fund	6.17	1.19	5.02	1.39
Benchmark*	9.54	6.21	8.40	N.A.**

*MSCI AC World Islamic Index. The performance figures are based on the new benchmark MSCI AC World Islamic Index, due to change in the underlying sub-fund.

**Since inception figure is not available due to the change in underlying fund and following the takeover of index calculation by MSCI AC World Islamic Index on 18 November 2013.

[^]Inception Date: 04 Oct 1995

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Franklin Templeton Shariah Funds - Templeton Shariah Global Equity Fund	99.96	46.24
Other assets	0.30	0.14
Other liabilities	(0.26)	(0.12)
Total	100.00	46.26

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	1,172,156
Redemption	6,672,463

C) Underlying Sub-Fund Disclosure (Franklin Templeton Shariah Funds - Templeton Shariah Global Equity Fund)

I Allocation by Country

Country	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
United States	14.83	16.21
Japan	12.96	14.16
Germany	11.60	12.68
United Kingdom	9.45	10.33
China	9.37	10.24
France	7.54	8.24
South Korea	6.41	7.01
Switzerland	4.90	5.35
Others*	19.88	21.72
Cash & Cash Equivalents	3.06	3.34
Total	100.00	109.28

*Includes other countries

II Allocation by Industry		As at 30 Jun 2019	
Industry	% of NAV	MV S\$ mil	
Energy	24.13	26.37	
Health Care	23.82	26.03	
Materials	11.42	12.48	
Industrials	10.40	11.37	
Information Technology	6.64	7.26	
Communication Services	6.39	6.98	
Consumer Staples	5.61	6.13	
Consumer Discretionary	5.00	5.46	
Utilities	3.53	3.86	
Cash & Cash Equivalents	3.06	3.34	
Total	100.00	109.28	

III Allocation of Debt Securities by Credit Ratings	As at 30 Jun 2019
N.A.	

IV Top Ten Holdings of Underlying Sub-Fund		As at 30 Jun 2019	
	% of NAV	MV S\$ mil	
Exxon Mobil Corp	5.69	6.20	
Royal Dutch Shell Plc	4.48	4.90	
Bp Plc	4.04	4.42	
Samsung Electronics Co Ltd	3.51	3.84	
Allergan Plc	3.27	3.57	
Roche Holding Ag	2.56	2.80	
Total Sa	2.52	2.75	
Eni Spa	2.45	2.68	
Sanofi	2.31	2.52	
E.On Se	2.12	2.32	

Top Ten Holdings of Underlying Sub-Fund		As at 30 Jun 2018	
	% of NAV	MV S\$ mil	
Royal Dutch Shell Plc	3.27	4.09	
Exxon Mobil Corp	2.79	3.47	
BP Plc	2.42	3.02	
Intel Corp	2.17	2.70	
Samsung Electronics Co Ltd	2.08	2.59	
Bayer AG	1.69	2.11	
Suncor Energy Inc	1.65	2.05	
Siemens AG	1.57	1.96	
Total SA	1.57	1.95	
Galp Energia SGPS SA	1.55	1.93	

V Exposure to Derivatives	As at 30 Jun 2019
N.A.	

VI Borrowings of Net Asset Value	As at 30 Jun 2019
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Ethical Global Equity Fund		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.73%	1.72%	1.75%	1.75%
			As at 30-Apr-19***	As at 30-Apr-18****
Turnover Ratio	1.54%	1.98%	57.41%	20.55%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of Franklin Templeton Shariah Funds - Templeton Shariah Global Equity Fund for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

***Based on unaudited figure as at 30 Apr 2019 as the turnover ratio of Franklin Templeton Shariah Funds - Templeton Shariah Global Equity Fund for the financial year ended 30 Jun 2019 is not available. Turnover ratio calculation is based on Luxembourg GAAP.

****Based on unaudited figure as at 30 Apr 2018 for comparative purposes. Turnover ratio calculation is based on Luxembourg GAAP.

II Related-Party Transactions

N.A.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

Consistent with obtaining best execution, brokerage commissions on portfolio transactions for the Company may be directed by the Investment Managers to broker-dealers in recognition of research services furnished by them as well as for services rendered in the execution of orders by such broker-dealers. The receipt of investment research and information and related services permits the Investment Managers to supplement their own research and analysis and makes available to them the views and information of individuals and research staffs of other firms. Such services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payment, which are paid for directly by the Investment Managers.

For the period 1 July 2018 to 30 June 2019, The Franklin Templeton Shariah Fund - Templeton Shariah Global Equity Fund paid US\$15,415 in commission dollars generated from portfolio transactions to pay for goods or services provided by third parties under a soft dollar arrangement. All goods and services acquired with the soft dollar commission were for the benefit of the unit trust. The broker(s), who has executed trades for other funds managed by the Investment Manager, had executed the trades on best available terms and there was no churning of trades.

E) Financial Statements

Refer to page 171.

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HSBC Insurance Ethical Global Sukuk Fund

Fund Objective

HSBC Insurance Ethical Global Sukuk Fund seeks to maximise, consistent with prudent investment management, total investment return, consisting of a combination of profit income and capital appreciation through the Franklin Templeton Shariah Funds – Franklin Global Sukuk Fund.

FUND FACTS

Underlying Sub-Fund*	Franklin Templeton Shariah Funds – Franklin Global Sukuk Fund
Fund Manager	Templeton Asset Management Ltd.
Launch Date	02 May 2002
CPFIS/SRS**	SRS
CPFIS Risk Classification	N.A.

Investment and Market Review ^

Fixed-income markets declined during the 3Q18 against a backdrop of international trade tensions and USD strength. However, the Sukuk market rose in the 3Q18, mainly driven by a tightening of spreads. Investment markets experienced a volatile 4Q18 as ongoing trade tensions and global growth concerns sent global equities substantially lower. Benchmark US 10-year Treasury yields declined. The Sukuk market advanced overin the 4Q18, mainly driven by lower rates, while spreads widened. Investment markets were broadly buoyant over 1Q19. Bond markets advanced on growing concerns about economic conditions, both in the US and globally. Other factors influencing investment markets included growing dovishness from the Fed and ongoing trade discussions between the US and China. The Sukuk market advanced over the period, driven by a decline in rates and compression of spreads.

As at 30 June 2019

Offer Price	S\$ 1.23995
Bid Price	S\$ 1.17795
Fund Size	S\$ 15.00 mil
Units in Issue	12.74 mil

*Note: With effect from 18 Nov 2013, the underlying sub-fund of HSBC Insurance Ethical Global Sukuk Fund, HSBC Amanah Global Equity Index Fund was replaced with Franklin Templeton Shariah Funds – Franklin Global Sukuk Fund

**Note: With effect from 18 Nov 2013, the Fund has been delisted from CPFIS.

The Sukuk market rose over the 2Q19, driven by a decline in yields. Tightening spreads also positively influenced the market in April and June. In general, markets were affected by indications that several key central banks may be prepared to lower interest rates if the economic outlook worsens, while trade relations drove heightened market volatility.

Market Outlook and Investment Strategy ^

We have been concerned throughout the quarter about the seemingly growing list of uncertainties, and the disconnect in valuations between different asset classes. Our outlook for exchange rates is very different from that of equity markets, which are themselves significantly more optimistic than the UST market, for example.

The US-China trade relationship appears to us likely to be further tested; a lot of issues are still unresolved, which have the potential to cause bouts of volatility. We believe these concerns will also weigh on the Fed, as it contemplates the first rate cut of this cycle, and this backdrop could keep Treasury yields anchored. In addition, any further negative surprises in US economic data may also weaken the assumptions behind forecasts of relative outperformance by the US economy compared with other countries and regions, and could help to dampen the performance of the USD from current, elevated levels.

However, we do not expect much improvement in spreads or 'risk' assets more generally, and we continue to bolster defensive positions. The tightening in spreads already observed this year, coupled with a negative reaction from potentially weaker growth, support this positioning.

In this environment, with potential risks skewed to the downside, we find some comfort in the fact that Sukuk markets exhibit lower beta than emerging-market bonds or lower-quality debt, and as longer-dated benchmark rates remain anchored or decline, total returns should remain supported

^ Source: Templeton Asset Management Ltd.

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Ethical Global Sukuk Fund	2.85	6.65	6.99	7.94	18.79	50.63	23.99
Benchmark*	3.05	6.24	7.93	12.33	30.80	50.50	N.A.**

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance Ethical Global Sukuk Fund	2.58	3.50	4.18	1.27
Benchmark*	3.95	5.52	4.17	N.A.**

*Dow Jones Sukuk Index. The performance figures are based on the new benchmark Dow Jones Sukuk Index, due to change in the underlying sub-fund.

**The new benchmark Dow Jones Sukuk Index is not available when HSBC Insurance Ethical Global Sukuk Fund was inceptioned.

^Inception Date: 01 Jul 2002

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Franklin Templeton Shariah Funds - Franklin Global Sukuk Fund	100.07	15.01
Other assets	0.13	0.02
Other liabilities	(0.20)	(0.03)
Total	100.00	15.00

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	148,023
Redemption	1,346,483

C) Underlying Sub-Fund Disclosure (Franklin Templeton Shariah Funds - Franklin Global Sukuk Fund)

I Allocation by Country

Country	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
United Arab Emirates	33.80	62.26
Indonesia	17.74	32.68
Saudi Arabia	14.43	26.58
Qatar	8.21	15.12
Malaysia	4.14	7.63
Kuwait	4.11	7.57
Supranational	3.78	6.96
Nigeria	3.51	6.46
Others*	8.68	15.97
Cash & Cash Equivalents	1.60	2.95
Total	100.00	184.18

*Includes other countries

		As at 30 Jun 2019	
II Allocation by Industry		% of NAV	MV S\$ mil
Industry			
Government-Related Sovereign		33.93	62.49
Government-Related Agencies		22.66	41.73
Corporate Industrials		17.56	32.35
Corporate Financial Institutions		14.81	27.28
Treasury		5.66	10.42
Government-Related Supranational		3.78	6.96
Cash & Cash Equivalents		1.60	2.95
Total		100.00	184.18

		As at 30 Jun 2019	
III Allocation of Debt Securities by Credit Ratings		% of NAV	MV S\$ mil
Rating			
AAA		2.57	4.74
AA		3.05	5.62
A		31.07	57.23
BBB		34.95	64.37
BB		4.12	7.58
B		11.24	20.70
D		0.71	1.31
Unrated		10.69	19.68
Cash & Cash Equivalents		1.60	2.95
Total		100.00	184.18

		As at 30 Jun 2019	
IV Top Ten Holdings of Underlying Sub-Fund		% of NAV	MV S\$ mil
Perusahaan Penerbit SBSN Indonesia III, senior note, Reg S, 4.40%, 3/01/28		6.77	12.50
Perusahaan Penerbit SBSN Indonesia III, Reg S, 4.55%, 3/29/26		4.03	7.42
KSA Sukuk Ltd., senior bond, Reg S, 3.628%, 4/20/27		3.68	6.77
Nile Delta Sukuk Ltd., secured note, Reg S, 4.00%, 10/31/20		3.55	6.54
FGN Roads Sukuk Co. 1 PLC, senior note, 16.47%, 9/26/24		3.51	6.46
Perusahaan Penerbit SBSN Indonesia III, senior note, Reg S, 4.325%, 5/28/25		3.43	6.32
Equate Sukuk SPC Ltd., senior note, Reg S, 3.944%, 2/21/24		3.42	6.29
Aldar Sukuk Ltd., senior note, Reg S, 4.75%, 9/29/25		3.14	5.78
Malaysia Sukuk Global Bhd., Reg S, 4.08%, 4/27/46		2.96	5.46
Saudi Electricity Global Sukuk Co. 3, senior bond, Reg S, 5.50%, 4/08/44		2.79	5.13

		As at 30 Jun 2018	
Top Ten Holdings of Underlying Sub-Fund		% of NAV	MV S\$ mil
KSA Sukuk Ltd., senior bond, Reg S, 3.628%, 4/20/27		4.80	9.11
Perusahaan Penerbit SBSN Indonesia III, senior note, Reg S, 4.40%, 3/01/28		4.49	8.52
SoQ Sukuk A QSC, Reg S, 3.241%, 1/18/23		3.53	6.71
Perusahaan Penerbit SBSN Indonesia III, Reg S, 4.55%, 3/29/26		3.49	6.63
Oman Sovereign Sukuk SAOC, senior note, Reg S, 4.397%, 6/01/24		3.37	6.39
FGN Roads Sukuk Co. 1 PLC, senior note, 16.47%, 9/26/24		3.20	6.08
Equate Sukuk Spc Ltd., senior note, Reg S, 3.944%, 2/21/24		3.05	5.79
Hong Kong Sukuk 2017 Ltd., senior note, Reg S, 3.132%, 2/28/27		3.04	5.77
Perusahaan Penerbit SBSN Indonesia III, senior note, Reg S, 4.325%, 5/28/25		2.87	5.44
Malaysia Sukuk Global Bhd., Reg S, 4.08%, 4/27/46		2.66	5.05

V Exposure to Derivatives		As at 30 Jun 2019	
N.A.			

VI Borrowings of Net Asset Value		As at 30 Jun 2019	
N.A.			

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Ethical Global Sukuk Fund		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.53%	1.53%	1.50%	1.50%
Turnover Ratio	5.91%	5.23%	36.18%	4.12%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of Franklin Templeton Shariah Funds - Franklin Global Sukuk Fund for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

***Based on unaudited figure as at 30 Apr 2019 as the turnover ratio of Franklin Templeton Shariah Funds - Franklin Global Sukuk Fund for the financial year ended 30 Jun 2019 is not available. Turnover Calculation is based on Luxembourg GAAP.

****Based on unaudited figure as at 30 Apr 2018 for comparative purposes. Calculation is based on Luxembourg GAAP.

II Related-Party Transactions

Cash balances maintained with HSBC Bank as at 30 Jun 2019 amounts to S\$1,523.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 171.

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or visit our web site at www.insurance.hsbc.com.sg.**

HSBC Insurance Europe Dynamic Equity Fund

Fund Objective

HSBC Insurance Europe Dynamic Equity seeks to maximise long-term capital growth by investing primarily in an aggressively managed portfolio of European companies. Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the JPMorgan Funds – Europe Dynamic Fund.

Investment and Market Review [^]

In the 2Q19, European markets hit new highs for the year, ending the quarter in positive territory after a dip in May. Not holding British American Tobacco enhanced relative returns over the quarter. The cigarette and tobacco manufacturing company suffered after one of its key competitors, Philip Morris, received the green light from the Food and Drug Administration (FDA) for its vaping device, after years of waiting for US clearance. This compounded fears of a faster-than-expected structural decline of tobacco sales in the US, its key market.

Our overweight to Allianz, the German financial services company, also contributed to returns this quarter. The company reported a good set of quarterly results, beating forecasts, driven by lower claims from natural catastrophes and an improved expense ratio.

Our overweight to the Spanish construction company Actividades de Construcción y Servicios detracted from returns during the quarter. The stock sold off following a report released by a research company in Hong Kong, which suggested that a company it had acquired had inflated its accounts.

Our overweight position in Imperial Brands, the British multinational tobacco company, was also negative for relative returns in the 2Q18. Shares fell after the company reported disappointing results in its US next-generation products – a pivotal growth area for the company.

Market Outlook and Investment Strategy [^]

For all the gloomy headlines over trade and the erosion of manufacturing confidence, the news on 2019 earnings in Europe remains encouraging, with modest growth still expected this year and next.

Inflation is clearly not a threat, and the European Central Bank (ECB) still has tools at its disposal to provide further stimulus to the economy, although such support is likely to rely more on asset purchases than on further cuts to interest rates.

After the strong first half of the year (1H19), it would not be a surprise to see markets trading sideways to absorb the recent move, but as long as earnings are forecast to rise and monetary policy to remain accommodative equities are likely to attract asset allocators.

The fund is most overweight to the insurance, consumer durables & apparel and autos & components sectors. It is most underweight to the household goods & personal products, banks and commercial & professional services sectors.

Within the quarter, we moved from neutral to overweight in the consumer durables & apparel sector, driven by the purchase of LVMH. The French multinational luxury goods provider has strong fundamentals and continues to receive earnings upgrades from analysts, while trading at a discount to some key peers.

[^] Source: JPMorgan Asset Management (Singapore) Limited

FUND FACTS

Underlying Sub-Fund	JPMorgan Funds – Europe Dynamic Fund
Fund Manager	JPMorgan Asset Management (Singapore) Limited.
Launch Date	18 Jan 2016
CPFIS/SRS	SRS
CPFIS Risk Classification	N.A.

As at 30 June 2019

Offer Price	S\$ 1.31833
Bid Price	S\$ 1.25241
Fund Size	S\$ 34.16 mil
Units in Issue	27.27 mil

A) Fund Performance

I Cumulative Total Returns

	3-Mth (%)	6-Mth (%)	1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception^ (%)
HSBC Insurance Europe Dynamic Equity Fund	3.13	15.30	(1.35)	23.95	N.A.	N.A.	25.24
Benchmark*	4.60	17.22	6.39	37.25	N.A.	N.A.	42.82

II Average Annual Compounded Returns

	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception^ (%)
HSBC Insurance Europe Dynamic Equity Fund	7.42	N.A.	N.A.	6.78
Benchmark*	11.13	N.A.	N.A.	10.95

*MSCI Europe Index (Total Return Net) Hedged to SGD

^Inception Date: 25 Jan 2016

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019 % of NAV	MV S\$ mil
JPMorgan Funds - Europe Dynamic Fund	100.09	34.19
Other assets	0.38	0.13
Other liabilities	(0.47)	(0.16)
Total	100.00	34.16

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	8,024,397
Redemption	10,646,287

C) Underlying Sub-Fund Disclosure (JPMorgan Funds – Europe Dynamic Fund)

I Allocation by Country

Country	As at 30 Jun 2019 % of NAV	MV S\$ mil
Switzerland	20.10	257.53
France	19.00	243.44
United Kingdom	17.30	221.65
Germany	12.40	158.87
Netherlands	7.50	96.09
Italy	5.50	70.47
Spain	4.90	62.78
Sweden	3.50	44.84
Others*	6.90	88.41
Net Liquidity	2.90	37.16
Total	100.00	1,281.24

*Includes other countries

II Allocation by Industry

Industry	As at 30 Jun 2019 % of NAV	MV S\$ mil
Financials	16.70	213.97
Consumer Discretionary	14.00	179.37
Health Care	13.00	166.56
Industrials	11.60	148.62
Consumer Staples	11.00	140.94
Materials	8.00	102.50
Energy	8.00	102.50
Others*	14.80	189.62
Net Liquidity	2.90	37.16
Total	100.00	1,281.24

*Includes other industries

III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2019

N.A.

IV Top Ten Holdings of Underlying Sub-Fund

As at 30 Jun 2019
% of NAV MV S\$ mil

Nestle	5.38	68.93
Roche	4.77	61.12
Novartis	4.56	58.42
Allianz	3.35	42.92
Total SA	2.92	37.41
Kering	2.87	36.77
GlaxoSmithKline	2.79	35.75
Zurich Insurance	2.76	35.36
Enel	2.72	34.85
Rio Tinto	2.57	32.93

Top Ten Holdings of Underlying Sub-Fund

As at 30 Jun 2018
% of NAV MV S\$ mil

Novartis	3.53	86.84
Repsol	2.42	59.53
Allianz	2.22	54.61
Tesco	2.15	52.89
Capgemini	2.10	51.66
BASF	2.07	50.92
Vinci	2.05	50.43
LVMH	2.00	49.20
Novo Nordisk	1.96	48.22
Logitech International	1.84	45.26

V Exposure to Derivatives

As at 31 Dec 2018*

% of NAV	(0.12%)
Market value (S\$)	(1,467,794)
Realised Gains / (Losses) (S\$)	-
Unrealised Gains / (Losses) (S\$)	(1,467,794)

*Based on unaudited figures as at 31 Dec 2018 as the audited figures as at 30 Jun 2019 are not available.

VI Borrowings of Net Asset Value

As at 30 Jun 2019

N.A.

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Europe Dynamic Equity Fund		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Dec-18*	As at 31-Mar-18**
Expense Ratio	1.82%	1.83%	1.79%	1.80%
Turnover Ratio	17.62%	26.26%	As at 30-Jun-19 116.94%	As at 30-Jun-18 141.31%

*Based on unaudited figure as at 31 Dec 2018 as the expense ratio of JPMorgan Funds - Europe Dynamic Fund for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

N.A.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement
N.A.

E) Financial Statements
Refer to page 171.

**For more information, please contact your financial consultant,
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HSBC Insurance Global Bond Fund

Fund Objective

HSBC Insurance Global Bond Fund seeks to maximize total returns in Singapore Dollar terms over the longer term by investing in a portfolio of high quality debt securities of Singapore and major global bond markets such as the G10 countries and Australia and New Zealand. Fund investments are by way of a feeder fund, which invests substantially all or all its assets in the Legg Mason Western Asset Global Bond Trust.

Investment and Market Review [^]

At this month's ECB Governing council meeting, forward guidance was extended by seven months to hold rates at current levels "at least through the first half of 2020," and ECB President Mario Draghi was at pains to stress that all tools remain at the bank's disposal. Later in the month, Draghi struck an even more dovish tone at the ECB's annual summit in Sintra, Portugal as he signaled that rates could be cut further, and that there was considerable room to restart its Asset Purchase Programme if the inflation or growth outlooks failed to improve. The Federal Open Market Committee also delivered a dovish interest rate signal by removing the "patient" wording from its statement and saying it would "closely monitor the implications of incoming information," committing to "act as appropriate to sustain the expansion" and downgrading the outlook from a "solid rate" of expansion to "moderate." Jerome Powell also acknowledged that the case for a cut has increased due to rising uncertainties. Confirmation of the Fed dovish policy shift prompted the USD to weaken, which boosted EM currencies. Developed market (DM) bond yields declined and investment grade and high-yield credit spreads tightened over the course of the month.

Market Outlook and Investment Strategy [^]

Global growth concerns have intensified since last quarter as an initial trade spat between the US and China has morphed into a broader conflict with the risk of expanding on new fronts. Markets have also been rattled by the prospect of a US recession, a sustained slowdown in eurozone growth, and higher oil price volatility on escalating tensions in the Middle East. Despite these concerns, we expect global growth to remain resilient on the back of steady US growth, improving domestic conditions in Europe, and signs that sustained monetary and fiscal stimuli across Asia are gaining traction. We acknowledge that trade friction will be an ongoing drag on investor and business confidence, but central banks globally have become much more explicit in their commitment to unleash additional policy accommodation to truncate downside risks.

[^] Source: Legg Mason Asset Management Singapore Pte. Limited

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Global Bond Fund	2.54	4.05	4.52	0.85	12.19	20.97	26.79
Benchmark*	3.20	5.89	7.42	6.67	21.60	33.26	38.96

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Global Bond Fund	0.28	2.33	1.92	2.24
Benchmark*	2.18	3.99	2.91	3.11

*Citigroup World Government Bond Index ex-Japan (hedged to S\$)

[^]Inception Date: 09 Oct 2008

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Legg Mason Western Asset Global Bond Trust	101.16	7.82
Other assets	0.65	0.05
Other liabilities	(1.81)	(0.14)
Total	100.00	7.73

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	1,140,434
Redemption	3,133,656

C) Underlying Fund Disclosure (Legg Mason Western Asset Global Bond Trust)

I Allocation by Country

Country	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
USA	43.53	177.84
Germany	8.85	36.15
Italy	8.30	33.89
Spain	5.98	24.41
France	5.07	20.71
Mexico	5.02	20.52
Great Britain	3.89	15.89
Supra-National	3.31	13.52
Others*	11.60	47.41
Cash	4.45	18.18
Total	100.00	408.52

*Includes other countries

II Allocation by Industry

Industry	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Government	92.74	378.85
Financials	3.31	13.52
Others*	(0.50)	(2.03)
Cash	4.45	18.18
Total	100.00	408.52

*Includes other industries

III Allocation of Debt Securities by Credit Ratings

Rating	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Aaa	14.75	60.24
AA+	43.63	178.25
Aa2	11.08	45.27
AA-	1.15	4.71
Aa3	1.49	6.10
A	2.28	9.31
A-	2.21	9.04
Baa1	5.98	24.41
BBB	5.02	20.52
Baa3	8.30	33.89
Unrated*	(0.34)	(1.40)
Cash	4.45	18.18
Total	100.00	408.52

*A temporary negative position may be due to unsettled trade activity and/or the use of particular investment policies as allowed by the prospectus.

IV Top Ten Holdings of Underlying Fund

	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
US Treasury Bond 2.875% 15/05/2043	8.81	35.99
US Treasury Bond 1.750% 31/03/2022	5.74	23.43
Bundesrepub Deutschland (Br) 1.75% 15/02/2024	5.35	21.87
US Treasury Bond 1.625% 15/11/2022	5.12	20.92
US Treasury Bond 2.125% 29/02/2024	3.81	15.56
Buoni Poliennali Del Tes (Br) 2% 01/12/2025	3.74	15.27
Mex Bonds Desarr Fix RT Ser M 7.75% 13/11/2042	3.13	12.80
UK Treasury Bond 4.25% 07/12/2040	3.09	12.63
US Treasury Bond 0.5% 15/04/2024	3.09	12.62
US Treasury Bond 2.875% 30/04/2025	3.03	12.39

Top Ten Holdings of Underlying Fund

	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
US Treasury Bond 1.5% 31/12/2018	8.85	34.69
US Treasury Bond 1.750% 31/03/2022	7.68	30.05
US Treasury Bond 1.625% 15/11/2022	6.99	27.34
France (Govt of) (REG S) 0.25% 25/11/2026	5.45	21.34
Buoni Poliennali Del Tes (BR) 1.45% 15/09/2022	5.27	20.62
US Treasury Bond 4.5% 15/08/2039	4.70	18.41
US Treasury Bond 2.125% 29/02/2024	3.81	14.91
US Treasury Bond 2.875% 15/05/2043	3.36	13.15
Mex Bonds Desarr Fix RT SER M 7.75% 13/11/2042	3.29	12.86
UK Treasury 4.25% 07/12/2040	3.24	12.68

V Exposure to Derivatives

	As at 30 Jun 2019
% of NAV	(0.50%)
Market value (S\$)	(2,038,067)
Realised Gains / (Losses) (S\$)	-
Unrealised Gains / (Losses) (S\$)	(2,038,067)

VI Borrowings of Net Asset Value

	As at 30 Jun 2019
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Global Bond Fund		Underlying Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	0.93%	0.94%	0.87%	0.87%
Turnover Ratio	12.01%	29.23%	45.06%	27.41%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of Legg Mason Western Asset Global Bond Trust for the financial year ended 30 Jun 2019 is not available.

**Based on audited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

N.A.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 172.

For more information, please contact your financial consultant,
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HSBC Insurance Global Emerging Markets Bond Fund

Fund Objective

HSBC Insurance Global Emerging Markets Bond Fund invests for total return primarily in a diversified portfolio of Investment Grade and Non-Investment Grade rated fixed income (e.g. bonds) and other similar securities either issued by companies which have their registered office in emerging markets around the world, primarily denominated in USD, or which are issued or guaranteed by governments, government agencies and supranational bodies of emerging markets. Fund investments are made by way of a feeder fund, which invests substantially all, or all its assets in the HSBC Global Investment Funds – Global Emerging Markets Bond.

FUND FACTS

Underlying Sub-Fund	HSBC Global Investment Funds – Global Emerging Markets Bond	
Fund Manager	HSBC Global Asset Management (Singapore) Limited	
Launch Date	28 Jan 2013	
CPFIS/SRS	SRS	
CPFIS Risk Classification	N.A.	
As at 30 June 2019		
Offer Price	S\$	1.12036
Bid Price	S\$	1.06434
Fund Size	S\$	2.51 mil
Units in Issue		2.36 mil

Investment and Market Review [^]

Emerging markets debt (EMD) posted very strong performance in the 1H19, up 10.60% after seeing minimal gains in the 2H18, finishing up 11.32% for the 1-year period. In the 2H18, Turkey and Argentina trumped market headlines as geopolitical tension between the US and Turkey marked a high point, and Argentina prompted IMF support after a currency crisis causing the central bank to raise rates to 60%. Due to these escalations, Turkey and Argentina erased many of the gains seen in the 3Q18. In the 4Q18 concerns over a slowdown in global growth send treasury yields plummeting. Therefore, the underweights to high grade, lower beta countries with greater sensitivity to USTs, i.e. China, South Korea, the Philippines, Hungary and Poland, were among the largest detractors of relative performance.

In the 1H19, Argentina continued its woes as the overweight, particularly in April, hurt performance as fears of the Ex-President Cristina Fernandez de Kirchner could win the Presidential election in October 2019. This caused a spike in 5-year Argentina CDS of 420 bps over the month. Argentina recovered in May and was a top performer in June, but overall the overweight detracted in Q2. The strategy's elevated risk position underweight to the high yield sector hurt relative performance in May given the overall risk aversion, however was a large contributor in June as market sentiment and asset class flows returned. In terms of positive contributors, the overweight to Romania helped performance as the country benefitted from a moderation of bank tax plans as well as security selection in the long-end of the yield curve which outperformed.

Market Outlook and Investment Strategy [^]

We have maintained an overweight risk position given our medium-term positive outlook for EMD. We started the period underweight to hard currency duration of -0.32 years verse the benchmark, but since moved to an overweight position of +0.15 years. From a spread duration standpoint, we moved from an overweight of +0.39 years relative to the benchmark to an underweight of -0.07 years. During this time, spreads have compressed slightly over the year, while duration has picked up, in part of a global slowdown. We continue to show our positive outlook by our overweight positions Turkey, Argentina and Romania versus underweights to more expensive low yielding names like China and the Philippines.

We believe the current macro environment is supportive for EMD assets in 2019 and beyond. The asset class should provide investors with an attractive risk premium over its DM counterparts. 2018's "re-pricing" of EMD, which led to cheaper valuations, continues to provide an attractive entry point for investors and the yield differential between EM and DM fixed income remains compelling. Even amid moderating global growth and growing concerns over trade wars, we believe a more dovish Fed along with stimulus measures in China should support risk assets including EMD. Volatility will continue to present challenges to this generally favorable environment especially with regards to the resolution of trade tensions. Idiosyncratic factors such as elections in Argentina will need to be closely monitored as well as continued geopolitical tensions in the Middle East.

[^] Source: HSBC Global Asset Management (HK) Limited

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Global Emerging Markets Bond Fund*	(0.96)	10.01	8.41	5.78	11.29	N.A.	12.04

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Global Emerging Markets Bond Fund*	1.89	2.16	N.A.	1.79

*This fund has no benchmark.

[^]Inception Date: 06 Feb 2013

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
HSBC Global Investment Funds – Global Emerging Markets Bond Fund	99.20	2.49
Other assets	0.80	0.02
Total	100.00	2.51

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)
S\$

Subscription	769,831
Redemption	588,946

C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds – Global Emerging Markets Bond)

I Allocation by Country

Country	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Mexico	11.98	610.04
United States	11.94	607.94
Indonesia	8.42	428.56
Argentina	7.59	386.52
Turkey	7.41	377.52
China	5.96	303.73
Saudi Arabia	4.67	237.75
Russia	4.05	206.28
Sri Lanka	3.29	167.63
Others*	34.69	1,766.46
Total	100.00	5,092.43

*Includes other countries

II Allocation by Industry

Industry	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Government	58.37	2,972.31
Energy	18.47	940.61
Basic Materials	5.53	281.83
Utilities	3.91	199.05
Financial	2.43	123.78
Consumer Cyclical	1.41	71.61
Communications	0.76	38.57
Industrial	0.71	35.98
Consumer Non cyclical	0.51	26.03
Cash & Cash Offset	7.90	402.66
Total	100.00	5,092.43

III Allocation of Debt Securities by Credit Ratings

Ratings	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
AAA	3.44	174.82
AA	2.28	116.13
A	11.45	582.98
BBB	34.48	1,755.74
BB	7.01	357.18
B	33.86	1,724.55
CCC	0.77	39.13
D	0.79	40.13
Unrated*	(1.98)	(100.89)
Cash & Cash Offset	7.90	402.66
Total	100.00	5,092.43

*A temporary negative position may be due to unsettled trade activity and/or the use of particular investment policies as allowed by the prospectus.

IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
United Mexican 4.500 22/04/29	2.55	129.93
Argentina 6.875 26/01/27	1.90	96.72
Argentina 5.875 11/01/28	1.68	85.37
Saudi Int Bond 5.000 17/04/49	1.56	79.38
Southern Copper 5.875 23/04/45	1.32	67.37
Saudi Int Bond 5.250 16/01/50	1.21	61.60
Indonesia (Rep) 5.250 17/01/42	1.16	59.11
Oman Intrnl Bond 6.750 17/01/48	1.06	54.18
Qatar State Of 4.817 14/03/49	1.06	53.80
Kazmunaygas Nat 6.375 24/10/48	1.05	53.62

Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Argentina (Republic of) 5.875 01/11/2028	2.47	125.73
Turkey (Republic of) 4.875 10/09/2026	1.80	91.39
Dominican Republic 6.875 01/29/2026	1.37	69.79
Ecuador (Republic of) 7.875 01/23/2028	1.35	68.77
Argentina (Republic of) 6.875 01/26/2027	1.35	68.51
Petroleos Mexicanos 4.500 01/23/2026	1.33	67.57
Argentina (Republic of) 7.625 04/22/2046	1.28	65.20
United Mex States-Global 6.050 01/11/2040	1.18	59.81
Republic of Indonesia 5.250 01/17/2042	1.12	56.85
Pemex Proj Fdg Master TR-Globa 6.625 06/15/2035	1.12	56.84

V Exposure to Derivatives

% of NAV	As at 30 Jun 2019	
Market value (S\$)		0.21%
Realised Gains / (Losses) (S\$)		10,682,962
Unrealised Gains / (Losses) (S\$)		(276,668,690)
		26,745,121

VI Borrowings of Net Asset Value

	As at 30 Jun 2019
N.A.	

D) Other Disclosure Items

I) Expense/Turnover Ratios	HSBC Insurance Global Emerging Markets Bond Fund		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.68%	1.69%	1.65%	1.66%
Turnover Ratio	27.05%	10.81%	1.18%	70.92%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Global Investment Funds – Global Emerging Markets Bond Fund for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

HSBC Insurance Global Emerging Markets Bond Fund invests S\$2.49 million, equivalent to 99.20% of its net asset value in HSBC Global Investment Funds – Global Emerging Markets Bond Fund, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 30 June 2019 amounts to S\$12,710.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 172.

**For more information, please contact your financial consultant,
call our Customer Service Hotline on 6225 6111,
or visit our web site at www.insurance.hsbc.com.sg.**

HSBC Insurance Global Emerging Markets Equity Fund

Fund Objective

HSBC Insurance Global Emerging Markets Equity Fund seeks to provide long-term capital growth by investing primarily in emerging market companies. Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the JPMorgan Funds – Emerging Markets Equity.

Investment and Market Review [^]

EM saw significant intra-quarter volatility as markets veered between the uncertainty of rising trade tensions and support from central banks, which are increasingly ready to ease given signs of a global growth slowdown. Both stock selection and country allocation contributed to returns.

Performance was led by stock selection in financials, where pan-Asian insurer AIA Group was a top performer, benefiting from a focus on agent productivity and margins, which has delivered improvements in both areas in recent months. Additional contributors from the sector included Sberbank and Housing Development Finance Corp., from Russia and India respectively.

Our exposure to MercadoLibre (MELI), which is based in Argentina and is Latin America's leading e-commerce company, was a top contributor in the quarter. MELI reported first-quarter 2019 earnings of 13 cents per share, significantly exceeding market expectations. Revenues increased over 16% when compared with a year ago, driven by strong performance of MercadoPago, which processed a record 5.6 billion USD in payments.

Underweight exposure in Thailand and Russia due to stock selection detracted from returns. Additionally, despite strong stock selection in financials, IndusInd Bank in India was a leading detractor. The stock was weighed down after concerns about non-banking finance companies (NBFC), given recent defaults, put pressure on the banking sector. While we do not view the recent issues as systemic, we will follow the situation closely for additional developments. The potential silver lining is that the consolidation recent events will cause in the NBFC sector will likely drive assets towards better managed, safer names in the banking sector.

Market Outlook and Investment Strategy [^]

The G20 summit provided short-term relief in US-China tariff escalation, boosting market sentiment. However, global trade uncertainty is a persistent headwind to business activity and consumer confidence. The most important risks in the short-term remain slowing global growth, trade tensions and a stubbornly-strong USD. We continue to see limited upside for the dollar, based on potential interest rate cuts from the Fed and a retreat of exceptional US growth.

The fund uses our comprehensive research platform to identify high quality businesses that compound earnings sustainably over long periods, resulting in a long-term, high conviction portfolio with a quality and growth bias.

We look for opportunities in EM equities with strong earnings growth. Current valuations of 1.6x book value are at the lower end of the historic range and market expectations for earnings growth are low, with early signs of improvement.

[^] Source: JPMorgan Asset Management (Singapore) Limited

FUND FACTS

Underlying Sub-Fund	JPMorgan Funds – Emerging Markets Equity Fund
Fund Manager	JPMorgan Asset Management (Singapore) Limited.
Launch Date	18 Jan 2016
CPFIS/SRS	SRS
CPFIS Risk Classification	N.A.
As at 30 June 2019	
Offer Price	S\$ 1.75083
Bid Price	S\$ 1.66329
Fund Size	S\$ 9.15 mil
Units in Issue	5.50 mil

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Global Emerging Markets Equity Fund	4.32	19.37	7.79	46.26	N.A.	N.A.	66.33
Benchmark*	0.49	9.77	0.42	36.22	N.A.	N.A.	50.64

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Global Emerging Markets Equity Fund	13.51	N.A.	N.A.	16.30
Benchmark*	10.85	N.A.	N.A.	12.93

*MSCI Emerging Markets Index (Total Return Net)

[^]Inception Date: 16 Feb 2016

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019
	% of NAV
JPMorgan Funds - Emerging Markets Equity Fund	100.00
Total	100.00

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	\$
Subscription	5,081,608
Redemption	394,389

C) Underlying Sub-Fund Disclosure (JPMorgan Funds – Emerging Markets Equity Fund)

I Allocation by Country

Country	As at 30 Jun 2019
	% of NAV
China	37.80
India	18.60
Brazil	7.80
Taiwan	6.10
South Korea	4.90
South Africa	4.10
Russia	3.30
Mexico	3.10
Others*	12.00
Net Liquidity	2.30
Total	100.00

*Includes other countries

II Allocation by Industry

Industry	As at 30 Jun 2019
	% of NAV
Financials	39.70
Consumer Discretionary	18.80
Information Technology	12.60
Consumer Staples	11.00
Communication Services	6.60
Industrials	5.20
Materials	1.80
Energy	0.70
Health Care	0.70
Utilities	0.60
Net Liquidity	2.30
Total	100.00

III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2019

N.A.

IV Top Ten Holdings of Underlying Sub-Fund

As at 30 Jun 2019

	% of NAV	MV S\$ mil
AIA Group Limited	5.80	610.22
Tencent Holdings Ltd.	5.50	576.04
Alibaba Group Holding Ltd. Sponsored ADR	5.04	528.18
Ping An Insurance (Group) Company of China, Ltd. Class H	4.88	511.17
Housing Development Finance Corporation Limited	4.76	498.61
HDFC Bank Limited Sponsored ADR	3.32	347.62
Taiwan Semiconductor Manufacturing Co., Ltd.	3.13	328.34
Sberbank Russia OJSC	3.12	326.69
Samsung Electronics Co., Ltd.	3.02	316.53
MercadoLibre, Inc.	2.28	239.11

Top Ten Holdings of Underlying Sub-Fund

As at 30 Jun 2018

	% of NAV	MV S\$ mil
Tencent Holdings Ltd.	6.90	645.08
Alibaba Group Holding Ltd. Sponsored ADR	5.54	517.95
AIA Group Limited	5.18	484.29
Samsung Electronics Co., Ltd.	4.89	457.18
Housing Development Finance Corporation Limited	4.71	440.35
HDFC Bank Limited Sponsored ADR	4.49	419.78
Ping An Insurance (Group) Company of China, Ltd. Class H	4.25	397.34
Taiwan Semiconductor Manufacturing Co., Ltd.	4.14	387.06
Sberbank Russia OJSC	3.41	318.81
JD.com	2.40	224.38

V Exposure to Derivatives

As at 31 Dec 2018*

% of NAV	(0.02%)
Market value (S\$)	(1,759,497)
Realised Gains / (Losses) (S\$)	-
Unrealised Gains / (Losses) (S\$)	(1,759,497)

*Based on unaudited figures as at 31 Dec 2018 as the audited figures as at 30 Jun 2019 are not available.

VI Borrowings of Net Asset Value

As at 30 Jun 2019

N.A.

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Global Emerging Markets Equity Fund		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Dec-18*	As at 31-Mar-18**
Expense Ratio	1.83%	1.84%	1.80%	1.80%
			As at 30-Jun-19	As at 30-Jun-18
Turnover Ratio	4.95%	3.48%	15.49%	21.29%

*Based on unaudited figure as at 31 Dec 2018 as the expense ratio of JPMorgan Funds - Emerging Markets Equity Fund for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

N.A.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 172.

**For more information, please contact your financial consultant,
call our Customer Service Hotline on 6225 6111,
or visit our web site at www.insurance.hsbc.com.sg.**

HSBC Insurance Global Equity Fund

Fund Objective

HSBC Insurance Global Equity Fund seeks to achieve long-term growth of capital by investing in a portfolio of equity securities. Fund investments are made by way of a feeder fund, which invests substantially all, or all its assets in the AllianceBernstein - Global Equity Blend Portfolio.

FUND FACTS

Underlying Fund	AllianceBernstein- Global Equity Blend Portfolio
Fund Manager	AllianceBernstein (Luxembourg) S.à r.l.
Launch Date	06 Oct 2008
CPFIS/SRS*	SRS
CPFIS Risk	N.A.
Classification	

Investment and Market Review ^

Global equities recorded impressive gains during the six-month period ended 30 June 2019. US stocks posted their best first-half performance since 1997, with the Standard and Poor (S&P) 500 Index increasing 18.54% while the MSCI World Index ended the period up 16.98% (all in USD terms).

Volatility continued to plague the equity markets as concerns over US-China trade tensions and a slowing Chinese economy persisted. Investors and the markets were buoyed as the Fed retreated from its plans for future rate increases. In the MSCI World, all sectors except healthcare delivered positive double digit returns.

Class S1 shares of the Portfolio rose in absolute terms but underperformed the MSCI World, net of fees and in USD terms. The underperformance was mainly due to a small cash position. Stock selection in consumer discretionary and technology detracted, while selection in healthcare and industrials, as well as an underweight to energy contributed.

Swedbank was the leading detractor, as shares fell amidst allegations of money laundering. We exited the position amidst the uncertainty. Unicharm, a Japanese company that manufactures disposable hygiene products, also detracted after China announced plans to increase the oversight of consumer product sales on the internet, and Japan planned an increase in the consumption tax in October. However, Unicharm's growth drivers are well balanced in geographical terms, which supports prospects for ongoing growth. Apparel retailer Gap detracted as the company's first-quarter earnings results underperformed. Furthermore, if the Chinese clothing tariff is enacted, coupled with Gap's thinner profit margin in 2019, the company may face a significant earnings-per-share headwind. Shares of MSCI contributed as the global index operator continued to release innovative products. Bruker, a US-based manufacturer of scientific instruments for molecular and materials research, contributed to performance. Shares continued their strong returns after the company provided additional color on drivers in each of its three business groups and bullish three-year revenue and earnings growth targets. Hexcel, a leading manufacturer of carbon fiber and composite materials, also contributed in the period. Strength in commercial aerospace and wind turbine blade sales was a major factor.

Market Outlook and Investment Strategy ^

Global equity markets recovered from their sharp losses in May and are approaching new highs. However, policy risks around trade, political risks around Britain exit and regulatory risks as US elections heat up could all cause stocks to rise or fall independent of a company's fundamentals. Sluggish global growth and how global central banks react could also induce additional volatility. Value stocks have continued to lag their growth counterparts by a wide margin amid ongoing uncertainty driven by a cloudier global economic outlook. Investors have been willing to pay a premium for stocks that offer more stable or defensive characteristics, and for stocks that are likely to deliver high-growth rates in a broadly low-growth environment. This has pressured many value stocks, despite solid long-term fundamentals, and further widened the already substantial valuation gap between value and growth stocks.

Our balanced style approach helps our Portfolio perform well across a variety of economic environments and provides a more consistent premium. Across our equity services, we believe that an active investment approach with differentiated research and high conviction can achieve superior long-term results, even if uncertainty rises in 2019.

^ Source: AllianceBernstein (Luxembourg) S.à r.l.

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Global Equity Fund	3.04	14.74	1.25	34.66	35.10	93.48	75.99
Benchmark*	3.88	16.12	5.51	40.34	49.41	158.71	159.04**

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance Global Equity Fund	10.43	6.20	6.82	5.42
Benchmark*	11.96	8.36	9.97	9.33**

*MSCI World Net Index (in S\$)

**Performance of the benchmark is measured from closest month-end after inception through 31 December 2018

^Inception Date: 16 Oct 2008

B) Fund Disclosure

I Allocation by Asset Class

	As at 30 Jun 2019	
Asset Class	% of NAV	MV S\$ mil
AllianceBernstein - Global Equity Blend Portfolio, S1 class	100.11	70.98
Other assets	0.20	0.14
Other liabilities	(0.31)	(0.22)
Total	100.00	70.90

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	2,967,340
Redemption	11,601,489

C) Underlying Sub-Fund Disclosure (AllianceBernstein- Global Equity Blend Portfolio)

I Allocation by Country

	As at 30 Jun 2019	
Country	% of NAV	MV S\$ mil
United States	48.55	74.14
Japan	6.12	9.34
United Kingdom	5.14	7.85
Ireland	4.47	6.83
Germany	3.99	6.10
India	3.61	5.51
Switzerland	3.51	5.36
China	3.48	5.32
France	3.35	5.12
Others*	17.78	27.15
Total	100.00	152.72

*Includes other countries and other assets less liabilities

II Allocation by Industry	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Information Technology	16.81	25.67
Health Care	16.12	24.62
Financials	15.12	23.09
Industrials	11.41	17.43
Consumer Discretionary	10.41	15.90
Consumer Staples	7.05	10.76
Communication Services	4.71	7.19
Utilities	4.24	6.48
Materials	4.20	6.41
Energy	4.00	6.11
Real Estate	2.72	4.15
Others*	3.21	4.91
Total	100.00	152.72

*Includes other assets less liabilities

III Allocation of Debt Securities by Credit Ratings	As at 30 Jun 2019
N.A.	

IV Top Ten Holdings of Underlying Sub-Fund	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Apple, Inc.	1.74	2.66
Microsoft Corp.	1.59	2.43
Visa, Inc. - Class A	1.34	2.05
MSCI, Inc. - Class A	1.28	1.96
American Water Works Co., Inc.	1.27	1.94
Ecolab, Inc.	1.26	1.92
Xylem, Inc./NY	1.26	1.92
Kingspan Group PLC (London)	1.23	1.88
Apollo Hospitals Enterprise Ltd.	1.23	1.88
Oracle Corp.	1.14	1.74

Top Ten Holdings of Underlying Sub-Fund	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Apple, Inc.	1.79	3.08
ICON PLC	1.45	2.51
Microsoft Corp.	1.40	2.43
MSCI, Inc. - Class A	1.35	2.34
Kingspan Group PLC (London)	1.34	2.32
Hexcel Corp.	1.21	2.10
Housing Development Finance Corp., Ltd.	1.20	2.08
UnitedHealth Group, Inc.	1.17	2.03
Ecolab, Inc.	1.17	2.03
Visa, Inc. - Class A	1.17	2.03

V Exposure to Derivatives	As at 30 Jun 2019
% of NAV	(0.05%)
Market value (S\$)	(71,355.26)
Realised Gains / (Losses) (S\$)	-
Unrealised Gains / (Losses) (S\$)	(71,355.25)

VI Borrowings of Net Asset Value	As at 30 Jun 2019
Use of borrowing in % of Fund Total Net Asset	0.52%

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Global Equity Fund		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 28-Feb-19*	As at 28-Feb-18**
Expense Ratio	1.73%	1.73%	0.80%	0.80%
Turnover Ratio	3.03%	4.21%	37.64%	45.99%

*Based on audited figures as at 28 Feb 2019 as the expense and turnover ratios of AllianceBernstein - Global Equity Blend Portfolio for the financial year ended 30 Jun 2019 are not available.

**Based on unaudited figures as at 28 Feb 2018 for comparative purposes.

II Related-Party Transactions

N.A.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

For the period ended 30 June 2019, the Investment Manager does receive and has entered into soft-dollar commissions/arrangements with brokers relating to portfolios of the Underlying Fund that invest in equity securities, in respect of which certain goods and services used to support the investment decision making process were received. The soft commission arrangements were entered into on the basis that the execution of transactions on behalf of the Underlying Fund will be consistent with best execution standards and brokerage rates will not be in excess of customary institutional full-service brokerage rates. The goods and services received include specialist industry, company and consumer research, portfolio and market analysis and computer software used for the delivery of such services.

The nature of the goods and services received is such that the benefits provided under the arrangement must be those which assist in the provision of investment services to the Underlying Fund and may contribute to an improvement in the Underlying Fund's performance.

For the avoidance of doubt, such goods and services do not include travel, accommodations, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees' salaries or direct money payments. Disclosure of soft commission arrangements will be made in the periodic reports of the Underlying Fund.

E) Financial Statements

Refer to page 173.

**For more information, please contact your financial consultant,
call our Customer Service Hotline on 6225 6111,
or visit our web site at www.insurance.hsbc.com.sg.**

HSBC Insurance Global Equity Portfolio Fund

Fund Objective

The Fund aims to provide long term total return by investing in a portfolio of developed market equities.

Invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, carry out the larger part of their business activities in or are listed on a Regulated Market in, developed markets such as OECD countries. The Underlying Sub-Fund may also invest in eligible closed-ended Real Estate Investment Trusts ("REITs").

Investment and Market Review [^]

On a 12-month basis, the fund underperformed its market cap weighed index. While our asset allocation contributed to the performance largely in line with the benchmark, stock selection weighed on performance.

On a sector basis, our overweight allocations to Consumer Staples and Utilities coupled with an underweight exposure to Energy contributed to performance. Conversely, our underweight allocations to IT and Health Care coupled with an overweight exposure to Materials weighed on performance. On a country basis, our overweight allocations to Sweden and Singapore coupled with an underweight exposure to Canada contributed to performance. Conversely, an underweight allocation to USA coupled with our overweight exposures to Japan, Germany and United Kingdom (UK) weighed on performance. At the stock level, overweighting Walmart Inc. (Consumer Staples, USA) coupled with underweighting Nvidia Corp. (Information Technology, USA) and Alphabet Inc. (Communication Services, USA) contributed to performance. Conversely, underweighting Microsoft Corp. (Information Technology, USA), Amazon.com Inc. (Consumer Discretionary, USA) and Cisco Systems Inc. (Information Technology, USA) weighed on performance.

Market Outlook and Investment Strategy [^]

We believe global equities still offer attractive rewards despite the risks to the growth outlook, while corporate fundamentals remain solid. Overall, support from still-loose monetary policy and fiscal policy (if needed) will, in the medium and longer term, likely outweigh any headwinds from more modest Chinese growth, monetary policy normalisation in DM economies, and political uncertainty in many regions. Episodic volatility may be triggered by concerns surrounding global trade protectionism, Chinese growth, and/or a potentially more rapid than expected Fed, ECB or Bank of Japan (BOJ) normalisation of policy, coupled with political risks.

[^] Source: HSBC Global Asset Management (HK) Limited

FUND FACTS

Underlying Sub-Fund

HSBC Global Investment Funds – Economic Scale Global Equity Fund
HSBC Global Asset Management (Singapore) Limited

Fund Manager

18 Jan 2016

Launch Date

SRS

CPFIS/SRS

N.A.

CPFIS Risk

Classification

As at 30 June 2019

Offer Price

S\$ 1.40224

Bid Price

S\$ 1.33213

Fund Size

S\$ 10.10 mil

Units in Issue

7.58 mil

A) Fund Performance

I Cumulative Total Returns

	3-Mth (%)	6-Mth (%)	1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception [^] (%)
HSBC Insurance Global Equity Portfolio Fund	2.93	13.16	0.68	32.74	N.A.	N.A.	33.21
Benchmark*	3.88	16.68	5.51	44.32	N.A.	N.A.	47.71

II Average Annual Compounded Returns

	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception [^] (%)
HSBC Insurance Global Equity Portfolio Fund	9.90	N.A.	N.A.	8.88
Benchmark*	13.01	N.A.	N.A.	12.12

*Benchmark Details:

Inception to October 2017 - HSBC Economic Scale Index World

From October 2017 onwards - MSCI World Net

[^]Inception Date: 02 Feb 2016

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019 % of NAV	MV S\$ mil
HSBC Global Investment Funds - Economic Scale Global Equity Fund	100.00	10.10
Total	100.00	10.10

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	4,420,704
Redemption	364,674

C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds - Economic Scale Global Equity Fund)

I Allocation by Country

Country	As at 30 Jun 2019 % of NAV	MV S\$ mil
United States	45.92	91.29
Japan	11.15	22.16
France	7.19	14.29
United Kingdom	7.08	14.08
Germany	6.28	12.49
Canada	3.44	6.84
Switzerland	2.33	4.64
Spain	2.15	4.27
Others*	12.21	24.27
Cash	2.25	4.48
Total	100.00	198.81

*Includes other countries

II Allocation by Industry	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Financials	16.48	32.78
Industrials	16.06	31.92
Consumer Discretionary	12.60	25.06
Consumer Staples	9.60	19.08
Information Technology	9.39	18.67
Communication Services	8.64	17.17
Health Care	7.97	15.84
Energy	5.97	11.86
Materials	5.80	11.54
Utilities	3.74	7.43
Real Estate	1.50	2.98
Cash	2.25	4.48
Total	100.00	198.81

III Allocation of Debt Securities by Credit Ratings	As at 30 Jun 2019
N.A.	

IV Top Ten Holdings of Underlying Sub- Fund	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Walmart Inc	1.81	3.55
Apple Inc	0.94	1.87
General Electric Co	0.89	1.77
At&T Inc	0.78	1.56
Wells Fargo & Co	0.74	1.47
Royal Dutch Shell Plc	0.70	1.40
Jp Morgan Chase & Co	0.69	1.37
Volkswagen Ag	0.68	1.36
Bank Of America Corp	0.62	1.24
Nippon Telegraph & Tel Corp	0.61	1.22

Top Ten Holdings of Underlying Sub-Fund	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Walmart Inc	1.76	4.21
General Electric Co	0.96	2.31
Royal Dutch Shell PLC	0.82	1.96
Wells Fargo & Co	0.81	1.93
Apple Inc	0.78	1.88
AT&T Inc	0.73	1.77
JP Morgan Chase & Co	0.69	1.66
Exxon Mobil Corp	0.63	1.51
Volkswagen AG	0.63	1.50
Nippon Telegraph & Tel Corp	0.59	1.42

V Exposure to Derivatives	As at 30 Jun 2019
% of NAV	0.12%
Market value (S\$)	243,133
Realised Gains / (Losses) (S\$)	319,067
Unrealised Gains / (Losses) (S\$)	83,242

VI Borrowings of Net Asset Value	As at 30 Jun 2019
Use of borrowing in % of Fund Total Net Asset	(0.01%)

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Global Equity Portfolio Fund		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	0.99%	0.99%	0.95%	0.95%
Turnover Ratio	3.20%	1.61%	As at 30-Jun-19 0.31%	As at 30-Jun-18 37.05%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Global Investment Funds - Economic Scale Global Equity Fund for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 as the expense ratio of HSBC Global Investment Funds - Economic Scale Global Equity Fund for the financial year ended 30 Jun 2018 is not available.

II Related-Party Transactions

HSBC Insurance Global Equity Portfolio Fund invests S\$10.10 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Funds - Economic Scale Global Equity Fund, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 30 June 2019 amounts to S\$23,396.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 173.

**For more information, please contact your financial consultant,
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or visit our web site at www.insurance.hsbc.com.sg.**

HSBC Insurance Global Equity Volatility Focused Fund

Fund Objective

HSBC Insurance Global Equity Volatility Focused Fund aims to provide long term total return by investing in a portfolio of equities worldwide. The Fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies domiciled or operating in both developed markets, such as OECD countries, and Emerging Markets. It may also invest in eligible closed-ended Real Estate Investment Trusts ("REITs"). Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the HSBC Global Investment – Global Equity Volatility Focused.

FUND FACTS

Underlying Sub-Fund	HSBC Global Investment Funds – Global Equity Volatility Focused Fund	
Fund Manager	HSBC Global Asset Management (Singapore) Limited	
Launch Date	18 Jan 2016	
CPFIS/SRS	SRS	
CPFIS Risk	N.A.	
Classification		
As at 30 June 2019		
Offer Price	S\$	1.31652
Bid Price	S\$	1.25069
Fund Size	S\$	6.33 mil
Units in Issue		5.06 mil

Investment and Market Review [^]

Global Equities finished the year in positive territory despite seeing a sharp sell-off at the end of 2018. Losses were quickly eroded in 2019 as optimism over Sino-US trade relations and a more dovish stance by the Fed drove markets higher. The fund performed well over the period, outperforming the index with a lower volatility. Contributors to relative performance included IQVIA, which enjoyed a solid year that started with positive guidance at the end of 2018, followed by strong earnings that were driven by its 2017 investments, as the merger integration and repositioned strategy propelled its margin and growth profile upwards. Additionally, Cisco Systems had a stellar start to year after reporting better-than-expected earnings that were driven by the company's transition to a higher profitable model.

Detractors from performance included BAE Systems, which fell after stating that German limits on exports to Saudi Arabia could hinder its ability to do business with the country, jeopardising multiple contracts. Furthermore, Phillips 66 fell at the end of 2018 as oil prices tumbled. Positions initiated during the period include Advanced Info Services, BHP Group, Cyberagent, Pepsico and Rentokil Initial. Positions exited included Bank Mandiri Persero, China Mobile, Novo Nordisk, Oracle Corp and Trend Micro. Sector and country allocation effects are residual to the stock selection process. Sector allocation was positive and driven mostly by an underweight exposure to Communication Services and overweight exposure to IT. Country allocation was negative given an overweight exposure to Japan and underweight exposure to the USA.

Market Outlook and Investment Strategy [^]

Our measure of the global equity risk premium (excess return over cash) is still reasonable given other opportunities. We believe global equities still offer attractive rewards despite the risks to the growth outlook, while corporate fundamentals remain solid. Subdued corporate earnings expectations imply a relatively low bar for an upward surprise. Overall, policy support can help offset headwinds from more modest global growth, trade tensions and political uncertainty in many regions. However, investors must be aware of potential risks. Episodic volatility may be triggered by concerns surrounding global economic growth, trade tensions, and political risks. A further significant deterioration of the global economic outlook could also dampen our view. However, we remain of the view that we are facing a "cyclical slowdown", not a more severe recessionary environment. Finally, rising wage growth in many developed economies may undermine corporate profits.

Your equity portfolio aims to deliver diversified global equity exposure with lower volatility. Lower volatility can offer a smoother performance pattern that can help investors stay invested and capture long-term returns. The portfolio aims to invest in companies with an attractive combination of profitability and valuation. These quality companies typically have sustainable business models, strong balance sheets and good management. These stocks are combined with an aim to deliver a portfolio with lower volatility.

[^] Source: HSBC Global Asset Management (HK) Limited

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Global Equity Volatility Focused Fund*	3.07	15.34	4.22	21.01	N.A.	N.A.	25.07

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Global Equity Volatility Focused Fund *	6.56	N.A.	N.A.	6.78

*This fund has no benchmark.

[^]Inception Date: 01 Feb 2016

B) Fund Disclosure

I Allocation by Asset Class

	As at 30 Jun 2019	
Asset Class	% of NAV	MV S\$ mil
HSBC Global Investment Funds – Global Equity Volatility Focused	100.00	6.33
Total	100.00	6.33

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	861,709
Redemption	2,112,143

C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds - Global Equity Volatility Focused)

I Allocation by Country

	As at 30 Jun 2019	
Country	% of NAV	MV S\$ mil
United States	47.38	107.22
United Kingdom	14.60	33.03
Japan	7.38	16.69
Germany	6.18	13.98
China	3.70	8.37
France	2.90	6.57
Netherlands	2.46	5.56
Switzerland	2.31	5.23
Others*	10.16	23.03
Cash	2.93	6.62
Total	100.00	226.30

*Includes other countries

II Allocation by Industry

	As at 30 Jun 2019	
Industry	% of NAV	MV S\$ mil
Financials	18.19	41.17
Information Technology	17.82	40.33
Industrials	15.07	34.11
Health Care	11.06	25.03
Consumer Staples	8.36	18.91
Communication Services	6.18	13.98
Consumer Discretionary	6.02	13.63
Materials	5.56	12.58
Energy	5.46	12.35
Utilities	1.68	3.80
Real Estate	1.67	3.79
Cash	2.93	6.62
Total	100.00	226.30

III Allocation of Debt Securities by Credit Ratings

N.A.

As at 30 Jun 2019

IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
IQVIA Holdings Inc	2.84	6.44
Home Depot Inc	2.65	5.99
Nestle SA	2.31	5.23
Walt Disney Co	2.30	5.21
Microsoft Corp	2.27	5.13
Johnson & Johnson	2.20	4.98
Munchener Ruckvers AG	2.16	4.89
BHP Billiton Ltd	2.15	4.86
Accenture PLC	2.11	4.77
Masco Corp	2.11	4.77

Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Kao Corp	2.51	8.07
Home Depot Inc	2.47	8.03
Cisco Systems Inc	2.44	7.91
Apple Inc	2.42	7.87
Phillips 66	2.34	7.61
Compass Group PLC	2.27	7.37
BAE Systems PLC	2.22	7.21
UnitedHealth Group Inc	2.18	7.09
Microsoft Corp	2.13	6.92
Bank of America Corp	2.10	6.82

V Exposure to Derivatives

	As at 30 Jun 2019
% of NAV	0.28%
Market value (S\$)	625,769
Realised Gains / (Losses) (S\$)	(5,742,060)
Unrealised Gains / (Losses) (S\$)	826,468

VI Borrowings of Net Asset Value

N.A.

As at 30 Jun 2019

D) Other Disclosure Items

I Expense/Turnover Ratios

	HSBC Insurance Global Equity Volatility Focused Fund		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.93%	1.94%	1.90%	1.91%
Turnover Ratio	10.01%	31.90%	0.26%	38.41%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Global Investment Funds – Global Equity Volatility Focused for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

HSBC Insurance Global Equity Volatility Focused Fund invests S\$6.33 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Funds – Global Equity Volatility Focused, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 30 June 2019 amounts to S\$49,778.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement
N.A.

E) Financial Statements
Refer to page 173.

**For more information, please contact your financial consultant,
call our Customer Service Hotline on 6225 6111,
or visit our web site at www.insurance.hsbc.com.sg.**

HSBC Insurance Global High Income Bond Fund

FUND FACTS

Fund Objective

HSBC Insurance Global High Income Bond Fund invests for high income primarily in a diversified portfolio of higher yielding fixed income bonds and other similar securities from around the world denominated in a range of currencies. This may include Investment Grade bonds, high yield bonds and Asian and Emerging Markets debt instruments. Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the HSBC Global Investment Funds – Global High Income Bond Fund.

Underlying Sub-Fund

HSBC Global Investment Funds – Global High Income Bond Fund

Fund Manager

HSBC Global Asset Management (Singapore) Limited

Launch Date

18 Jan 2016

CPFIS/SRS

SRS

CPFIS Risk

N.A.

Classification

As at 30 June 2019

Offer Price

S\$ 1.24944

Bid Price

S\$ 1.18697

Fund Size

S\$ 4.14 mil

Units in Issue

3.49 mil

Investment and Market Review [^]

The strategy delivered positive performance. The regional allocation suffered of the underperformance of the Asset-Backed Securities (ABS) sleeve which is funded by underweights in EM and EUR bonds both of which outperformed ABS over the period. Issue selection was positive driven mainly by positioning in EM and US IG bonds.

Regionally, the strategy is overweight the ABS segment by 12% at the expense of EUR and EM. The USD, EUR, and EM sleeve weights are 36%, 20%, and 30%, respectively. Within USD bonds, the strategy is overweight BB bonds and underweight BBB bonds. The ABS exposure is 80% floating rate, so they should have lower sensitivity to movements in government yields. The overall portfolio beta is over 1 with an underweight to duration of -0.12 years versus the benchmark. The main sector overweight is to financials, predominantly through the USD BBB and EUR bonds where we continue to see value given their relatively strong fundamentals vs other sectors. The strategy is also overweight basic materials and energy, mainly in USD and EM bonds with only a small exposure to EUR bonds. The main sector underweight is to consumer non-cyclicals and communication taken through USD and EUR bonds where we remain cautious on tight valuations and event risk from potential merger and acquisitions (M&A) activity.

Market Outlook and Investment Strategy [^]

Investors remain anxious about global growth, with the more dovish views of the Fed leading to a downshift in treasury yields. Though some softening of growth is being seen, the overall health of the US economy remains strong but markets are expecting at least one rate cut in the near future, which is supportive for US fixed income assets. Continued uncertainty surrounding the US-China trade dispute however poses potential downside risk to the outlook.

Although debt leverage ratios are at a high for the cycle they have stabilized. Default rates are low and are expected remain below the historical averages. The current environment with a combination of reasonable global growth and valuations show support for the fixed income space supported by the likelihood of decreased supply levels in both High Yield and Investment Grade over the summer, creating a positive dynamic for technicals. Emerging markets (EMs) should also see good outcomes in the current rate environments given that they are pricing in rate cuts less than DM. We expect credit spreads could be volatile in the short term at tighter valuations and as investors evaluate ongoing trade issues and their impact on global growth. While credit metrics are still somewhat benign at current spread levels with the rally in credit so far in 2019 we are selective especially in lower rated credits and look to reduce portfolio beta into market strength.

[^] Source: HSBC Global Asset Management (HK) Limited

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Global High Income Bond Fund*	2.98	8.55	7.70	11.08	N.A.	N.A.	18.70

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Global High Income Bond Fund*	3.57	N.A.	N.A.	5.12

*This fund has no benchmark.

[^]Inception Date: 25 Jan 2016

B) Fund Disclosure

I Allocation by Asset Class

	As at 30 Jun 2019	
Asset Class	% of NAV	MV S\$ mil
HSBC Global Investment Funds – Global High Income Bond Fund	100.00	4.14
Total	100.00	4.14

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	1,769,757
Redemption	143,512

C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds - Global High Income Bond Fund)

I Allocation by Country

	As at 30 Jun 2019	
Country	% of NAV	MV S\$ mil
United States	34.64	790.10
France	6.54	149.15
United Kingdom	4.76	108.50
China	3.78	86.12
Germany	3.30	75.29
Cayman Islands	3.07	69.97
Ireland	2.92	66.53
Mexico	2.55	58.28
Others*	34.41	785.23
Cash	4.03	91.85
Total	100.00	2,281.02

*Includes other countries

II Allocation by Industry

	As at 30 Jun 2019	
Industry	% of NAV	MV S\$ mil
Financial Institutions	19.99	456.08
Sovereign	12.87	293.47
Agencies	9.72	221.66
Consumer Cyclical	6.58	150.19
Energy	6.29	143.40
Communications	6.28	143.24
ABS	5.96	136.06
Basic Industry	5.74	130.91
Consumer Non cyclical	4.08	93.07
CMBS	3.99	90.97
Others*	14.47	330.12
Cash	4.03	91.85
Total	100.00	2,281.02

*Includes other industries

III Allocation of Debt Securities by Credit Ratings

Rating	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
AAA	4.19	95.87
AA	1.86	42.39
A	12.50	285.09
BBB	43.85	1,000.30
BB	21.12	481.80
B	11.96	272.73
CCC	0.42	9.50
D	0.05	1.13
Unrated	0.02	0.36
Cash	4.03	91.85
Total	100.00	2,281.02

IV Top Ten Holdings of Underlying Fund

	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
US Treasury N/B 3.375 15/11/48	1.07	24.23
Saudi Int Bond 4.500 26/10/46	0.71	16.10
Oman Intrnl Bond 5.375 08/03/27	0.49	11.28
Sinopec Capital 3.125 24/04/23	0.41	9.38
Brazil Rep Of 4.875 22/01/21	0.40	9.15
Argentina 5.875 11/01/28	0.40	9.13
Rep Of Sri Lanka 6.750 18/04/28	0.39	8.97
Allianz Se 3.375	0.38	8.65
AT&T Inc 5.250 01/03/37	0.37	8.55
Ghana Rep Of 7.625 16/05/29	0.37	8.46

Top Ten Holdings of Underlying Fund

	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
AT&T Inc 5.250 01/03/2037	0.56	10.97
Argentina (Republic of) 7.625 22/04/2046	0.51	10.25
Sberbank 6.125 07/02/2022	0.46	9.26
Sinopec Capital 3.125 24/04/2023	0.45	9.04
Brazil (Fed Rep of)-Global 4.875 22/01/2021	0.45	9.03
Turkey (Republic of) 5.750 11/05/2047	0.44	8.89
Union Bank Of Switzerland 4.750 12/02/2021	0.43	8.72
Mpt Operating Partnership L 5.000 15/10/2027	0.43	8.72
Ineos Group Holdings SA 5.375 01/08/2024	0.43	8.71
Mpt Operating Partnership L 4.000 19/08/2022	0.43	8.53

V Exposure to Derivatives

	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Market value (S\$)	0.07%	1,613,725
Realised Gains / (Losses) (S\$)		35,210,367
Unrealised Gains / (Losses) (S\$)		(2,450,260)

VI Borrowings of Net Asset Value

	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
N.A.		

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Global High Income Bond Fund		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.58%	1.59%	1.55%	1.56%
Turnover Ratio	4.48%	3.22%	As at 30-Jun-19 0.61%	As at 30-Jun-18 60.10%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Global Investment Funds – Global High Income Bond Fund for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

HSBC Insurance Global High Income Bond Fund invests S\$4.14 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Funds – Global High Income Bond Fund, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 30 June 2019 amounts to S\$16,323.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 174.

**For more information, please contact your financial consultant,
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or visit our web site at www.insurance.hsbc.com.sg.**

HSBC Insurance Global Multi-Asset Fund

Fund Objective

HSBC Insurance Global Multi-Asset aims to provide a fixed income distribution of 5% per annum and capital growth over a market cycle by investing in a diversified range of assets and market worldwide. The Sub-fund aims to provide a volatility (a measure of how much the Sub-Fund's returns may vary over a year) of between 5-7% per annum.

Investment and Market Review [^]

Markets received mixed signals at the beginning of the period, with the temporary reprieve in trade-war rhetoric outweighing fears of slowing earnings

growth. The US continued to outperform, however toward year's end ongoing uncertainty surrounding trade, a strong USD, and turmoil in Argentina and Turkey weighed on sentiment. 2018 ended with global equities enduring their most difficult December since 1970 with all major markets posting losses, primarily due to concerns over economic and earnings growth, compounded by tightening liquidity as the Fed hiked rates and the ECB confirming the end of its bond-buying programme.

Investor unease carried into 2019, however the Fed responded quickly to such fears confirming that it would adjust its plans for interest rate increases to compensate for deteriorating economic momentum. This set the tone for the rest of the period; investor concerns that the Fed could "over-tighten" policy by raising rates too fast switched to expectations that the next move would be a cut. This saw risk assets rally sharply, with global equities particularly strong having regain ground from the months preceding it.

Market Outlook and Investment Strategy [^]

Over a turbulent 12 months, the fund posted a 3% gain supported by positive returns across the investment spectrum.

Fixed income made up the bulk of returns, with high yield bonds particularly strong thanks to supportive central bank policy and sustained investor appetite for yield. Local currency bonds also contributed, as both USD strength and the inflationary backdrop began to stabilise. Elsewhere, a newly established allocation to hybrid securities also supported returns, led by convertible bonds, which benefited from positive security selection and rising equity markets.

In a period overshadowed by their fixed income counterparts, equities made a positive contribution none-the-less. The largest contribution came from our broad global exposure, however negative security selection weighed on returns.

[^] Source: Schroder Investment Management (Singapore) Ltd

FUND FACTS

Underlying Sub-Fund	Schroder International Selection Fund – Global Multi-Asset Income
Fund Manager	Schroder Investment Management (Singapore) Ltd
Launch Date	18 Jan 2016
CPFIS/SRS	SRS
CPFIS Risk Classification	N.A.

As at 30 June 2019

Offer Price	S\$ 1.16989
Bid Price	S\$ 1.11140
Fund Size	S\$ 1.38 mil
Units in Issue	1.25 mil

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Global Multi-Asset Fund*	1.78	6.77	2.97	9.24	N.A.	N.A.	11.14

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Global Multi-Asset Fund*	2.99	N.A.	N.A.	3.28

*This fund has no benchmark.

[^]Inception Date: 21 Mar 2016

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019 % of NAV	MV S\$ mil
Schroder International Selection Fund - Global Multi-Asset Income	100.00	1.38
Total	100.00	1.38

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)
S\$
Subscription
Redemption
764,761
206,618

C) Underlying Sub-Fund Disclosure (Schroder International Selection Fund - Global Multi-Asset Income)

I Allocation by Country

Country	As at 30 Jun 2019 % of NAV	MV S\$ mil
North America	52.42	2,205.26
Emerging Markets	18.59	782.06
Europe ex-UK	8.29	348.75
UK	7.24	304.58
Asia Pacific ex Japan	4.34	182.58
Japan	1.62	68.15
Others*	7.50	315.52
Total	100.00	4,206.90

*Includes other countries

II Allocation by Industry

Industry	As at 30 Jun 2019 % of NAV	MV S\$ mil
Financials	25.36	1,066.87
Consumer Discretionary	10.86	456.87
Government	9.44	397.13
Industrials	7.97	335.29
Energy	7.90	332.35
Communication Services	6.99	294.06
Health Care	6.04	254.10
Real Estate	5.78	243.16
Consumer Staples	4.85	204.03
Information Technology	4.75	199.83
Others*	8.37	352.11
Cash	1.69	71.10
Total	100.00	4,206.90

*Includes other industries

III Allocation of Debt Securities by Credit Ratings

Rating

(For Debt securities portfolio only)

	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
AAA / Aaa	1.22	51.32
AA+ / Aa1	0.83	34.92
AA / Aa2	0.45	18.93
AA- / Aa3	0.40	16.83
A+ / A1	1.42	59.74
A / A2	1.52	63.94
A- / A3	2.83	119.06
BBB+ / Baa1	2.40	100.97
BBB / Baa2	4.77	200.67
BBB- / Baa3	7.53	316.78
BB+ / Ba1	3.52	148.08
BB / Ba2	9.07	381.57
BB- / Ba3	6.83	287.33
Unrated	7.37	310.05
Others*	11.07	465.70
Total	61.23	2,575.89

*Includes lower rated debt securities

IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Bank Of America Corp Perp 7.25 31-Dec-2049	0.60	25.24
Wells Fargo & Company Series L Perp 7.5 31-Dec-2049	0.59	24.82
Virgin Media Secured Finance PLC 5.5 15-May-2029	0.41	17.25
Cheniere Energy Partners LP 5.625 01-Oct-2026	0.41	17.25
CCO Holdings LLC 5.375 01-Jun-2029	0.40	16.83
Sprint Capital Corporation 6.875 15-Nov-2028	0.39	16.41
Starwood European Real Estate Fina Itr	0.38	15.99
Oman Sultanate Of (Government) 3.625 15-Jun-2021	0.35	14.72
Ally Financial Inc T2 5.75 20-Nov-2025	0.34	14.30
Microsoft Corp	0.33	13.88

Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
United States Treasury 5.5% 15/08/2028	0.78	42.45
United States Treasury 4.75% 15/02/2037	0.78	42.46
United States Treasury 5% 15/05/2037	0.78	42.46
United States Treasury 4.375% 15/02/2038	0.78	42.46
United States Treasury 4.5% 15/05/2038	0.78	42.46
United States Treasury 4.5% 15/02/2036	0.78	42.46
United States Treasury 6.25% 15/05/2030	0.78	42.46
United States Treasury 6.125% 15/08/2029	0.78	42.46
United States Treasury 5.25% 15/11/2028	0.78	42.46
United States Treasury 6.125% 15/11/2027	0.78	42.46

V Exposure to Derivatives

	As at 30 Jun 2019	
% of NAV		0.30%
Market value (S\$)		12,575,293
Realised Gains / (Losses) (S\$)		(767,389)
Unrealised Gains / (Losses) (S\$)		12,575,293

VI Borrowings of Net Asset Value

	As at 30 Jun 2019	
N.A.		

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Global Multi-Asset Fund		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.60%	1.58%	1.57%	1.55%
Turnover Ratio	17.69%	7.38%	As at 30-Jun-19 0.00%	As at 30-Jun-18 110.22%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of Schroder International Selection Fund - Global Multi-Asset Income for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

N.A.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

Each Investment Manager may enter into soft commission arrangements only where there is a direct and identifiable benefit to the clients of the Investment Manager, including the relevant Sub-Fund, and where the Investment Manager is satisfied that the transactions generating the soft commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the relevant Sub-Fund. Any such arrangements must be made by the Investment Manager on terms commensurate with best market practice.

E) Financial Statements

Refer to page 174.

**For more information, please contact your financial consultant,
call our Customer Service Hotline on 6225 6111,
or visit our web site at www.insurance.hsbc.com.sg.**

HSBC Insurance India Equity Fund

Fund Objective

HSBC Insurance India Equity Fund seeks long-term capital growth through a diversified portfolio of investments in equity and equity-equivalent securities of companies registered in, and/or with an official listing on a major stock exchange or other regulated market of India, as well as those with significant operations in India. Fund investments are made by way of a feeder fund through the HSBC Global Investment Funds - Indian Equity.

Investment and Market Review [^]

The Indian Equity Fund gained 5.25% in the 12 months ended June 2019 (in SGD terms) while its benchmark, the S&P IFCI/India Gross Index rose by 4.92% (in SGD terms) over the same period. The fund fell by 2.42% in the second half of 2018 (in SGD terms) as sentiment during this period was negatively impacted by the rising price of oil (for which India is a major net importer), a weaker Rupee, global trade tensions. Market sentiment was also dented by the concerns around liquidity issues in the non-banking financial institution space. The India equity market remained weak in the beginning of 2019 as investor worries around the lapse in corporate governance and concerns around extent of pledged shares in some companies led to significant sell-off in January. The reversal of oil price, which rose by more than 20% in the first 2 months in 2019, also hindered Indian market performance. The market, however, finally broke out on the upside and rose by more than 10% in March as opinion polls suggested a relatively better performance by the incumbent government in the upcoming National Elections in May. Market sentiment generally improved post the general election as major uncertainty was removed and investors expect policy continuity.

The fund outperformed the index mainly on the back of successful stock selection in financials and industrial sectors. Sector allocation effect was also positive, in particular our overweight position in the cyclical sectors including financials and real estates.

Market Outlook and Investment Strategy [^]

We are constructive on the India story from a medium to long term perspective. India has powerful structural growth drivers – demographics and increasing urbanization, the need for infrastructure and the ability to absorb capital – which should play out over a period of time. Government policy also has a critical role in shaping the economic cycle over the near to medium term. The big success of the incumbent government in India's National Elections in May 2019 implies policy continuity. A government with a solid political majority of its own also means law making would be easier, it would typically be expected to drive a more decisive reform agenda and pursue macro stability. We believe the current government has put a number of building blocks in place for a sustained economic improvement and the tailwinds from these structural shifts will likely manifest in coming years. In particular, the goods and service tax (GST) regime is expected lead to faster formalization of the economy, broaden the tax base, improve the fiscal situation and improve the ease of doing business. Policies to structurally repair the banking sector will go a long way to help revive credit growth and move the economy forward. Separately, India also stands out as relatively insulated from ongoing US-China trade friction given its domestic economy and low correlations/sensitivity to China equities.

Overall, we continue to prefer cyclical sectors over defensives, given our belief that the economy is undergoing a gradual recovery. From a long-term perspective, cyclicals are still very cheap and we continue to like financials and real estate and are most underweight to energy and consumer staple.

[^] Source: HSBC Global Asset Management (HK) Limited

FUND FACTS

Underlying Sub-Fund	HSBC Global Investment Funds - Indian Equity Fund
Fund Manager	HSBC Global Asset Management (Singapore) Limited
Launch Date	19 Apr 2004
CPFIS/SRS*	SRS
CPFIS Risk Classification	N.A.
As at 30 June 2019	
Offer Price	S\$ 2.84141
Bid Price	S\$ 2.69934
Fund Size	S\$ 61.53 mil
Units in Issue	22.80 mil

*Note: With effect from 1 Mar 2014, the Fund has been delisted from CPFIS.

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance India Equity Fund	0.95	7.87	5.31	36.23	18.11	42.26	184.14
Benchmark*	0.19	6.36	4.92	41.37	57.93	93.27	376.04

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance India Equity Fund	10.86	3.38	3.59	7.14
Benchmark*	12.23	9.57	6.81	10.86

*S&P/IFC Investible India Index (SGD)

[^]Inception Date: 14 May 2004

B) Fund Disclosure

I Allocation by Asset Class

	As at 30 Jun 2019	
Asset Class	% of NAV	MV \$ mil
HSBC Global Investment Fund - Indian Equity Fund	100.11	61.60
Other assets	0.39	0.24
Other liabilities	(0.50)	(0.31)
Total	100.00	61.53

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	\$ mil
Subscription	10,829,431
Redemption	14,004,318

C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds - Indian Equity Fund)

I Allocation by Country

	As at 30 Jun 2019	
Country	% of NAV	MV \$ mil
India	98.21	1,887.11
Cash	1.79	34.37
Total	100.00	1,921.48

II Allocation by Industry

	As at 30 Jun 2019	
Industry	% of NAV	MV \$ mil
Financials	41.09	789.33
Information Technology	12.75	244.93
Consumer Discretionary	8.30	159.54
Materials	7.56	145.32
Energy	6.78	130.31
Consumer Staples	5.29	101.59
Industrials	5.01	96.33
Health Care	3.68	70.77
Communication Services	2.94	56.57
Utilities	2.83	54.41
Real Estate	1.98	38.01
Cash	1.79	34.37
Total	100.00	1,921.48

III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2019

N.A.

V Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
HDFC Bank Ltd	9.88	189.98
Infosys Ltd	8.49	163.06
ICICI Bank Ltd	6.61	126.95
Axis Bank Ltd	6.31	121.24
Reliance Industries Ltd	5.41	104.02
Housing Development Finance Corp	4.95	95.04
HCL Technologies Ltd	4.26	81.86
ITC Ltd	3.90	74.96
Larsen & Toubro Ltd	3.76	72.30
Maruti Suzuki India Ltd	3.62	69.51

Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Infosys Ltd	8.83	184.78
HDFC Bank Ltd	8.57	179.25
ICICI Bank Ltd	5.26	109.88
Axis Bank Ltd	4.85	101.33
Maruti Suzuki India Ltd	4.52	94.55
Housing Development Finance Corp	4.41	92.18
ITC Ltd	4.17	87.24
Reliance Industries Ltd	3.89	81.25
HCL Technologies Ltd	3.68	76.99
Grasim Industries Ltd	3.48	72.66

V Exposure to Derivatives

N.A.

As at 30 Jun 2019

VI Borrowings of Net Asset Value

N.A.

As at 30 Jun 2019

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance India Equity Fund		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.93%	1.93%	1.90%	1.90%
Turnover Ratio	12.71%	10.52%	0.18%	17.35%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Global Investment Fund - Indian Equity Fund for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

HSBC Insurance India Equity Fund invests S\$61.60 million, equivalent to 100.11% of its net asset value in HSBC Global Investment Fund - Indian Equity Fund, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 30 June 2019 amounts to S\$298,899.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

The investment adviser and its connected persons of the fund have entered into soft commission arrangements (relating solely to research services, defined as soft commissions by the Hong Kong Securities and Futures Commission, that are utilized by the Company) with certain brokers, for which goods and services used to support the investment decision making process were received by it or its connected persons.

The investment adviser or its connected persons do not make direct payment for these services, but transact and agree an amount of business with brokers on behalf of the fund. All transactions were entered into in the ordinary course of business and in normal commercial terms.

Commissions were paid by the Company on these transactions. The goods and services utilized for the Company include the following: research and advisory services, economic and political analysis, portfolio analysis, market analysis and investment related publications.

E) Financial Statements

Refer to page 174.

**For more information, please contact your financial consultant,
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or visit our web site at www.insurance.hsbc.com.sg.**

HSBC Insurance Pacific Equity Fund

Fund Objective

HSBC Insurance Pacific Equity Fund aims to provide holders with medium to long-term capital growth from a diversified portfolio of Asian-Pacific equities excluding Japanese equities. Fund investments are made by way of a feeder fund, which invests substantially all, or all its assets in the Aberdeen Standard Select Portfolio – Aberdeen Standard Pacific Equity Fund.

Investment and Market Review ^

Asian stocks performed well in the six months to June, with the regional benchmark rising about 11% in Singapore dollar terms. Initial optimism over the dovish policy shift by major central banks and easing US-China trade tensions outweighed concerns over slowing global growth. The steady climb by markets came to an abrupt halt in May, when US-China tensions flared again. This knee-jerk sell-off, however, was followed swiftly by a strong recovery, as both sides agreed to resume talks. Through the six months, Australia was among the best performers, underpinned by strength in banks and miners. Most Southeast Asian markets also did well, with Thailand and Singapore leading gains. China and Hong Kong also posted double-digit market returns despite lingering trade war uncertainty, while India posted decent returns on expectations that the incumbent government would prevail in upcoming general elections.

Market Outlook and Investment Strategy ^

Asian stocks have enjoyed a good first half-year, but as May's pullback has shown, volatility could be lurking just around the corner. Despite the recent truce, a US-China trade deal remains elusive with deep divisions on key issues. Trump's disputes with India and Europe also appear to be escalating. These trade tensions are compounding fears about a slowing global economy. Falling trade volumes and subdued business sentiment are evident in weakening order books. Data from China also underline how fragile the economy is. All this could, in turn, pressure corporate earnings.

While we remain cautious, we do see some green shoots. Most of our Chinese holdings are biased towards domestic demand, which should remain supported by Beijing's targeted consumption-led stimulus. Meanwhile, Southeast Asian economies could be the main beneficiaries as companies shift their supply chains and production bases from China because of the trade spat. Political worries have also eased, with the re-election of incumbents in India and Indonesia likely to drive more reforms.

Our approach of picking companies with the quality and potential to be long-run winners give us added comfort. Our holdings have healthy balance sheets and capital discipline, which buffer them against the uncertainty and support shareholder returns. More broadly, the region's prospects are still bright. The growing middle classes will propel demand for consumer and financial services, infrastructure and healthcare, while new technologies are likely to be future growth engines. The portfolio is well-exposed to these structural themes. Valuations remain attractive within several favoured markets and sectors, translating into compelling investment opportunities.

^ Source: Aberdeen Standard Investments (Asia) Limited

FUND FACTS

Underlying Sub-Fund	Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund
Fund Manager	Aberdeen Standard Investments (Asia) Limited
Launch Date	01 Apr 2010
CPFIS/SRS	OA/SRS
CPFIS Risk Classification	Higher Risk – Narrowly Focused - Regional - Asia
As at 30 June 2019	
Offer Price	S\$ 1.50599
Bid Price	S\$ 1.43069
Fund Size	S\$ 165.35 mil
Units in Issue	115.58 mil

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Pacific Equity Fund	2.32	12.23	3.71	33.19	21.30	N.A.	50.60
Benchmark*	0.68	11.54	0.31	39.85	35.23	N.A.	57.31

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Pacific Equity Fund	10.02	3.94	N.A.	4.53
Benchmark*	11.83	6.22	N.A.	5.03

*MSCI AC Asia Pacific ex Japan Index (in SGD)

[^]Inception Date: 06 Apr 2010

B) Fund Disclosure

I Allocation by Asset Class

	As at 30 Jun 2019	
Asset Class	% of NAV	MV S\$ mil
Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund	100.15	165.59
Other assets	0.60	1.00
Other liabilities	(0.75)	(1.24)
Total	100.00	165.35

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	34,754,174
Redemption	45,173,570

Underlying Sub-fund Disclosure (Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific

C) Equity Fund

I Allocation by Country

	As at 31 Mar 2019†	
Country	% of NAV	MV S\$ mil
China	21.87	315.96
Hong Kong	13.57	196.11
Singapore	11.78	170.11
India	11.19	161.72
South Korea	7.94	114.69
United Kingdom	7.19	103.90
Australia	6.36	91.89
Taiwan	5.48	79.15
Indonesia	5.15	74.37
Others*	9.47	136.75
Total	100.00	1,444.65

*Includes other countries, cash and other payable/receivable.

† Based on audited figures as at 31 Mar 2019 as the audited figures as at 30 Jun 2019 are not available.

II Allocation by Industry	As at 31 Mar 2019†	
	% of NAV	MV S\$ mil
Industry		
Unit Trusts	25.77	371.99
Financials	20.50	296.16
Information Technology	12.00	173.35
Communication Services	9.32	134.65
Materials	8.60	124.26
Real Estate	8.57	123.84
Consumer Discretionary	4.14	59.86
Healthcare	4.05	58.55
Industrials	3.44	49.75
Consumer Staples	1.77	25.55
Energy	0.45	6.55
Others*	1.39	20.14
Total	100.00	1,444.65

*Includes cash and other payable/receivable.

III Allocation of Debt Securities by Credit Ratings	As at 31 Mar 2019†
N.A.	

IV Top Ten Holdings of Underlying Sub-Fund	As at 31 Mar 2019†	
	% of NAV	MV S\$ mil
Aberdeen Standard SICAV I - Indian Equity Fund*	7.72	111.66
Aberdeen Standard Singapore Equity Fund	6.53	94.30
Tencent	5.16	74.50
Aberdeen Standard China Opportunities Fund	5.06	73.11
Samsung Electronics (Preference Shares)	5.01	72.35
Taiwan Semiconductor Manufacturing Company	4.50	64.97
Aberdeen Standard Thailand Equity Fund	3.06	44.17
Ping An Insurance	2.89	41.77
AIA Group	2.81	40.61
China Resources Land	2.74	39.55

Top Ten Holdings of Underlying Sub-Fund	As at 31 Mar 2018&	
	% of NAV	MV S\$ mil
Aberdeen Global - Indian Equity Fund*	7.39	111.16
Aberdeen Singapore Equity Fund	7.30	109.79
Samsung Electronics (Preference Shares)	5.83	87.71
Aberdeen China Opportunities Fund	5.42	81.46
Taiwan Semiconductor Manufacturing Company	4.36	65.55
Tencent	4.02	60.55
AIA Group	3.21	48.34
China Resources Land	3.18	47.76
Aberdeen Thailand Equity Fund	3.17	47.75
Aberdeen Indonesia Equity Fund	3.08	46.28

* The underlying fund is not authorized for public sale in Singapore

V Exposure to Derivatives	As at 31 Mar 2019†
N.A.	

VI Borrowings of Net Asset Value	As at 31 Mar 2019†
N.A.	

& Based on audited figures as at 31 Mar 2018 as the audited figures as at 30 Jun 2018 are not available.

† Based on audited figures as at 31 Mar 2019 as the audited figures as at 30 Jun 2019 are not available.

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Pacific Equity Fund		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.73%	1.71%	1.70%	1.68%
Turnover Ratio	19.70%	16.81%	5.99%	9.97%

*Based on unaudited figures as at 31 Mar 2019 as the expense and turnover ratios of Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund for the financial year ended 30 Jun 2019 are not available.

**Based on unaudited figures as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

Cash balances maintained with HSBC Bank as at 30 June 2019 amounts to S\$104,798.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 175.

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HSBC Insurance Premium Balanced Fund

Fund Objective

HSBC Insurance Premium Balanced Fund seeks to achieve long-term capital growth by investing in a diversified portfolio of securities. Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the DWS Premier Select Trust.

Investment and Market Review [^]

On the basis of the new – "lower for longer" – interest-rate environment, with the Fed and the ECB possibly preparing to cut rates in July, leading equity indices in the US, Australia and Switzerland set some new records. There were also noteworthy developments on the bond markets. Yields on 10-year U.S. Treasuries fell below the 2% mark for the first time since December 2016, while German-bund yields slipped to a never before reached -0.35%. You have to hold government bonds of almost 20-year duration in Germany in order to be rewarded with a positive yield. The regained "dovishness" of the central banks also meant that bonds with a volume of over \$13 trillion now yield negatively worldwide, breaking the old record of June 2016. Among the biggest winners of the bond rally were higher yielding securities such as government bonds from Italy or EM, as well as high-yield bonds from the US or the Eurozone. Among the winners in equities were the more cyclical sectors, such as materials, IT and discretionary consumption. But the "risk-on" euphoria did not appear to please everyone. Gold rallied and surpassed the \$1,400 mark for the first time in six years (DWS Chart of the Week as of 6/26/19). The supposed alternative safe haven, crypto currencies, performed much more strongly. This investment pattern looks rather like a barbell strategy: taking the central-bank gift by indulging in riskier investments and simultaneously getting protection in the form of gold or long-term government bonds from the dangers the central banks cite.

Market Outlook and Investment Strategy [^]

With effect from 3 April 2018, the focus and approach of the DWS Premier Select Trust was revised to allow it to invest into global equity and Singapore fixed income markets; via collective investment schemes (including exchange traded funds) and/or directly in securities, fixed income and money market instruments, deposits and/or other investments. DWS Premier Select Trust's current investment strategy is to invest into 2 ETFs i.e more than 70% of its net asset value into the Xtrackers II Singapore Government Bond UCITS ETF ("SGB-ETF") and less than 30% into the Xtrackers MSCI World UCITS ETF ("MSCI ETF").

By investing into SGB-ETF, the Trust aims track the performance (before fees and expenses) of the underlying reference index (i.e. the FTSE Singapore Government Bond Index) which represents the performance of fixed-rate, local currency sovereign debt issued by the Singapore government.

Similarly, by investing into MSCI-ETF, the Trust aims to track the performance (before fees and expenses) of the underlying reference index (i.e. the MSCI Total Return Net World Index) which was designed to reflect the performance of the shares of certain companies in various developed countries. The companies making up the MSCI Total Return Net World Index are large and medium sized companies based on the combined value of a company's readily available shares as compared to other companies.

Although the intention is to maintain the above asset allocations, we intend to adopt a static allocation of the Trust's investments in each of the underlying ETFs and will re-adjust the investments at least on a semi-annual basis.

[^] Source: DWS Investments Singapore Limited

FUND FACTS

Underlying Fund	DWS Premier Select Trust
Fund Manager	DWS Investments Singapore Limited
Launch Date	02 Jan 2001
CPFIS/SRS*	SRS
CPFIS Risk	N.A
Classification	

As at 30 June 2019

Offer Price	S\$ 1.84394
Bid Price	S\$ 1.75174
Fund Size	S\$ 119.47 mil
Units in Issue	68.20 mil

*Note: With effect from 27 Mar 2017, the Fund has been delisted from CPFIS

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Premium Balanced Fund*	1.47	4.61	4.35	22.50	21.23	61.11	84.39

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Premium Balanced Fund*	7.00	3.93	4.88	3.38

*This fund has no benchmark.

[^]Inception Date: 13 Feb 2001

B) Fund Disclosure

I Allocation by Asset Class

	As at 30 Jun 2019	
Asset Class	% of NAV	MV S\$ mil
DWS Premier Select Trust	100.03	119.50
Other assets	0.06	0.07
Other liabilities	(0.09)	(0.10)
Total	100.00	119.47

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	5,883,387
Redemption	11,092,245

C) Underlying Fund Disclosure (DWS Premier Select Trust)

I Allocation by Country

	As at 30 Jun 2019	
Country	% of NAV	MV S\$ mil
Luxembourg	72.77	124.81
Ireland	27.10	46.49
Other net assets	0.13	0.23
Total	100.00	171.53

II Allocation by Industry

	As at 30 Jun 2019	
Industry	% of NAV	MV S\$ mil
Exchange Traded Funds	99.87	171.30
Other net assets	0.13	0.23
Total	100.00	171.53

III Allocation of Debt Securities by Credit Ratings

	As at 30 Jun 2019
N.A.	

IV Top Ten Holdings of Underlying Fund [^]

	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Xtrackers II Singapore Government Bond UCITS ETF	72.77	124.81
Xtrackers MSCI World UCITS ETF	27.10	46.49

Top Ten Holdings of Underlying Fund [^]

	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Xtrackers II Singapore Government Bond UCITS ETF	74.71	134.98
Xtrackers MSCI World UCITS ETF	24.79	44.79

[^]Less than Ten Holdings in the Underlying Fund.

V Exposure to Derivatives	As at 30 Jun 2019
% of NAV	-
Market value (S\$)	-
Realised Gains / (Losses) (S\$)	(1,037)
Unrealised Gains / (Losses) (S\$)	-

VI Borrowings of Net Asset Value	As at 30 Jun 2019
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Premium Balanced Fund		Underlying Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.07%	2.07%	0.93%	1.43%
Turnover Ratio	5.00%	5.33%	As at 30-Jun-19 0.55%	As at 30-Jun-18 99.08%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of DWS Premier Select Trust for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions
N.A.

III Material Information that will adversely impact the valuation of the ILP sub-fund
N.A.

IV Soft Dollar Commission Arrangement
N.A.

E) Financial Statements
Refer to page 175.

**For more information, please contact your financial consultant,
call our Customer Service Hotline on 6225 6111,
or visit our web site at www.insurance.hsbc.com.sg.**

HSBC Insurance Singapore Bond Fund

Fund Objective

HSBC Insurance Singapore Bond Fund seeks to achieve attractive returns by investing in Single A and above quality investment grade bonds of Singapore and major bond markets such as the G7 countries, Australia, New Zealand, Hong Kong and South Korea. Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the DWS Lion Bond Fund.

Investment and Market Review ^

In contrast to last year when Fed was still on a hiking path and trade war started, 2019 has been featured by dovish stance by central banks including the Fed, ECB and PBOC, reflecting decelerating global growth and persistent disinflation amid trade tensions. Coordinated monetary easing should support Asia, as long as growth concerns do not become full-blown recession fears. A truce was reached during the recent G-20 summit between Trump and Xi to avoid escalating trade tensions and with an agreement to resume trade talks. We will continue to monitor geopolitical risks including Turkey and Iran and potential spill-over on Asia.

During this period, the Singapore Government curve and swap curve shifted down, in line with the UST curve although by a much smaller extent. The current MAS policy settings have sufficient buffer to allow the SGD NEER to trade to the weak side of the band in response to the worsening economic outlook. With trade tensions dragging on and RMB's depreciation, there could be potential downside in SGD and Singapore rates.

Market Outlook and Investment Strategy ^

The Fund outperformed the benchmark in the July 2018-June 2019 period, mainly due to our duration positioning, followed by sector allocation. We continue to prefer quality credit exposure with spreads that are also more resilient during market volatilities. Active management of duration, curve and foreign exchange would be important for performance and risk management in a volatile, uncertain market.

^ Source: DWS Investments Singapore Limited

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception ^A
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Singapore Bond Fund	0.65	1.22	2.41	4.77	8.48	26.43	44.55
Benchmark*	0.48	0.93	1.78	4.25	5.73	7.97	21.55

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception ^A
	(%)	(%)	(%)	(%)
HSBC Insurance Singapore Bond Fund	1.56	1.64	2.37	2.18
Benchmark*	1.40	1.12	0.77	1.15

*6-month Singapore Inter-bank Offer Rate (SIBOR) minus 12.5 basis points

^AInception Date: 04 Jun 2002

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
DWS Lion Bond Fund	99.86	28.72
Other assets	0.21	0.06
Other liabilities	(0.07)	(0.02)
Total	100.00	28.76

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	3,146,097
Redemption	8,377,983

C) Underlying Fund Disclosure (DWS Lion Bond Fund)

I Allocation by Country

Country	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Singapore	40.99	39.27
South Korea	15.97	15.30
Malaysia	14.63	14.02
United States Of America	10.16	9.73
Cayman Islands	5.21	4.99
Switzerland	3.94	3.77
Indonesia	2.66	2.55
Japan	2.58	2.47
France	1.89	1.81
Others*	1.97	1.89
Total	100.00	95.80

*Includes other countries and net assets

II Allocation by Industry

Industry	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Government	31.52	30.20
Real Estate	12.39	11.87
Banks	10.90	10.44
Finance	5.91	5.66
Telecommunications	5.47	5.24
Investment	5.24	5.02
Commercial Services	4.25	4.07
Oil & Gas	4.24	4.06
Airlines	3.15	3.02
City Gas	2.83	2.71
Internet Service	2.83	2.71
Others*	11.27	10.80
Total	100.00	95.80

*Includes other industries and net assets

III Allocation of Debt Securities by Credit Ratings

Rating	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
AAA	1.74	1.67
Aaa	10.68	10.23
AA+	2.09	2.00
AA	9.89	9.47
Aa2	8.90	8.53
A+	4.48	4.29
A1	10.52	10.08
A2	9.23	8.84
A-	1.89	1.81
A3	7.71	7.39
Unrated	32.31	30.95
Accrued interest receivable on quoted bonds	0.86	0.82
Other net assets*	(0.30)	(0.28)
Total	100.00	95.80

*A temporary negative position may be due to unsettled trade activity and/or the use of particular investment policies as allowed by the prospectus

IV Top Ten Holdings of Underlying Fund

	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Government of Singapore 2% 01/02/2024	8.44	8.09
Export-Import Bank of Korea Series EMTN 2.318% 27/09/2022	4.43	4.24
Korea Expressway Corporation Series GMTN FRN 28/10/2019	4.25	4.07
Petronas Global Sukuk Limited 2.707% 18/03/2020	4.24	4.06
Cagamas Global PLC EMTN 2.52% 03/08/2020	3.13	3.00
United States Treasury Note 2.75% 31/08/2023	2.93	2.81
United States Treasury Note 2.125% 31/07/2024	2.87	2.75
United States Treasury Note 2.125% 30/11/2023	2.87	2.75
Exim Sukuk Malaysia Berhad 3.01% 28/01/2021	2.84	2.72
Petronas Capital Limited 5.25% 12/08/2019	2.83	2.71

Top Ten Holdings of Underlying Fund

	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
CCT MTN Pte Limited Series EMTN 2.96% 13/08/2021	4.65	7.25
Sun Hung Kai Properties Capital Market Limited MTN 3.25% 20/05/2021	4.57	7.10
Ascendas Real Estate Investment Trust Series MTN 2.5% 16/05/2019	3.54	5.50
Mizuho Bank Limited EMTN 2.455% 14/11/2019	3.22	5.00
Export-Import Bank of Korea Series EMTN 2.04% 24/07/2018	3.22	5.00
China Construction Bank/Singapore Series EMTN 2.08% 26/10/2020	3.02	4.69
Korea Expressway Corporation Series GMTN 28/10/2019	2.64	4.10
Tencent Holdings Limited 2.875% 11/02/2020	2.62	4.07
Cagamas Global Series EMTN 2.23% 30/07/2018	2.57	4.00
City Developments Limited MTN 3.38% 20/03/2019	1.94	3.02

V Exposure to Derivatives

As at 30 Jun 2019	
% of NAV	0.15%
Market value (S\$)	145,539
Realised Gains / (Losses) (S\$)	(184,440)
Unrealised Gains / (Losses) (S\$)	145,539

VI Borrowings of Net Asset Value

As at 30 Jun 2019	
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Singapore Bond Fund		Underlying Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	0.69%	0.72%	0.65%	0.68%
Turnover Ratio	6.46%	9.33%	As at 30-Jun-19 51.23%	As at 30-Jun-18 49.43%

*Based on unaudited figure at 31 Mar 2019 as the expense ratio of DWS Lion Bond Fund for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

N.A.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 175.

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HSBC Insurance Singapore Equity Fund

Fund Objective

HSBC Insurance Singapore Equity Fund seeks to achieve long-term capital growth primarily through investment in securities of companies listed on the Singapore Exchange Securities Trading Limited. The portfolio will be broadly diversified with no specific industry or sectoral emphasis. Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the Schroder Singapore Trust.

Investment and Market Review [^]

Over the past year to end June 2019, the Fund's underperformance relative to benchmark was driven by underweights in Industrials. The Fund was underweight Singapore Technologies Engineering and Yangzijiang Shipbuilding which did well over the period. Conversely, positive contribution from the underweight in the Consumer Discretionary sector helped cushion the impact, with benchmark constituent Genting Singapore negatively impacted by higher than expected capex of \$4.5bn, a surprise hike in gambling levy for locals entering the casino and a higher casino revenue tax rate from 2022.

Market Outlook and Investment Strategy [^]

What started out as a trade dispute between the US and China has morphed into something much larger. The friction between the two behemoths is mushrooming into a much bigger issue that may have implications for currency markets. China's holdings in USTs have also been declining. At the same time, the burgeoning US fiscal deficit is raising borrowing requirements. In addition, the US is also pursuing trade actions against other trading partners, not just China.

Tariff and non-tariff retaliation actions are causing a sharp deceleration in macro growth. This will disproportionately impact countries with a large trade component of gross domestic product (GDP), such as Singapore. Official GDP forecasts for Singapore have already been revised down to 0% to 1%, reflecting the material slowdown in economic activity. However, different to 2008-2009, key global central banks are now ready to provide liquidity as necessary. The Fed's 25bp policy rate cut on 1 Aug 2019 underscores this point.

The perception is that central banks will continue to "backstop" or help buttress growth by providing ample liquidity and more stimulus. However, earnings uncertainty, valuations driven by extremely low interest rates and generally higher leverage could bring about unexpected consequences for affected companies in the supply chain. Also, tariff and non-tariff barriers may inadvertently "close off" different economic blocs, which may compound the slowdown. At the time of writing (15 Aug 19), downside risks may be higher unless some meaningful economic "rapprochement" materializes. Further deterioration in outlook would impact both earnings as well as the valuation of such earnings streams. A combination of lower earnings growth expectations and lower valuation multiples could be problematic for markets. There remains some hope that the economic divide between the two behemoths can be narrowed, but at the time of writing, this is becoming more remote. Thus, investors should be prepared for an environment that has more divergent outcomes than in past cycles.

[^] Source: Schroder Investment Management (Singapore) Ltd

FUND FACTS

Underlying Fund
Fund Manager

Schroder Singapore Trust
Schroder Investment
Management (Singapore) Ltd
03 August 2015
SRS
N.A.

Launch Date
CPFIS/SRS
CPFIS Risk
Classification

As at 30 June 2019

Offer Price	S\$ 1.33577
Bid Price	S\$ 1.26898
Fund Size	S\$ 21.76 mil
Units in Issue	17.15 mil

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Singapore Equity Fund	5.98	10.87	4.95	29.25	N.A.	N.A.	26.90
Benchmark*	6.83	12.76	7.43	34.93	N.A.	N.A.	27.02

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Singapore Equity Fund	8.93	N.A.	N.A.	6.35
Benchmark*	10.50	N.A.	N.A.	6.37

*MSCI Singapore Free Index

[^]Inception Date: 17 Aug 2015

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Schroder Singapore Trust	100.28	21.82
Other liabilities	(0.28)	(0.06)
Total	100.00	21.76

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	5,118,193
Redemption	6,422,038

C) Underlying Fund Disclosure (Schroder Singapore Trust)

I Allocation by Country

Country	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Singapore	98.82	830.14
Other net assets/(liabilities)	1.18	9.93
Total	100.00	840.07

II Allocation by Industry

Industry	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Finance	47.21	396.62
Real Estate	20.65	173.44
Telecommunications	12.41	104.23
Diversified Operations	7.09	59.53
Industrial And Transportation	4.28	35.99
Agriculture	3.15	26.47
Technology Hardware & Equipment	2.00	16.77
Health Care	0.79	6.63
Consumer	0.77	6.48
Central Bank	0.47	3.98
Other net assets/(liabilities)	1.18	9.93
Total	100.00	840.07

III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2019

N.A.

IV Top Ten Holdings of Underlying Fund

	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
DBS Group Hldg Ltd	16.24	136.46
Oversea-Chinese Banking Corp Ltd	15.99	134.29
United Overseas Bank Ltd	13.08	109.87
Singapore Telecommunications Ltd	10.76	90.38
Keppel Corp Ltd	5.46	45.87
City Developments Ltd	3.31	27.84
SATS Ltd	2.83	23.81
CapitaLand Ltd	2.75	23.08
Frasers Logistics & Industrial Trust	2.47	20.78
CapitaLand Mall Trust	2.30	19.34

Top Ten Holdings of Underlying Fund

	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
DBS Group Hldg Ltd	17.85	143.28
Oversea-Chinese Banking Corp Ltd	15.74	126.43
United Overseas Bank Ltd	13.81	110.94
Singapore Telecommunications Ltd	8.18	65.71
Keppel Corp Ltd	5.65	45.39
CapitaLand Ltd	4.22	33.86
City Developments Ltd	2.86	22.97
Hongkong Land Hldg Ltd	2.62	21.04
Frasers Logistics & Industrial Trust	2.38	19.13
Mapletree Industrial Trust	1.86	14.93

V Exposure to Derivatives

	As at 30 Jun 2019
% of NAV	0.00%*
Market value (S\$)	(1,002)
Realised Gains / (Losses) (S\$)	(4,543)
Unrealised Gains / (Losses) (S\$)	(1,002)

* Less than 0.01%

VI Borrowings of Net Asset Value

	As at 30 Jun 2019
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Singapore Equity Fund		Underlying Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.38%	1.34%	1.35%	1.31%
Turnover Ratio	21.82%	18.77%	7.79%	15.52%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of Schroder Singapore Trust for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

N.A.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

In the management of the Fund, the Manager may accept soft dollar commissions from, or enter into soft dollar arrangements with, stockbrokers who execute trades on behalf of the Fund and the soft dollars received are restricted to the following kinds of services:

- (i) research, analysis or price information;
- (ii) performance measurement;
- (iii) portfolio valuations; and
- (iv) administration services.

The Manager may not receive or enter into soft dollar commissions or arrangements unless (a) such soft dollar commissions or arrangements shall reasonably assist the Manager in their management of the Fund, (b) best execution is carried out for the transactions, and (c) that no unnecessary trades are entered into in order to qualify for such soft dollar commissions or arrangements. The Manager shall not receive goods and services such as travel, accommodation and entertainment.

E) Financial Statements

Refer to page 176.

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HSBC Insurance US Equity Portfolio Fund

Fund Objective

The Fund aims to provide long term total return by investing in a portfolio of US equities.

Invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, carry out the larger part of their business activities in or are listed on a Regulated Market in, the United States of America. The Underlying Sub-Fund may also invest in eligible closed-ended Real Estate Investment Trusts ("REITs").

FUND FACTS

Underlying Sub-Fund

HSBC Global Investment Funds – Economic Scale US Equity Fund.

HSBC Global Asset Management (Singapore) Limited

18 Jan 2016

Launch Date

CPFIS/SRS

SRS

CPFIS Risk

N.A.

Classification

As at 30 June 2019

Offer Price

S\$ 1.56698

Bid Price

S\$ 1.48863

Fund Size

S\$ 9.56 mil

Units in Issue

6.43 mil

Investment and Market Review ^

On a 12-month basis, the fund underperformed its market cap weighed index. While our asset allocation contributed to the performance largely in line with the benchmark, stock selection weighed on performance. On a sector basis, our overweight allocations to Consumer Staples and Consumer Discretionary coupled with an underweight exposure to Communication Services contributed to performance. Conversely, an underweight allocation to IT coupled with our overweight exposures to Materials and Energy weighed on performance. At the stock level, overweighting Walmart Inc. (Consumer Staples, USA) coupled with underweighting Nvidia Corp. (Information Technology, USA) and Alphabet Inc. (Communication Services, USA) contributed to performance. Conversely, underweighting Microsoft Corp. (Information Technology, USA) and Visa Inc. (Information Technology) coupled with overweighting General Electric Co (Industrials) weighed on performance.

Market Outlook and Investment Strategy ^

US economic growth remains robust and continues to outperform other regions. The risk of a US recession remains modest. Positively, the Fed has signalled a more cautious approach to policy normalisation, while corporate fundamentals look reasonable. Risks from US protectionism also need to be considered.

^ Source: HSBC Global Asset Management (HK) Limited

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance US Equity Portfolio Fund	2.72	16.05	2.45	34.39	N.A.	N.A.	48.86
Benchmark*	4.03	18.06	8.90	45.77	N.A.	N.A.	57.42

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance US Equity Portfolio Fund	10.35	N.A.	N.A.	12.53
Benchmark*	13.39	N.A.	N.A.	14.18

*Benchmark Details:

Inception to October 2017 - HSBC Economic Scale US Net

From October 2017 onwards - S&P 500 Net

^Inception Date: 28 Jan 2016

B) Fund Disclosure

I Allocation by Asset Class

	As at 30 Jun 2019	
Asset Class	% of NAV	MV S\$ mil
HSBC Global Investment Funds – Economic Scale US Equity Fund	99.79	9.54
Other assets	0.21	0.02
Total	100.00	9.56

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	3,901,701
Redemption	276,242

C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds – Economic Scale US Equity Fund)

I Allocation by Country

	As at 30 Jun 2019	
Country	% of NAV	MV S\$ mil
United States	98.96	1,315.60
Cash	1.04	13.88
Total	100.00	1,329.48

II Allocation by Industry

	As at 30 Jun 2019	
Industry	% of NAV	MV S\$ mil
Industrials	16.07	213.72
Information Technology	14.40	191.42
Financials	14.18	188.49
Consumer Discretionary	13.57	180.40
Health Care	9.81	130.39
Consumer Staples	9.70	129.00
Communication Services	7.68	102.11
Energy	5.85	77.75
Materials	3.97	52.76
Real Estate	2.22	29.50
Utilities	1.51	20.06
Cash	1.04	13.88
Total	100.00	1,329.48

III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2019

N.A.

IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Walmart Inc	3.18	42.03
Apple Inc	1.66	22.06
General Electric Co	1.58	21.06
AT&T Inc	1.38	18.41
Wells Fargo & Co	1.31	17.38
JP Morgan Chase & Co	1.22	16.20
Bank of America Corp	1.10	14.65
Verizon Communications Inc	1.02	13.62
Exxon Mobil Corp	1.00	13.32
United Parcel Service Inc	0.94	12.52

Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Walmart INC	3.73	45.31
General Electric Co	1.75	21.31
AT&T Inc	1.23	15.03
Wells Fargo & Co	1.21	14.74
Apple Inc	1.18	14.41
JP Morgan Chase & Co	1.09	13.22
Bank of America Corp	1.08	13.17
Exxon Mobil Corp	1.06	12.97
United Parcel Service Inc	0.98	11.96
Hewlett-Packard Co	0.84	10.28

V Exposure to Derivatives

	As at 30 Jun 2019
% of NAV	0.09%
Market value (S\$)	1,232,979
Realised Gains / (Losses) (S\$)	(9,010,579)
Unrealised Gains / (Losses) (S\$)	2,114,031

VI Borrowings of Net Asset Value

	As at 30 Jun 2019
Use of borrowing in % of Fund Total Net Asset	(0.01%)

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance US Equity Portfolio Fund		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	0.79%	0.79%	0.75%	0.75%
Turnover Ratio	5.70%	7.39%	0.22%	25.63%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Global Investment Funds – Economic Scale US Equity Fund for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

HSBC Insurance US Equity Portfolio Fund invests S\$9.54 million, equivalent to 99.79% of its net asset value in HSBC Global Investment Funds – Economic Scale US Equity Fund, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 30 June 2019 amounts to S\$15,182.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 176.

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HSBC Insurance US Opportunities Equity Fund

Fund Objective

HSBC Insurance US Opportunities Equity Fund aims to achieve capital appreciation by investing principally in equity securities of US companies believed to possess sustainable growth characteristics and which meet growth, quality and valuation criteria. Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the Franklin US Opportunities Fund A.

Investment and Market Review ^

FUND FACTS

Underlying Fund	Franklin US Opportunities Fund	
Fund Manager	Templeton Asset Management Ltd.	
Launch Date	18 Jan 2016	
CPFIS/SRS	SRS	
CPFIS Risk Classification	N.A.	
As at 30 June 2019		
Offer Price	S\$	1.76001
Bid Price	S\$	1.67201
Fund Size	S\$	3.90 mil
Units in Issue		2.33 mil

Over the trailing 1-year period ended 30 June 2019, Franklin US Opportunities Fund A (acc) SGD returned 9.36%, outperforming its Morningstar EAA Fund US Flex-Cap Equity peer group average, which returned 3.21%, in SGD terms.

Positive stock selection in health care and industrials contributed most to relative performance. Top contributors in the period included high-conviction allocations to ServiceNow, Mastercard, Veeva Systems and SBA Communications. Relative performance was also aided by positive stock selection within the real estate and IT sectors. Conversely, adverse stock selection in consumer discretionary and consumer staples detracted most from relative performance.

In the longer-term periods (1 and 3-year), Fund positioning in Info Tech – including both positive stock selection and overweight allocation this outperforming sector - has been a first order driver of outperformance. Franklin US Opportunities is distinguished by its high-conviction allocation to Info Tech and tech-adjacent Communications Services (47%), especially relative to the S&P 500 (32%) and EAA Fund US Flex-Cap peer average (31%), which we believe can be to our competitive advantage.

Market Outlook and Investment Strategy ^

Signs continue to point towards moderate growth for the US economy in 2019, in our view. We do not see systemic deterioration in market fundamentals nor broad-based weakness in corporate fundamentals at this time. Furthermore, a strong labor market and rising wages suggest that consumers have purchasing power to drive economic activity. A leading investment theme for us has been “digital transformation” as companies use technology and customer data to remain competitive. As active managers, we consider business fundamentals and not market sentiment. We look beyond short-term volatility and seek to take advantage of market weakness to build on our investment themes.

We believe IT particularly benefits from long-term secular tailwinds for outsized growth, which may not be fully reflected in current valuations. For instance, companies outside of the technology space have realized that, in order to remain competitive in an increasingly digitized landscape, they must embrace digital transformation, such as cloud computing, cybersecurity, and artificial intelligence. We view tech spending and investment as much less discretionary going forward, giving IT earnings a high degree of resiliency.

^ Source: Templeton Asset Management Ltd.

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance US Opportunities Equity Fund	5.32	24.46	8.84	59.34	N.A.	N.A.	67.20
Benchmark*	4.34	20.54	9.86	64.30	N.A.	N.A.	70.78

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance US Opportunities Equity Fund	16.80	N.A.	N.A.	16.21
Benchmark*	18.00	N.A.	N.A.	16.93

*Russell 3000 Growth Index

[^]Inception Date: 28 Jan 2016

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund	99.74	3.89
Other assets	0.77	0.03
Other liabilities	(0.51)	(0.02)
Total	100.00	3.90

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	2,444,429
Redemption	469,626

C) Underlying Fund Disclosure

(Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund)

I Allocation by Country

Country	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
United States	96.74	5,470.95
United Kingdom	1.54	87.14
Netherlands	1.12	63.06
China	0.63	35.38
Cash & Cash Equivalents	(0.03)	(1.72)
Total	100.00	5,654.81

*A temporary negative position may be due to unsettled trade activity and/or the use of particular investment policies as allowed by the prospectus.

II Allocation by Industry		As at 30 Jun 2019	
Industry	% of NAV	MV \$ mil	
Information Technology	39.62	2,240.68	
Health Care	15.27	863.38	
Consumer Discretionary	11.80	667.36	
Industrials	11.59	655.13	
Communication Services	6.98	394.73	
Financials	6.50	367.83	
Real Estate	3.71	209.64	
Consumer Staples	3.23	182.44	
Energy	0.77	43.67	
Materials	0.56	31.67	
Cash & Cash Equivalents*	(0.03)	(1.72)	
Total	100.00	5,654.81	

*A temporary negative position may be due to unsettled trade activity and/or the use of particular investment policies as allowed by the prospectus.

III Allocation of Debt Securities by Credit Ratings	As at 30 Jun 2019
N.A.	

IV Top Ten Holdings of Underlying Fund		As at 30 Jun 2019	
	% of NAV	MV \$ mil	
Amazon.Com Inc	7.57	428.29	
Microsoft Corp	5.46	308.51	
Mastercard Inc	5.24	296.22	
Visa Inc	4.18	236.59	
Servicenow Inc	2.85	160.95	
Alphabet Inc	2.78	157.48	
Sba Communications Corp	2.71	153.07	
Apple Inc	2.40	135.64	
Costar Group Inc	2.32	131.32	
Adobe Inc	2.17	122.83	

Top Ten Holdings of Underlying Fund		As at 30 Jun 2018	
	% of NAV	MV \$ mil	
Amazon.com Inc	7.70	407.58	
Apple Inc	4.90	259.41	
Mastercard Inc	4.89	258.84	
Microsoft Corp	4.01	212.15	
Facebook Inc	3.89	205.73	
Visa Inc	3.72	197.16	
Alphabet Inc	3.44	181.98	
Unitedhealth Group Inc	2.32	122.78	
Costar Group Inc	2.07	109.53	
Servicenow Inc	2.02	107.09	

V Exposure to Derivatives	As at 30 Jun 2019
N.A.	

VI Borrowings of Net Asset Value	As at 30 Jun 2019
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance US Opportunities Equity Fund		Underlying Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.85%	1.85%	1.82%	1.82%
Turnover Ratio	16.11%	8.55%	As at 30-Jun-19 (38.30%)†	As at 30-Jun-18 25.63%†

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

†Turnover ratio calculation is based on Luxembourg GAAP.

II Related-Party Transactions

N.A.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

For the period 1 July 2018 to 30 June 2019, the Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund paid US\$400,800 in commission dollars generated from portfolio transactions to pay for goods or services provided by third parties under a soft dollar arrangement. All goods and services acquired with the soft dollar commission were for the benefit of the unit trust. The broker(s), who has executed trades for other funds managed by the Investment Manager, had executed the trades on best available terms and there was no churning of trades.

E) Financial Statements

Refer to page 176.

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HSBC Insurance World Selection Funds

Fund Facts	HSBC Insurance World Selection 1 Fund	HSBC Insurance World Selection 2 Fund	HSBC Insurance World Selection 3 Fund
Launch Date	01 Apr 2010	05 Nov 2018	01 Apr 2010
Fund Manager	HSBC Global Asset Management (Singapore) Limited		
Underlying Sub-Fund	HSBC Portfolios – World Selection 1	HSBC Portfolios – World Selection 2	HSBC Portfolios – World Selection 3
CPFIS/SRS		SRS	
CPFIS Risk		N.A.	
Classification			
As at 30 June 2019			
Offer Price	S\$ 1.33091	S\$ 1.05432	S\$ 1.46865
Bid Price	S\$ 1.26436	S\$ 1.05432	S\$ 1.39522
Fund Size	S\$ 3.39 mil	S\$ 0.09 mil	S\$ 11.48 mil
Units in Issue	2.68 mil	0.08 mil	8.22 mil

Fund Facts	HSBC Insurance World Selection 4 Fund	HSBC Insurance World Selection 5 Fund
Launch Date	05 Nov 2018	01 Apr 2010
Fund Manager	HSBC Global Asset Management (Singapore) Limited	
Underlying Sub-Fund	HSBC Portfolios – World Selection 4	HSBC Portfolios – World Selection 5
CPFIS/SRS		SRS
CPFIS Risk		N.A.
Classification		

As at 30 June 2019		
Offer Price	S\$ 1.07961	S\$ 1.55158
Bid Price	S\$ 1.07961	S\$ 1.47400
Fund Size	S\$ 0.13 mil	S\$ 21.53 mil
Units in Issue	0.12 mil	14.61 mil

Fund Objectives

HSBC Insurance World Selection 1 Fund seeks to provide capital growth through investment in a broad range of asset classes across global markets, consistent with a low risk investment strategy.

HSBC Insurance World Selection 2 Fund seeks to provide capital growth through investment in a broad range of asset classes across global markets, consistent with a low to medium risk investment strategy.

HSBC Insurance World Selection 3 Fund seeks to provide capital growth through investment in a broad range of asset classes across global markets, consistent with a medium risk investment strategy.

HSBC Insurance World Selection 4 Fund seeks to provide capital growth through investment in a broad range of asset classes across global markets, consistent with a medium to high risk investment strategy.

HSBC Insurance World Selection 5 Fund seeks to provide capital growth through investment in a broad range of asset classes across global markets, consistent with a high risk investment strategy.

Investment and Market Review [^]

Global equity markets moved ahead over the review period, although this masks periods of heightened volatility. After a gradual recovery over the summer, equity markets dropped again in Q4 2018 with US equities suffering particularly sharp falls. The weak equity performance seen in Q4 2018 reflected investor concerns over a slowdown in the pace of global economic expansion, the US-China 'trade-war' and fears that the US central bank may raise interest rates too far.

After a rebound at the beginning of 2019, driven by easing trade tensions and dovish comments by the Fed, which pivoted to an easing rather than tightening policy stance, volatility returned in May on a re-escalation in the trade-war and renewed fears over slowing global growth. However, the prospect of an increased likelihood of US rate cuts to support a slowing US economy, combined with renewed hope for progress in the trade talks between the US and China, led to a strong recovery in June 2019. The MSCI All Country World Index increased by 5.7% in USD terms over the year.

Bond yields have continued to decline in the face of concerns of an economic slowdown and central banks' move to an accommodative stance. The 10-Year UST yield fell from 2.8% to 2.0% over the period, and we continue to view government bonds as expensive and remain underweight. We are also underweight Credit assets which do not offer good value and prospective returns are still not high enough in our view.

Market Outlook and Investment Strategy [^]

Our global Nowcast economic forecasting tool remains below our sense of trend growth, although there has been a modest pick up since the low point in February. Growth remains above trend in the US, but below trend elsewhere.

Chinese activity data have been volatile and have not built on the bounce seen in March/April. However, our leading indicator points to further upside, which would support the global manufacturing cycle. In our view, the global economy remains a long way from a severe recessionary environment. But the flare-up in tensions between the US and China has increased downside risks.

Inflation remains muted even in the US where, despite a tight labour market, unit labour costs have weakened and inflation expectations fallen.

This lack of inflation pressure has allowed the Fed to adopt a more dovish tone amid increased downside risks to growth. Some "insurance" interest rate cuts later this year seem likely.

A number of EM asset classes are relatively attractively-priced and have potential to outperform if key risks do not materialise and we remain overweight both equities and bonds in local currency.

We continue to recommend a pro-risk stance in multi-asset portfolios. In our view, policymakers have the tools and willingness to stabilise the global economy. The market is now pricing in a lower-for-even-longer interest rate scenario but even if this materialises, relative valuations continue to suggest a preference for equities versus bonds.

[^] Source: HSBC Global Asset Management (HK) Limited

A) Fund Performance

I Cumulative Total Returns

	3-Mth (%)	6-Mth (%)	1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception ^A (%)
HSBC Insurance World Selection 1 Fund*	2.36	7.23	6.18	12.14	25.01	N.A.	33.09
HSBC Insurance World Selection 2 Fund*	1.94	8.27	N.A.	N.A.	N.A.	N.A.	5.43
HSBC insurance World Selection 3 Fund*	2.57	10.93	5.34	23.15	30.11	N.A.	46.87
HSBC insurance World Selection 4 Fund*	2.30	7.96	N.A.	N.A.	N.A.	N.A.	7.96
HSBC insurance World Selection 5 Fund*	2.84	13.53	4.16	31.98	32.19	N.A.	55.16

II Average Annual Compounded Returns

	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception ^A (%)
HSBC Insurance World Selection 1 Fund*	3.89	4.56	N.A.	3.18
HSBC Insurance World Selection 2 Fund*	N.A.	N.A.	N.A.	9.73
HSBC Insurance World Selection 3 Fund*	7.19	5.40	N.A.	4.26
HSBC Insurance World Selection 4 Fund*	N.A.	N.A.	N.A.	18.22
HSBC Insurance World Selection 5 Fund*	9.69	5.74	N.A.	4.89

*These Funds do not have a benchmark due to the diverse range of asset classes; some do not have indices that meet the criteria for inclusion in a representative composite benchmark of being both investable and replicable.

^AHSBC Insurance World Selection 1 Fund Inception Date: 12 May 2010

HSBC Insurance World Selection 2 Fund Inception Date: 04 Dec 2018

HSBC Insurance World Selection 3 Fund Inception Date: 15 Apr 2010

HSBC Insurance World Selection 4 Fund Inception Date: 14 Jan 2019

HSBC Insurance World Selection 5 Fund Inception Date: 20 Apr 2010

HSBC Insurance World Selection 1 Fund

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
HSBC Portfolios - World Selection 1	100.00	3.39
Total	100.00	3.39

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	1,141,100
Redemption	625,144

C) Underlying Sub-Fund Disclosure (HSBC Portfolios - World Selection 1)

I Allocation by Country

	As at 30 Jun 2019	
Country	% of NAV	MV S\$ mil
United States	32.29	196.79
Japan	6.98	42.54
Germany	5.68	34.62
United Kingdom	5.49	33.46
France	4.31	26.27
Spain	2.37	14.44
Italy	2.36	14.38
Australia	2.00	12.19
Others*	34.75	211.76
Cash	3.77	22.98
Total	100.00	609.43

*Includes other countries

II Allocation by Industry

	As at 30 Jun 2019	
Industry	% of NAV	MV S\$ mil
Treasuries	41.54	253.16
Industrials	11.04	67.28
Financials	7.71	46.99
ABS	2.22	13.53
Sovereign	2.05	12.49
Consumer Discretionary	1.95	11.88
Health Care	1.95	11.88
Communication Services	1.65	10.06
Others*	26.12	159.18
Cash	3.77	22.98
Total	100.00	609.43

*Includes other industries

III Allocation of Debt Securities by Credit Ratings

	As at 30 Jun 2019	
Rating	% of NAV	MV S\$ mil
AAA	23.75	144.75
AA	8.52	51.92
A	13.77	83.92
BBB	11.39	69.41
BB	3.15	19.20
B	2.78	16.94
CCC	0.40	2.44
Unrated	5.43	33.09
Total	69.19	421.67

IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
HSBC FTSE All World Index Instl Acc	11.94	72.77
HSBC GIF Global Government Bond ZQ1	8.10	49.36
HSBC GIF Global Em Mkts Local Debt ZQ1	6.05	36.87
HSBC GIF Global Asset Backed Bond ZC	4.99	30.41
HSBC US Dollar Liquidity Y	3.94	24.01
HSBC GIF Global Emerging Markets Bond ZQ1	3.51	21.39
HSBC GIF Global Real Estate Eq ZQ1	3.42	20.84
HSBC GIF Multi-Asset Style Factors ZC	3.07	18.71
HSBC GIF Global High Yield Bond ZQ1	3.05	18.59
US Treasury N/B 2.0000 31-Oct-21	2.41	14.69

Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
HSBC Global Government Bond Strategy	24.49	165.41
HSBC FTSE All-World Index	13.65	92.19
HSBC GIF Global Government Bond	13.32	89.96
HSBC Global Corporate Bond Strategy	9.18	62.00
HSBC GIF Global Emerging Market Local Debt	8.71	58.83
HSBC US Dollar Liquidity Y	5.25	35.46
HSBC Global Asset Backed Bond	5.07	34.24
HSBC GIF Global Real Estate Equity	3.64	24.58
HSBC GIF Global High Yield Bond	3.49	23.57
HSBC GIF Global Emerging Markets Bond	3.04	20.53

V Exposure to Derivatives

	As at 30 Jun 2019
% of NAV	1.32%
Market value (S\$)	8,062,503
Realised Gains / (Losses) (S\$)	(29,910,436)
Unrealised Gains / (Losses) (S\$)	1,599,675

VI Borrowings of Net Asset Value

	As at 30 Jun 2019
Use of borrowing in % of Fund Total Net Asset	(2.93%)

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance World Selection 1 Fund		Underlying Sub- Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.75%	1.66%	1.36%	1.28%
			As at 30-Jun-19	As at 30-Jun-18
Turnover Ratio	108.88%	23.88%	0.20%	39.53%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Portfolios - World Selection 1 for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

HSBC Insurance World Selection 1 Fund invests S\$3.39 million, equivalent to 100.00% of its net asset value in HSBC Portfolios - World Selection 1, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 30 June 2019 amounts to S\$8,980.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

The Investment Adviser of the Fund may from time to time receive goods and services which are paid for out of broker commissions provided that they relate to execution and research services which meet the criteria laid down by United Kingdom's Financial Conduct Authority Rules.

E) Financial Statements

Refer to page 177.

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HSBC Insurance World Selection 2 Fund

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
HSBC Portfolios - World Selection 2	100.00	0.09
Total	100.00	0.09

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	85,908
Redemption	-

C) Underlying Sub-Fund Disclosure (HSBC Portfolios - World Selection 2)

I Allocation by Country

Country	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
United States	32.51	257.11
United Kingdom	6.66	52.67
Germany	4.15	32.82
France	3.94	31.16
Japan	3.32	26.26
Netherlands	2.30	18.19
Switzerland	2.00	15.82
China	1.83	14.47
Others*	38.70	306.07
Cash	4.59	36.30
Total	100.00	790.87

*Includes other countries

II Allocation by Industry

Industry	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Industrial	22.04	174.31
Treasuries	15.79	124.88
Financials	12.00	94.90
Consumer Discretionary	3.00	23.73
Health Care	2.96	23.41
Sovereign	2.65	20.96
Communication Services	2.51	19.85
Consumer Staples	2.30	18.19
Others*	32.16	254.34
Cash	4.59	36.30
Total	100.00	790.87

*Includes other industries

III Allocation of Debt Securities by Credit Ratings

	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
AAA	6.34	50.14
AA	4.87	38.52
A	14.43	114.12
BBB	19.90	157.38
BB	3.48	27.52
B	3.21	25.39
CCC	0.43	3.40
Unrated	4.53	35.83
Total	57.19	452.30

IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
HSBC FTSE All World Index Instl Acc	18.32	144.87
HSBC GIF Global Government Bond ZQ1	7.72	61.06
HSBC GIF Global Em Mkts Local Debt ZQ1	6.99	55.28
HSBC GIF Global Asset Backed Bond ZC	5.02	39.70
HSBC GIF Global Real Estate Eq ZQ1	4.90	38.75
HSBC GIF Global Emerg Mkts Bd ZQ1	4.54	35.91
HSBC US Dollar Liquidity Y	3.84	30.37
HSBC GIF Global High Yield Bond ZQ1	3.55	28.08
HSBC Economic Scale Worldwide Equity ETF	2.23	17.64
Vanguard FTSE All World UCITS ETF	2.12	16.77

V Exposure to Derivatives

	As at 30 Jun 2019
% of NAV	1.33%
Market value (S\$)	10,543,350
Realised Gains / (Losses) (S\$)	(40,699,647)
Unrealised Gains / (Losses) (S\$)	3,301,236

VI Borrowings of Net Asset Value

	As at 30 Jun 2019
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios

	HSBC Insurance World Selection 2 Fund	Underlying Sub-Fund
Expense Ratio	As at 30-Jun-19 1.75%	As at 31-Mar-19* 1.37%
Turnover Ratio	378.98%	As at 30-Jun-19 0.18%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Portfolios - World Selection 2 for the financial year ended 30 Jun 2019 is not available.

Related-Party Transactions

HSBC Insurance World Selection 2 Fund invests S\$0.09 million, equivalent to 100.00% of its net asset value in HSBC Portfolios - World Selection 2, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 30 June 2019 amounts to S\$39.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

The Investment Adviser of the Fund may from time to time receive goods and services which are paid for out of broker commissions provided that they relate to execution and research services which meet the criteria laid down by United Kingdom's Financial Conduct Authority Rules.

E) Financial Statements

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HSBC Insurance World Selection 3 Fund

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
HSBC Portfolios - World Selection 3	100.00	11.48
Total	100.00	11.48

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	4,753,015
Redemption	826,610

C) Underlying Sub-Fund Disclosure (HSBC Portfolios - World Selection 3)

I Allocation by Country

Country	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
United States	34.57	417.07
United Kingdom	5.18	62.49
Japan	3.82	46.09
China	3.13	37.76
France	2.84	34.26
Germany	2.37	28.59
Switzerland	1.32	15.93
Brazil	1.20	14.48
Others*	41.38	499.24
Cash	4.19	50.55
Total	100.00	1,206.46

*Includes other countries

II Allocation by Industry

Industry	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Industrial	15.39	185.67
Financial	12.96	156.36
Information technology	7.76	93.62
Treasuries	6.36	76.73
Health Care	5.60	67.56
Consumer discretionary	5.57	67.20
Communication services	4.58	55.26
Consumer staples	4.36	52.60
Others*	33.23	400.91
Cash	4.19	50.55
Total	100.00	1,206.46

*Includes other industries

III Allocation of Debt Securities by Credit Ratings

Rating	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
AAA	2.06	24.85
AA	1.84	22.20
A	5.54	66.84
BBB	9.87	119.08
BB	4.38	52.84
B	4.05	48.86
CCC	0.61	7.36
Unrated	5.21	62.86
Total	33.56	404.89

IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
HSBC FTSE All World Index Instl Acc	16.83	203.05
HSBC American Index Institutional Acc	9.70	117.03
HSBC GIF Global Em Mkts Local Debt ZQ1	7.99	96.40
HSBC GIF Global High Yield Bond ZQ1	5.38	64.91
HSBC GIF Global Emerging Mkts Bd ZQ1	4.99	60.20
HSBC GIF Global Real Estate Eq ZQ1	4.80	57.91
HSBC US Dollar Liquidity Y	4.24	51.15
HSBC Economic Scale Worldwide Equity ETF	4.20	50.67
HSBC European Index Institutional Acc	3.55	42.83
HGIF Global Asset Backed Bond ZC	2.97	35.83

Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
HSBC FTSE All-World Index	19.37	288.49
HSBC American Index	10.40	154.88
HSBC GIF Global Emerging Market Local Debt	8.63	128.52
HSBC Global Corporate Bond Strategy	7.79	116.01
HSBC GIF Global High Yield Bond	5.79	86.23
HSBC GIF Global Real Estate Equity	5.20	77.44
HSBC GIF Global Emerging Markets Bond	4.63	68.95
Vanguard FTSE All-World ETF	4.46	66.42
HSBC ESI Worldwide Equity ETF	3.91	58.23
HSBC European Index	3.33	49.59

V Exposure to Derivatives

	As at 30 Jun 2019
% of NAV	1.08%
Market value (S\$)	12,996,810
Realised Gains / (Losses) (S\$)	(64,574,776)
Unrealised Gains / (Losses) (S\$)	5,552,906

VI Borrowings of Net Asset Value

	As at 30 Jun 2019
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios

	HSBC Insurance World Selection 3 Fund		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.86%	1.73%	1.57%	1.45%
Turnover Ratio	95.64%	16.66%	0.10%	28.23%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Portfolios - World Selection 3 for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

HSBC Insurance World Selection 3 Fund invests S\$11.48 million, equivalent to 100.00% of its net asset value in HSBC Portfolios - World Selection 3, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 30 June 2019 amounts to S\$31,469.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

The Investment Adviser of the Fund may from time to time receive goods and services which are paid for out of broker commissions provided that they relate to execution and research services which meet the criteria laid down by United Kingdom's Financial Conduct Authority Rules.

E) Financial Statements

Refer to page 177.

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HSBC Insurance World Selection 4 Fund

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
HSBC Portfolios - World Selection 4	100.00	0.13
Total	100.00	0.13

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	124,042
Redemption	-

C) Underlying Sub-Fund Disclosure (HSBC Portfolios - World Selection 4)

I Allocation by Country

Country	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
United States	35.39	349.63
Japan	5.73	56.61
China	4.54	44.85
United Kingdom	4.46	44.06
France	2.47	24.40
Germany	2.03	20.06
India	1.97	19.46
Switzerland	1.91	18.87
Others*	37.57	371.17
Cash	3.93	38.83
Total	100.00	987.94

*Includes other countries

II Allocation by Industry

Industry	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Financials	13.29	131.30
Industrials	10.75	106.20
Information Technology	10.72	105.91
Consumer Discretionary	7.89	77.95
Health Care	7.72	76.27
Communication Services	6.49	64.12
Consumer Staples	6.18	61.05
Energy	4.48	44.26
Others*	28.55	282.05
Cash	3.93	38.83
Total	100.00	987.94

*Includes other industries

III Allocation of Debt Securities by Credit Ratings

Rating	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
AAA	(2.37)	(23.43)
AA	0.11	1.09
A	1.26	12.45
BBB	3.48	34.38
BB	2.93	28.95
B	2.15	21.24
CCC	0.29	2.87
Unrated	4.59	45.35
Total	12.44	122.90

Top Ten Holdings of Underlying Sub-Fund	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
HSBC FTSE All World Index Instl Acc	15.25	150.65
HSBC American Index Institutional Acc	15.06	148.78
Vanguard FTSE All World UCITS ETF	10.72	105.91
HSBC GIF Global Em Mkts Local Dbt ZQ1	8.14	80.42
HSBC Economic Scale Worldwide Equity ETF	7.16	70.74
HSBC European Index Institutional Acc	5.00	49.40
HSBC GIF Global Real Estate Eq ZQ1	4.80	47.42
HSBC Multi Factor Worldwide Equity ETF	4.23	41.79
Ishares Core MSCI Em IMI ETF USD Acc	4.20	41.49
Struct GS Cross Asset Trend E USD Acc	3.02	29.84

V Exposure to Derivatives

As at 30 Jun 2019	
% of NAV	1.44%
Market value (S\$)	14,187,665
Realised Gains / (Losses) (S\$)	(75,889,273)
Unrealised Gains / (Losses) (S\$)	8,747,634

VI Borrowings of Net Asset Value

As at 30 Jun 2019	
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance World Selection 4 Fund	Underlying Sub-Fund
	As at 30-Jun-19	As at 31-Mar-19*
Expense Ratio	1.86%	1.53%
Turnover Ratio	236.22%	As at 30-Jun-19 0.09%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Portfolios - World Selection 4 for the financial year ended 30 Jun 2019 is not available.

II Related-Party Transactions

HSBC Insurance World Selection 4 Fund Fund invests S\$0.13 million, equivalent to 100.00% of its net asset value in HSBC Portfolios - World Selection 4, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 30 June 2019 amounts to S\$90.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

The Investment Adviser of the Fund may from time to time receive goods and services which are paid for out of broker commissions provided that they relate to execution and research services which meet the criteria laid down by United Kingdom's Financial Conduct Authority Rules.

E) Financial Statements

Refer to page 178.

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HSBC Insurance World Selection 5 Fund

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
HSBC Portfolios - World Selection 5	100.00	21.53
Total	100.00	21.53

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	S\$
Subscription	5,121,699
Redemption	1,678,638

C) Underlying Sub-Fund Disclosure (HSBC Portfolios - World Selection 5)

I Allocation by Country

Country	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
United States	40.51	177.81
Japan	6.38	28.00
United Kingdom	5.00	21.95
China	4.74	20.81
France	2.74	12.03
Germany	2.27	9.96
Switzerland	2.21	9.70
Australia	1.83	8.03
Others*	33.87	148.67
Cash	0.45	1.98
Total	100.00	438.94

*Includes other countries

II Allocation by Industry

Industry	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
Financials	14.02	61.54
Information Technology	12.16	53.38
Industrial	10.09	44.29
Health Care	8.82	38.71
Consumer Discretionary	8.82	38.71
Communication Services	7.21	31.65
Consumer Staples	6.86	30.11
Energy	4.90	21.51
Materials	4.13	18.13
Others*	22.54	98.93
Cash	0.45	1.98
Total	100.00	438.94

*Includes other industries

III Allocation of Debt Securities by Credit Ratings

Rating	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
AA	0.04	0.17
A	0.56	2.46
BBB	1.60	7.02
BB	1.46	6.41
B	0.99	4.35
CCC	0.13	0.57
Unrated	2.47	10.84
Total	7.25	31.82

IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2019	
	% of NAV	MV S\$ mil
HSBC FTSE All World Index Instl Acc	15.69	68.85
HSBC American Index Instl Acc	14.63	64.22
Ishares Core S&P 500 ETF USD Acc	10.85	47.63
HSBC European Index Institutional Acc	7.57	33.23
HSBC Economic Scale Worldwide Equity ETF	7.31	32.09
Ishares Core MSCI Em Imi ETF USD Acc	6.31	27.70
HSBC GIF Global Real Estate Eq ZQ1	4.92	21.60
HSBC GIF Global Em Mkts Local Dbt ZQ1	4.51	19.80
HSBC Multi Factor Worldwide Equity ETF	4.44	19.49
HSBC Japan Index Instl Acc	4.06	17.82

Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
HSBC FTSE All-World Index	19.02	91.89
HSBC American Index	16.48	79.62
iShares Core S&P 500	8.46	40.87
HSBC ESI Worldwide Equity ETF	7.66	37.01
HSBC European Index	7.55	36.48
iShares Core MSCI Emerging Markets	6.43	31.07
HSBC GIF Global Real Estate Equity	5.01	24.21
Vanguard FTSE All-World ETF	4.90	23.67
HSBC GIF Global Emerging Market Local Debt	4.79	23.14
HSBC Japan Index	4.18	20.20

V Exposure to Derivatives

	As at 30 Jun 2019	
	% of NAV	
Market value (S\$)	1.45%	6,370,621
Realised Gains / (Losses) (S\$)		(32,506,389)
Unrealised Gains / (Losses) (S\$)		4,266,045

VI Borrowings of Net Asset Value

	As at 30 Jun 2019	
Use of borrowing in % of Fund Total Net Asset		(0.04%)

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance World Selection 5 Fund		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.88%	1.79%	1.59%	1.51%
Turnover Ratio	103.08%	12.46%	0.08%	38.23%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Portfolios - World Selection 5 for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

HSBC Insurance World Selection 5 Fund invests S\$21.53 million, equivalent to 100.00% of its net asset value in HSBC Portfolios - World Selection 5, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 30 June 2019 amounts to S\$74,606.

III Material Information that will adversely impact the valuation of the ILP sub-fund
N.A.

IV Soft Dollar Commission Arrangement

The Investment Adviser of the Fund may from time to time receive goods and services which are paid for out of broker commissions provided that they relate to execution and research services which meet the criteria laid down by United Kingdom's Financial Conduct Authority Rules.

E) Financial Statements

Refer to page 178.

**For more information, please contact your financial consultant,
call our Customer Service Hotline on 6225 6111,
or visit our web site at www.insurance.hsbc.com.sg.**

HSBC Insurance Europe Dynamic Equity Fund (USD)

Fund Objective

HSBC Insurance Europe Dynamic Equity (USD) seeks to maximise long-term capital growth by investing primarily in an aggressively managed portfolio of European companies. Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the JPMorgan Funds – Europe Dynamic Fund (USD).

Investment and Market Review [^]

In the 2Q19, European markets hit new highs for the year, ending the quarter in positive territory after a dip in May. Not holding British American Tobacco enhanced relative returns over the quarter. The cigarette and tobacco manufacturing company suffered after one of its key competitors, Philip Morris, received the green light from the FDA for its vaping device, after years of waiting for US clearance. This compounded fears of a faster-than-expected structural decline of tobacco sales in the US, its key market.

Our overweight to Allianz, the German financial services company, also contributed to returns this quarter. The company reported a good set of quarterly results, beating forecasts, driven by lower claims from natural catastrophes and an improved expense ratio.

Our overweight to the Spanish construction company Actividades de Construcción y Servicios detracted from returns during the quarter. The stock sold off following a report released by a research company in Hong Kong, which suggested that a company it had acquired had inflated its accounts.

Our overweight position in Imperial Brands, the British multinational tobacco company, was also negative for relative returns in the 2Q18. Shares fell after the company reported disappointing results in its US next-generation products – a pivotal growth area for the company.

Market Outlook and Investment Strategy [^]

For all the gloomy headlines over trade and the erosion of manufacturing confidence, the news on 2019 earnings in Europe remains encouraging, with modest growth still expected this year and next.

Inflation is clearly not a threat, and the ECB still has tools at its disposal to provide further stimulus to the economy, although such support is likely to rely more on asset purchases than on further cuts to interest rates.

After the strong 1H19 of the year, it would not be a surprise to see markets trading sideways to absorb the recent move, but as long as earnings are forecast to rise and monetary policy to remain accommodative equities are likely to attract asset allocators.

The fund is most overweight to the insurance, consumer durables & apparel and autos & components sectors. It is most underweight to the household goods & personal products, banks and commercial & professional services sectors.

Within the quarter, we moved from neutral to overweight in the consumer durables & apparel sector, driven by the purchase of LVMH. The French multinational luxury goods provider has strong fundamentals and continues to receive earnings upgrades from analysts, while trading at a discount to some key peers.

[^] Source: JPMorgan Asset Management (Singapore) Limited

FUND FACTS

Underlying Sub-Fund	JPMorgan Funds – Europe Dynamic Fund (USD)
Fund Manager	JPMorgan Asset Management (Singapore) Limited.
Launch Date	17 Oct 2016
CPFIS/SRS	Cash
CPFIS Risk Classification	N.A.
As at 30 June 2019	
Offer Price	USD 1.16003
Bid Price	USD 1.16003
Fund Size	USD 1.86 mil
Units in Issue	1.60 mil

A) Fund Performance

I Cumulative Total Returns

	3-Mth (%)	6-Mth (%)	1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception^ (%)
HSBC Insurance Europe Dynamic Equity Fund (USD)	3.26	15.63	(0.52)	N.A.	N.A.	N.A.	16.00
Benchmark*	4.85	17.76	7.33	N.A.	N.A.	N.A.	33.15

II Average Annual Compounded Returns

	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception^ (%)
HSBC Insurance Europe Dynamic Equity Fund (USD)	N.A.	N.A.	N.A.	5.80
Benchmark*	N.A.	N.A.	N.A.	11.49

*MSCI Europe Index (Total Return Net) Hedged to USD

^Inception Date: 11 Nov 2016

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV USD mil
JPMorgan Funds – Europe Dynamic Fund (USD)	100.00	1.86
Total	100.00	1.86

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	USD
Subscription	1,336,792
Redemption	209,581

C) Underlying Fund Disclosure (JPMorgan Funds – Europe Dynamic Fund (USD))

I Allocation by Country

Country	As at 30 Jun 2019	
	% of NAV	MV USD mil
Switzerland	20.10	190.35
France	19.00	179.93
United Kingdom	17.30	163.83
Germany	12.40	117.43
Netherlands	7.50	71.02
Italy	5.50	52.08
Spain	4.90	46.40
Sweden	3.50	33.14
Others*	6.90	65.36
Net Liquidity	2.90	27.46
Total	100.00	947.00

*Includes other countries

II Allocation by Industry

Industry	As at 30 Jun 2019	
	% of NAV	MV USD mil
Financials	16.70	158.15
Consumer Discretionary	14.00	132.58
Health Care	13.00	123.11
Industrials	11.60	109.85
Consumer Staples	11.00	104.17
Materials	8.00	75.76
Energy	8.00	75.76
Others*	14.80	140.16
Net Liquidity	2.90	27.46
Total	100.00	947.00

*Includes other industries

III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2019

N.A.

IV Top Ten Holdings of Underlying Sub-Fund

As at 30 Jun 2019

	% of NAV	MV USD mil
Nestle	5.38	50.95
Roche	4.77	45.17
Novartis	4.56	43.18
Allianz	3.35	31.72
Total SA	2.92	27.65
Kering	2.87	27.18
GlaxoSmithKline	2.79	26.42
Zurich Insurance	2.76	26.14
Enel	2.72	25.76
Rio Tinto	2.57	24.34

Top Ten Holdings of Underlying Sub-Fund

As at 30 Jun 2018

	% of NAV	MV USD mil
Novartis	3.53	63.68
Repsol	2.42	43.66
Allianz	2.22	40.05
Tesco	2.15	38.79
Capgemini	2.10	37.89
BASF	2.07	37.35
Vinci	2.05	36.99
LVMH	2.00	36.08
Novo Nordisk	1.96	35.36
Logitech International	1.84	33.20

V Exposure to Derivatives

As at 31 Dec 2018*

% of NAV	(0.12%)
Market value (USD)	(1,084,884)
Realised Gains / (Losses) (USD)	-
Unrealised Gains / (Losses) (USD)	(1,084,884)

*Based on unaudited figures as at 31 Dec 2018 as the audited figures as at 30 Jun 2019 are not available.

VI Borrowings of Net Asset Value

As at 30 Jun 2019

N.A.

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Europe Dynamic Equity Fund (USD)		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Dec-18*	As at 31-Mar-18**
Expense Ratio	1.75%	1.84%	1.72%	1.80%
			As at 30-Jun-19	As at 30-Jun-18
Turnover Ratio	17.03%	199.39%	116.94%	141.31%

*Based on unaudited figure as at 31 Dec 2018 as the expense ratio of JPMorgan Funds - Europe Dynamic Fund (USD) for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

N.A.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement
N.A.

E) Financial Statements
Refer to page 179.

**For more information, please contact your financial consultant,
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or visit our web site at www.insurance.hsbc.com.sg.**

HSBC Insurance Global Emerging Markets Bond Fund (USD)

Fund Objective

HSBC Insurance Global Emerging Markets Bond Fund (USD) invests for total return primarily in a diversified portfolio of Investment Grade and Non-Investment Grade rated fixed income (e.g. bonds) and other similar securities either issued by companies which have their registered office in emerging markets around the world, primarily denominated in USD, or which are issued or guaranteed by governments, government agencies and supranational bodies of emerging markets. Fund investments are made by way of a feeder fund, which invests substantially all, or all its assets in the HSBC Global Investment Funds – Global Emerging Markets Bond (USD).

FUND FACTS

Underlying Sub-Fund	HSBC Global Investment Funds – Global Emerging Markets Bond (USD)		
Fund Manager	HSBC Global Asset Management (Singapore) Limited		
Launch Date	17 Oct 2016		
CPFIS/SRS	Cash		
CPFIS Risk	N.A.		
Classification			
As at 30 June 2019			
Offer Price	USD	1.10612	
Bid Price	USD	1.10612	
Fund Size	USD	1.19	mil
Units in Issue		1.08	mil

Investment and Market Review ^

EMD posted very strong performance in the 1H19, up 10.60% after seeing minimal gains in the 2H18, finishing up 11.32% for the 1-year period. In the 2H18, Turkey and Argentina trumped market headlines as geopolitical tension between the US and Turkey marked a high point, and Argentina prompted IMF support after a currency crisis causing the central bank to raise rates to 60%. Due to these escalations, Turkey and Argentina erased many of the gains seen in the 3Q18. In the 4Q18 concerns over a slowdown in global growth send treasury yields plummeting. Therefore, the underweights to high grade, lower beta countries with greater sensitivity to USTs, i.e. China, South Korea, the Philippines, Hungary and Poland, were among the largest detractors of relative performance.

In the 1H19, Argentina continued its woes as the overweight, particularly in April, hurt performance as fears of the Ex-President Cristina Fernandez de Kirchner could win the Presidential election in October 2019. This caused a spike in 5-year Argentina CDS of 420 bps over the month. Argentina recovered in May and was a top performer in June, but overall the overweight detracted in Q2. The strategy's elevated risk position underweight to the high yield sector hurt relative performance in May given the overall risk aversion, however was a large contributor in June as market sentiment and asset class flows returned. In terms of positive contributors, the overweight to Romania helped performance as the country benefitted from a moderation of bank tax plans as well as security selection in the long-end of the yield curve which outperformed.

Market Outlook and Investment Strategy ^

We have maintained an overweight risk position given our medium-term positive outlook for EMD. We started the period underweight to hard currency duration of -0.32 years verse the benchmark, but since moved to an overweight position of +0.15 years. From a spread duration standpoint, we moved from an overweight of +0.39 years relative to the benchmark to an underweight of -0.07 years. During this time, spreads have compressed slightly over the year, while duration has picked up, in part of a global slowdown. We continue to show our positive outlook by our overweight positions Turkey, Argentina and Romania versus underweights to more expensive low yielding names like China and the Philippines. We believe the current macro environment is supportive for EMD assets in 2019 and beyond. The asset class should provide investors with an attractive risk premium over its DM counterparts. 2018's "re-pricing" of EMD, which led to cheaper valuations, continues to provide an attractive entry point for investors and the yield differential between EM and DM fixed income remains compelling. Even amid moderating global growth and growing concerns over trade wars, we believe a more dovish FED along within stimulus measures in China should support risk assets including EMD. Volatility will continue to present challenges to this generally favorable environment especially with regards to the resolution of trade tensions. Idiosyncratic factors such as elections in Argentina will need to be closely monitored as well as continued geopolitical tensions in the Middle East.

^ Source: HSBC Global Asset Management (HK) Limited

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Global Emerging Markets Bond Fund (USD)	3.44	10.55	9.35	N.A.	N.A.	N.A.	10.61
Benchmark*	3.76	10.60	11.32	N.A.	N.A.	N.A.	16.95

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance Global Emerging Markets Bond Fund (USD)	N.A.	N.A.	N.A.	3.95
Benchmark*	N.A.	N.A.	N.A.	6.19

*JP Morgan EMBI Global

^Inception Date: 21 Nov 2016

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV USD mil
HSBC Global Investment Funds – Global Emerging Markets Bond (USD)	100.00	1.19
Total	100.00	1.19

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	USD
Subscription	545,901
Redemption	-

C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds – Global Emerging Markets Bond (USD))

I Allocation by Country

Country	As at 30 Jun 2019	
	% of NAV	MV USD mil
Mexico	11.98	450.89
United States	11.94	449.34
Indonesia	8.42	316.76
Argentina	7.59	285.69
Turkey	7.41	279.04
China	5.96	224.49
Saudi Arabia	4.67	175.73
Russia	4.05	152.47
Sri Lanka	3.29	123.90
Others*	34.69	1,305.64
Total	100.00	3,763.95

*Includes other countries

II Allocation by Industry

Industry	As at 30 Jun 2019	
	% of NAV	MV USD mil
Government	58.37	2,196.90
Energy	18.47	695.23
Basic Materials	5.53	208.31
Utilities	3.91	147.12
Financial	2.43	91.49
Consumer Cyclical	1.41	52.93
Communications	0.76	28.51
Industrial	0.71	26.60
Consumer Non cyclical	0.51	19.24
Cash & Cash Offset	7.90	297.62
Total	100.00	3,763.95

III Allocation of Debt Securities by Credit Ratings

	As at 30 Jun 2019	
	% of NAV	MV USD mil
AAA	3.44	129.22
AA	2.28	85.84
A	11.45	430.89
BBB	34.48	1,297.71
BB	7.01	264.00
B	33.86	1,274.66
CCC	0.77	28.92
D	0.79	29.66
Unrated*	(1.98)	(74.57)
Cash & Cash Offset	7.90	297.62
Total	100.00	3,763.95

*A temporary negative position may be due to unsettled trade activity and/or the use of particular investment policies as allowed by the prospectus.

IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2019	
	% of NAV	MV USD mil
United Mexican 4.500 22/04/29	2.55	96.06
Argentina 6.875 26/01/27	1.90	71.48
Argentina 5.875 11/01/28	1.68	63.10
Saudi Int Bond 5.000 17/04/49	1.56	58.67
Southern Copper 5.875 23/04/45	1.32	49.79
Saudi Int Bond 5.250 16/01/50	1.21	45.53
Indonesia (Rep) 5.250 17/01/42	1.16	43.69
Oman Intrnl Bond 6.750 17/01/48	1.06	40.04
Qatar State Of 4.817 14/03/49	1.06	39.76
Kazmunaygas Nat 6.375 24/10/48	1.05	39.63

Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2018	
	% of NAV	MV USD mil
Argentina (Republic of) 5.875 01/11/2028	2.47	92.19
Turkey (Republic of) 4.875 10/09/2026	1.80	67.03
Dominican Republic 6.875 01/29/2026	1.37	51.19
Ecuador (Republic of) 7.875 01/23/2028	1.35	50.44
Argentina (Republic of) 6.875 01/26/2027	1.35	50.25
Petroleos Mexicanos 4.500 01/23/2026	1.33	49.56
Argentina (Republic of) 7.625 04/22/2046	1.28	47.82
United Mex States-Global 6.050 01/11/2040	1.18	43.87
Republic of Indonesia 5.250 01/17/2042	1.12	41.70
Pemex Proj Fdg Master TR-Globa 6.625 06/15/2035	1.12	41.69

V Exposure to Derivatives

	As at 30 Jun 2019
% of NAV	0.21%
Market value (USD)	7,896,051
Realised Gains / (Losses) (USD)	(204,492,915)
Unrealised Gains / (Losses) (USD)	19,768,004

VI Borrowings of Net Asset Value

	As at 30 Jun 2019
N.A.	

D) Other Disclosure Items

I) Expense/Turnover Ratios	HSBC Insurance Global Emerging Markets Bond Fund (USD)		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.64%	1.64%	1.60%	1.60%
Turnover Ratio	63.41%	2.77%	1.18%	70.92%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Global Investment Funds – Global Emerging Markets Bond (USD) for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

HSBC Insurance Global Emerging Market Bond Fund (USD) invests USD 1.19 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Funds – Global Emerging Markets Bond (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 30 June 2019 amounts to USD 5,363.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 179.

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HSBC Insurance Global Emerging Markets Equity Fund (USD)

Fund Objective

HSBC Insurance Global Emerging Markets Equity Fund (USD) seeks to provide long-term capital growth by investing primarily in emerging market companies. Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the JPMorgan Funds – Emerging Markets Equity (USD).

Investment and Market Review ^

EM saw significant intra-quarter volatility as markets veered between the uncertainty of rising trade

tensions and support from central banks, which are increasingly ready to ease given signs of a global growth slowdown. Both stock selection and country allocation contributed to returns.

Performance was led by stock selection in financials, where pan-Asian insurer AIA Group was a top performer, benefiting from a focus on agent productivity and margins, which has delivered improvements in both areas in recent months. Additional contributors from the sector included Sberbank and Housing Development Finance Corp., from Russia and India respectively.

Our exposure to MercadoLibre (MELI), which is based in Argentina and is Latin America's leading e-commerce company, was a top contributor in the quarter. MELI reported first-quarter 2019 earnings of 13 cents per share, significantly exceeding market expectations. Revenues increased over 16% when compared with a year ago, driven by strong performance of MercadoPago, which processed a record 5.6 billion USD in payments.

Underweight exposure in Thailand and Russia due to stock selection detracted from returns. Additionally, despite strong stock selection in financials, IndusInd Bank in India was a leading detractor. The stock was weighed down after concerns about non-banking finance companies (NBFC), given recent defaults, put pressure on the banking sector. While we do not view the recent issues as systemic, we will follow the situation closely for additional developments. The potential silver lining is that the consolidation recent events will cause in the NBFC sector will likely drive assets towards better managed, safer names in the banking sector.

Market Outlook and Investment Strategy ^

The G20 summit provided short-term relief in US-China tariff escalation, boosting market sentiment. However, global trade uncertainty is a persistent headwind to business activity and consumer confidence.

The most important risks in the short-term remain slowing global growth, trade tensions and a stubbornly-strong USD. We continue to see limited upside for the dollar, based on potential interest rate cuts from the Fed and a retreat of exceptional US growth.

The fund uses our comprehensive research platform to identify high quality businesses that compound earnings sustainably over long periods, resulting in a long-term, high conviction portfolio with a quality and growth bias.

We look for opportunities in EM equities with strong earnings growth. Current valuations of 1.6x book value are at the lower end of the historic range and market expectations for earnings growth are low, with early signs of improvement.

^ Source: JPMorgan Asset Management (Singapore) Limited

FUND FACTS

Underlying Sub-Fund	JPMorgan Funds – Emerging Markets Equity Fund (USD)
Fund Manager	JPMorgan Asset Management (Singapore) Limited.
Launch Date	17 Oct 2016
CPFIS/SRS	Cash
CPFIS Risk Classification	N.A.
As at 30 June 2019	
Offer Price	USD 1.43126
Bid Price	USD 1.43126
Fund Size	USD 3.20 mil
Units in Issue	2.24 mil

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Global Emerging Markets Equity Fund (USD)	4.44	20.38	8.93	N.A.	N.A.	N.A.	43.13
Benchmark*	0.61	10.58	1.21	N.A.	N.A.	N.A.	33.72

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Global Emerging Markets Equity Fund (USD)	N.A.	N.A.	N.A.	14.64
Benchmark*	N.A.	N.A.	N.A.	11.71

*MSCI Emerging Markets Index (Total Return Net)

[^]Inception Date: 14 Nov 2016

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV USD mil
JPMorgan Funds - Emerging Markets Equity Fund (USD)	100.00	3.20
Total	100.00	3.20

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	USD
Subscription	1,797,527
Redemption	39,090

C) Underlying Fund Disclosure (JPMorgan Funds – Emerging Markets Equity Fund (USD))

I Allocation by Country

Country	As at 30 Jun 2019	
	% of NAV	MV USD mil
China	37.80	2,928.75
India	18.60	1,441.13
Brazil	7.80	604.35
Taiwan	6.10	472.63
South Korea	4.90	379.65
South Africa	4.10	317.67
Russia	3.30	255.68
Mexico	3.10	240.19
Others*	12.00	929.77
Net Liquidity	2.30	178.20
Total	100.00	7,748.02

*Includes other countries

II Allocation by Industry

Industry	As at 30 Jun 2019	
	% of NAV	MV USD mil
Financials	39.70	3,075.96
Consumer Discretionary	18.80	1,456.63
Information Technology	12.60	976.25
Consumer Staples	11.00	852.28
Communication Services	6.60	511.37
Industrials	5.20	402.90
Materials	1.80	139.46
Energy	0.70	54.24
Health Care	0.70	54.24
Utilities	0.60	46.49
Net Liquidity	2.30	178.20
Total	100.00	7,748.02

III Allocation of Debt Securities by Credit Ratings **As at 30 Jun 2019**
N.A.

IV Top Ten Holdings of Underlying Sub-Fund	As at 30 Jun 2019	
	% of NAV	MV USD mil
AIA Group Limited	5.80	451.03
Tencent Holdings Ltd.	5.50	425.77
Alibaba Group Holding Ltd. Sponsored ADR	5.04	390.39
Ping An Insurance (Group) Company of China, Ltd. Class H	4.88	377.82
Housing Development Finance Corporation Limited	4.76	368.53
HDFC Bank Limited Sponsored ADR	3.32	256.93
Taiwan Semiconductor Manufacturing Co., Ltd.	3.13	242.69
Sberbank Russia OJSC	3.12	241.46
Samsung Electronics Co., Ltd.	3.02	233.96
MercadoLibre, Inc.	2.28	176.73

IV Top Ten Holdings of Underlying Sub-Fund	As at 30 Jun 2018	
	% of NAV	MV USD mil
Tencent Holdings Ltd.	6.90	473.12
Alibaba Group Holding Ltd. Sponsored ADR	5.54	379.86
AIA Group Limited	5.18	355.18
Samsung Electronics Co., Ltd.	4.89	335.30
Housing Development Finance Corporation Limited	4.71	322.95
HDFC Bank Limited Sponsored ADR	4.49	307.87
Ping An Insurance (Group) Company of China, Ltd. Class H	4.25	291.41
Taiwan Semiconductor Manufacturing Co., Ltd.	4.14	283.87
Sberbank Russia OJSC	3.41	233.82
JD.com	2.40	164.56

V Exposure to Derivatives	As at 31 Dec 2018*
% of NAV	(0.02%)
Market value (USD)	(1,300,489)
Realised Gains / (Losses) (USD)	-
Unrealised Gains / (Losses) (USD)	(1,300,489)

*Based on unaudited figures as at 31 Dec 2018 as the audited figures as at 30 Jun 2019 are not available.

VI Borrowings of Net Asset Value **As at 30 Jun 2019**
N.A.

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Global Emerging Markets Equity Fund (USD)		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Dec-18*	As at 31-Mar-18**
Expense Ratio	1.77%	1.84%	1.73%	1.80%
Turnover Ratio	6.62%	3.49%	15.49%	21.29%

*Based on unaudited figure as at 31 Dec 2018 as the expense ratio of JPMorgan Funds - Emerging Markets Equity Fund (USD) for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions
N.A.

III Material Information that will adversely impact the valuation of the ILP sub-fund
N.A.

IV Soft Dollar Commission Arrangement
N.A.

E) Financial Statements
Refer to page 179.

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HSBC Insurance Global Equity Portfolio Fund (USD)

Fund Objective

The Fund aims to provide long term total return by investing in a portfolio of developed market equities.

Invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, carry out the larger part of their business activities in or are listed on a Regulated Market in, developed markets such as OECD countries. The Underlying Sub-Fund may also invest in eligible closed-ended Real Estate Investment Trusts ("REITs").

FUND FACTS

Underlying Sub-Fund	HSBC Global Investment Funds – Economic Scale Global Equity Fund (USD)		
Fund Manager	HSBC Global Asset Management (Singapore) Limited		
Launch Date	17 Oct 2016		
CPFIS/SRS	Cash		
CPFIS Risk	N.A.		
Classification			
As at 30 June 2019			
Offer Price	USD	1.26260	
Bid Price	USD	1.26260	
Fund Size	USD	2.92	mil
Units in Issue		2.31	mil

Investment and Market Review ^

On a 12-month basis, the fund underperformed its market cap weighed index. While our asset allocation contributed to the performance largely in line with the benchmark, stock selection weighed on performance. On a sector basis, our overweight allocations to Consumer Staples and Utilities coupled with an underweight exposure to Energy contributed to performance. Conversely, our underweight allocations to IT and Health Care coupled with an overweight exposure to Materials weighed on performance. On a country basis, our overweight allocations to Sweden and Singapore coupled with an underweight exposure to Canada contributed to performance. Conversely, an underweight allocation to USA coupled with our overweight exposures to Japan, Germany and UK weighed on performance. At the stock level, overweighting Walmart Inc. (Consumer Staples, USA) coupled with underweighting Nvidia Corp. (Information Technology, USA) and Alphabet Inc. (Communication Services, USA) contributed to performance. Conversely, underweighting Microsoft Corp. (Information Technology, USA), Amazon.com Inc. (Consumer Discretionary, USA) and Cisco Systems Inc. (Information Technology, USA) weighed on performance.

Market Outlook and Investment Strategy ^

We believe global equities still offer attractive rewards despite the risks to the growth outlook, while corporate fundamentals remain solid. Overall, support from still-loose monetary policy and fiscal policy (if needed) will, in the medium and longer term, likely outweigh any headwinds from more modest Chinese growth, monetary policy normalisation in DM economies, and political uncertainty in many regions. Episodic volatility may be triggered by concerns surrounding global trade protectionism, Chinese growth, and/or a potentially more rapid than expected Fed, ECB or BOJ normalisation of policy, coupled with political risks.

^ Source: HSBC Global Asset Management (HK) Limited

A) Fund Performance

I Cumulative Total Returns

	3-Mth (%)	6-Mth (%)	1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception^ (%)
HSBC Insurance Global Equity Portfolio Fund (USD)	3.01	14.08	1.19	N.A.	N.A.	N.A.	26.26
Benchmark*	4.00	17.81	6.33	N.A.	N.A.	N.A.	38.95

II Average Annual Compounded Returns

	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception^ (%)
HSBC Insurance Global Equity Portfolio Fund (USD)	N.A.	N.A.	N.A.	9.18
Benchmark*	N.A.	N.A.	N.A.	13.19

*Benchmark Details:

Inception to October 2017 - HSBC Economic Scale Index World

From October 2017 onwards - MSCI World Net

^Inception Date: 03 Nov 2016

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019 % of NAV	MV USD mil
HSBC Global Investment Funds - Economic Scale Global Equity Fund (USD)	100.00	2.92
Total	100.00	2.92

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	USD
Subscription	1,662,923
Redemption	136,883

C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds - Economic Scale Global Equity Fund(USD))

I Allocation by Country

Country	As at 30 Jun 2019 % of NAV	MV USD mil
United States	45.92	67.48
Japan	11.15	16.38
France	7.19	10.56
United Kingdom	7.08	10.41
Germany	6.28	9.23
Canada	3.44	5.06
Switzerland	2.33	3.43
Spain	2.15	3.16
Others*	12.21	17.93
Cash	2.25	3.31
Total	100.00	146.95

*Includes other countries

II Allocation by Industry

Industry	As at 30 Jun 2019	
	% of NAV	MV USD mil
Financials	16.49	24.23
Industrials	16.06	23.60
Consumer Discretionary	12.60	18.52
Consumer Staples	9.60	14.11
Information Technology	9.39	13.80
Communication Services	8.64	12.69
Health Care	7.97	11.71
Energy	5.96	8.76
Materials	5.80	8.53
Utilities	3.74	5.49
Real Estate	1.50	2.20
Cash	2.25	3.31
Total	100.00	146.95

III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2019

N.A.

IV Top Ten Holdings of Underlying Sub- Fund

	As at 30 Jun 2019	
	% of NAV	MV USD mil
Walmart Inc	1.79	2.63
Apple Inc	0.94	1.38
General Electric Co	0.89	1.31
AT&T Inc	0.78	1.15
Wells Fargo & Co	0.74	1.09
Royal Dutch Shell PLC	0.70	1.03
JP Morgan Chase & Co	0.69	1.01
Volkswagen AG	0.69	1.01
Bank of America Corp	0.63	0.92
Nippon Telegraph & Tel Corp	0.61	0.90

Top Ten Holdings of Underlying Sub- Fund

	As at 30 Jun 2018	
	% of NAV	MV USD mil
Walmart Inc	1.76	3.10
General Electric Co	0.96	1.69
Royal Dutch Shell PLC	0.82	1.44
Wells Fargo & Co	0.81	1.41
Apple Inc	0.78	1.38
AT&T Inc	0.73	1.29
JP Morgan Chase & Co	0.69	1.22
Exxon Mobil Corp	0.63	1.10
Volkswagen AG	0.63	1.10
Nippon Telegraph & Tel Corp	0.59	1.04

V Exposure to Derivatives

	As at 30 Jun 2019	
	% of NAV	
Market value (USD)	0.12%	179,706
Realised Gains / (Losses) (USD)		235,831
Unrealised Gains / (Losses) (USD)		61,526

VI Borrowings of Net Asset Value

	As at 30 Jun 2019	
Use of borrowing in % of Fund Total Net Asset		(0.01%)

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Global Equity Portfolio Fund (USD)		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	0.99%	0.99%	0.95%	0.95%
Turnover Ratio	17.40%	5.10%	As at 30-Jun-19 0.31%	As at 30-Jun-18 37.05%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Global Investment Funds - Economic Scale Global Equity Fund (USD) for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

HSBC Insurance Global Equity Portfolio Fund (USD) invests USD2.92 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Funds - Economic Scale Global Equity Fund (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 30 June 2019 amounts to USD 6,023.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 180.

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HSBC Insurance Global Equity Volatility Focused Fund (USD)

Fund Objective

HSBC Insurance Global Equity Volatility Focused Fund (USD) aims to provide long term total return by investing in a portfolio of equities worldwide. The Fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies domiciled or operating in both developed markets, such as OECD countries, and Emerging Markets. It may also invest in eligible closed-ended Real Estate Investment Trusts ("REITs"). Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the HSBC Global Investment – Global Equity Volatility Focused (USD).

FUND FACTS

Underlying Sub-Fund	HSBC Global Investment Funds – Global Equity Volatility Focused Fund (USD)		
Fund Manager	HSBC Global Asset Management (Singapore) Limited		
Launch Date	17 Oct 2016		
CPFIS/SRS	Cash		
CPFIS Risk	N.A.		
Classification			
As at 30 June 2019			
Offer Price	USD	1.21359	
Bid Price	USD	1.21359	
Fund Size	USD	0.12	mil
Units in Issue		0.10	mil

Investment and Market Review [^]

Global Equities finished the year in positive territory despite seeing a sharp sell-off at the end of 2018. Losses were quickly eroded in 2019 as optimism over Sino-US trade relations and a more dovish stance by the Fed drove markets higher. The fund performed well over the period, outperforming the index with a lower volatility. Contributors to relative performance included IQVIA, which enjoyed a solid year that started with positive guidance at the end of 2018, followed by strong earnings that were driven by its 2017 investments, as the merger integration and repositioned strategy propelled its margin and growth profile upwards. Additionally, Cisco Systems had a stellar start to year after reporting better-than-expected earnings that were driven by the company's transition to a higher profitable model.

Detractors from performance included BAE Systems, which fell after stating that German limits on exports to Saudi Arabia could hinder its ability to do business with the country, jeopardising multiple contracts. Furthermore, Phillips 66 fell at the end of 2018 as oil prices tumbled. Positions initiated during the period include Advanced Info Services, BHP Group, Cyberagent, Pepsico and Rentokil Initial. Positions exited included Bank Mandiri Persero, China Mobile, Novo Nordisk, Oracle Corp and Trend Micro. Sector and country allocation effects are residual to the stock selection process. Sector allocation was positive and driven mostly by an underweight exposure to Communication Services and overweight exposure to IT. Country allocation was negative given an overweight exposure to Japan and underweight exposure to the USA.

Market Outlook and Investment Strategy [^]

Our measure of the global equity risk premium (excess return over cash) is still reasonable given other opportunities. We believe global equities still offer attractive rewards despite the risks to the growth outlook, while corporate fundamentals remain solid. Subdued corporate earnings expectations imply a relatively low bar for an upward surprise. Overall, policy support can help offset headwinds from more modest global growth, trade tensions and political uncertainty in many regions. However, investors must be aware of potential risks. Episodic volatility may be triggered by concerns surrounding global economic growth, trade tensions, and political risks. A further significant deterioration of the global economic outlook could also dampen our view. However, we remain of the view that we are facing a "cyclical slowdown", not a more severe recessionary environment. Finally, rising wage growth in many developed economies may undermine corporate profits.

Your equity portfolio aims to deliver diversified global equity exposure with lower volatility. Lower volatility can offer a smoother performance pattern that can help investors stay invested and capture long-term returns. The portfolio aims to invest in companies with an attractive combination of profitability and valuation. These quality companies typically have sustainable business models, strong balance sheets and good management. These stocks are combined with an aim to deliver a portfolio with lower volatility.

[^] Source: HSBC Global Asset Management (HK) Limited

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Global Equity Volatility Focused Fund (USD)	3.12	15.53	4.95	N.A.	N.A.	N.A.	21.36
Benchmark*	3.61	17.00	5.74	N.A.	N.A.	N.A.	28.87

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Global Equity Volatility Focused Fund (USD)	N.A.	N.A.	N.A.	8.10
Benchmark*	N.A.	N.A.	N.A.	10.75

*MSCI AC World Net

[^]Inception Date: 04 Jan 2017

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV USD mil
HSBC Global Investment Funds – Global Equity Volatility Focused (USD)	100.00	0.12
Total	100.00	0.12

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)
USD

Subscription	91,512
Redemption	-

C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds – Global Equity Volatility Focused (USD))

I Allocation by Country

Country	As at 30 Jun 2019	
	% of NAV	MV USD mil
United States	47.38	79.25
United Kingdom	14.59	24.41
Japan	7.38	12.34
Germany	6.18	10.33
China	3.70	6.19
France	2.91	4.86
Netherlands	2.46	4.11
Switzerland	2.31	3.86
Others*	10.16	17.01
Cash	2.93	4.90
Total	100.00	167.26

*Includes other countries

II Allocation by Industry

Industry	As at 30 Jun 2019	
	% of NAV	MV USD mil
Financials	18.19	30.41
Information Technology	17.82	29.81
Industrials	15.07	25.21
Health Care	11.06	18.50
Consumer Staples	8.36	13.98
Communication Services	6.18	10.34
Consumer Discretionary	6.02	10.07
Materials	5.56	9.30
Energy	5.46	9.13
Utilities	1.68	2.81
Real Estate	1.67	2.80
Cash	2.93	4.90
Total	100.00	167.26

III Allocation of Debt Securities by Credit Ratings

	As at 30 Jun 2019
N.A.	

IV Top Ten Holdings of Underlying Fund

	As at 30 Jun 2019	
	% of NAV	MV USD mil
IQVIA Holdings Inc	2.85	4.77
Home Depot Inc	2.64	4.42
Nestle SA	2.31	3.86
Walt Disney Co	2.30	3.85
Microsoft Corp	2.27	3.79
Johnson & Johnson	2.20	3.68
Munchener Ruckvers AG	2.16	3.61
BHP Billiton Ltd	2.15	3.59
Accenture PLC	2.11	3.53
Masco Corp	2.11	3.53

Top Ten Holdings of Underlying Fund

	As at 30 Jun 2018	
	% of NAV	MV USD mil
Kao Corp	2.51	5.93
Home Depot Inc	2.47	5.89
Cisco Systems Inc	2.44	5.80
Apple Inc	2.42	5.77
Phillips 66	2.34	5.58
Compass Group PLC	2.27	5.40
BAE Systems PLC	2.22	5.29
UnitedHealth Group Inc	2.18	5.20
Microsoft Corp	2.13	5.07
Bank of America Corp	2.10	5.00

V Exposure to Derivatives

	As at 30 Jun 2019
% of NAV	0.28%
Market value (USD)	462,522
Realised Gains / (Losses) (USD)	(4,244,104)
Unrealised Gains / (Losses) (USD)	610,864

VI Borrowings of Net Asset Value

	As at 30 Jun 2019
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios

	HSBC Insurance Global Equity Volatility Focused Fund (USD)		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.89%	1.89%	1.85%	1.85%
Turnover Ratio	169.46%	104.84%	0.26%	38.41%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Global Investment Funds – Global Equity Volatility Focused (USD) for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

HSBC Insurance Global Equity Volatility Focused Fund (USD) invests USD 0.12 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Funds – Global Equity Volatility Focused (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 30 June 2019 amounts to USD 407.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 180.

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HSBC Insurance Global High Income Bond Fund (USD)

Fund Objective

HSBC Insurance Global High Income Bond Fund (USD) invests for high income primarily in a diversified portfolio of higher yielding fixed income bonds and other similar securities from around the world denominated in a range of currencies. This may include Investment Grade bonds, high yield bonds and Asian and Emerging Markets debt instruments. Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the HSBC Global Investment Funds – Global High Income Bond Fund (USD).

FUND FACTS

Underlying Sub-Fund	HSBC Global Investment Funds – Global High Income Bond Fund (USD)		
Fund Manager	HSBC Global Asset Management (Singapore) Limited		
Launch Date	17 Oct 2016		
CPFIS/SRS	Cash		
CPFIS Risk Classification	N.A.		
As at 30 June 2019			
Offer Price	USD	1.11625	
Bid Price	USD	1.11625	
Fund Size	USD	1.28	mil
Units in Issue		1.15	mil

Investment and Market Review [^]

The strategy delivered positive absolute performance but underperformed the reference benchmark gross of fees. The regional allocation was negative for relative performance overall driven by underperformance of the off-benchmark ABS sleeve which is funded by underweights in EM and EUR bonds both of which outperformed ABS over the period. Issue selection was positive driven mainly by positioning in EM and US IG bonds.

Regionally, the strategy is overweight the ABS segment by 12% at the expense of EUR and EM. The USD, EUR, and EM sleeve weights are 36%, 20%, and 30%, respectively. Within USD bonds, the strategy is overweight BB bonds and underweight BBB bonds. The ABS exposure is 80% floating rate, so they should have lower sensitivity to movements in government yields. The overall portfolio beta is over 1 with an underweight to duration of -0.12 years versus the benchmark. The main sector overweight is to financials, predominantly through the USD BBB and EUR bonds where we continue to see value given their relatively strong fundamentals vs other sectors. The strategy is also overweight basic materials and energy, mainly in USD and EM bonds with only a small exposure to EUR bonds. The main sector underweight is to consumer non-cyclicals and communication taken through USD and EUR bonds where we remain cautious on tight valuations and event risk from potential M&A activity.

Market Outlook and Investment Strategy [^]

Although debt leverage ratios are at a high for the cycle they have stabilized. Default rates are low and are expected remain below the historical averages. The current environment with a combination of reasonable global growth and valuations show support for the fixed income space supported by the likelihood of decreased supply levels in both High Yield and Investment Grade over the summer, creating a positive dynamic for technicals. EMs should also see good outcomes in the current rate environments given that they are pricing in rate cuts less than DM. We expect credit spreads could be volatile in the short term at tighter valuations and as investors evaluate ongoing trade issues and their impact on global growth. While credit metrics are still somewhat benign at current spread levels with the rally in credit so far in 2019 we are selective especially in lower rated credits and look to reduce portfolio beta into market strength.

[^] Source: HSBC Global Asset Management (HK) Limited

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Global High Income Bond Fund (USD)	3.17	9.02	8.62	N.A.	N.A.	N.A.	11.63
Benchmark*	3.81	9.65	10.42	N.A.	N.A.	N.A.	15.13

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Global High Income Bond Fund (USD)	N.A.	N.A.	N.A.	4.23
Benchmark*	N.A.	N.A.	N.A.	5.44

*35% EMD Barclays Emerging Markets USD Index +20% Barcap U.S Corp Baa + 15% Barcap US High Yield Ba + 15% BarCap EuroAgg Corporate BaaUSD Hedged + 15% BarCap Euro HY BB Rating Only USD Hedged.

[^]Inception Date: 02 Nov 2016

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV USD mil
HSBC Global Investment Funds – Global High Income Bond (USD)	100.00	1.28
Total	100.00	1.28

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	USD
Subscription	567,176
Redemption	5,971

C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds – Global High Income Bond (USD))

I Allocation by Country

Country	As at 30 Jun 2019	
	% of NAV	MV USD mil
United States	34.64	583.98
France	6.54	110.24
United Kingdom	4.76	80.19
China	3.78	63.65
Germany	3.30	55.65
Cayman Islands	3.07	51.72
Ireland	2.92	49.17
Mexico	2.55	43.07
Others*	34.41	580.40
Cash	4.03	67.89
Total	100.00	1,685.96

*Includes other countries

II Allocation by Industry		As at 30 Jun 2019	
Industry	% of NAV	MV USD mil	
Financial Institutions	19.99	337.10	
Sovereign	12.87	216.91	
Agencies	9.72	163.83	
Consumer Cyclical	6.58	111.01	
Energy	6.29	105.99	
Communications	6.28	105.87	
ABS	5.96	100.56	
Basic Industry	5.74	96.76	
Consumer Non cyclical	4.08	68.79	
CMBS	3.99	67.24	
Others*	14.47	244.01	
Cash	4.03	67.89	
Total	100.00	1,685.96	

*Includes other industries

III Allocation of Debt Securities by Credit Ratings		As at 30 Jun 2019	
Rating	% of NAV	MV USD mil	
AAA	4.19	70.87	
AA	1.86	31.33	
A	12.50	210.72	
BBB	43.85	739.35	
BB	21.12	356.11	
B	11.96	201.58	
CCC	0.42	7.02	
D	0.05	0.83	
Unrated	0.02	0.26	
Cash	4.03	67.89	
Total	100.00	1,685.96	

IV Top Ten Holdings of Underlying Sub-Fund		As at 30 Jun 2019	
	% of NAV	MV USD mil	
US Treasury N/B 3.375 15/11/48	1.07	17.92	
Saudi Int Bond 4.500 26/10/46	0.71	11.90	
Oman Intrnl Bond 5.375 08/03/27	0.49	8.34	
Sinopec Capital 3.125 24/04/23	0.41	6.93	
Brazil Rep Of 4.875 22/01/21	0.40	6.76	
Argentina 5.875 11/01/28	0.40	6.75	
Rep Of Sri Lanka 6.750 18/04/28	0.39	6.63	
Allianz Se 3.375	0.38	6.39	
AT&T Inc 5.250 01/03/37	0.37	6.32	
Ghana Rep Of 7.625 16/05/29	0.37	6.25	

Top Ten Holdings of Underlying Sub-Fund		As at 30 Jun 2018	
	% of NAV	MV USD mil	
AT&T Inc 5.250 01/03/2037	0.56	8.03	
Argentina (Republic of) 7.625 22/04/2046	0.51	7.52	
Sberbank 6.125 07/02/2022	0.46	6.79	
Sinopec Capital 3.125 24/04/2023	0.45	6.63	
Brazil (Fed Rep of)-Global 4.875 22/01/2021	0.45	6.62	
Turkey (Republic of) 5.750 11/05/2047	0.44	6.52	
Union Bank Of Switzerland 4.750 12/02/2021	0.43	6.40	
Mpt Operating Partnership L 5.000 15/10/2027	0.43	6.40	
Ineos Group Holdings SA 5.375 01/08/2024	0.43	6.39	
Mpt Operating Partnership L 4.000 19/08/2022	0.43	6.26	

V Exposure to Derivatives	As at 30 Jun 2019
% of NAV	0.07%
Market value (USD)	1,192,745
Realised Gains / (Losses) (USD)	26,024,884
Unrealised Gains / (Losses) (USD)	(1,811,050)

VI Borrowings of Net Asset Value	As at 30 Jun 2019
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Global High Income Bond Fund (USD)		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.53%	1.54%	1.50%	1.50%
Turnover Ratio	7.74%	3.98%	As at 30-Jun-19 0.61%	As at 30-Jun-18 60.10%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Global Investment Funds – Global High Income Bond (USD) for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

HSBC Insurance Global High Income Bond Fund (USD) invests USD 1.28 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Funds – Global High Income Bond (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 30 June 2019 amounts to USD 4,808.

III Material Information that will adversely impact the valuation of the ILP sub-fund
N.A.

IV Soft Dollar Commission Arrangement
N.A.

E) Financial Statements
Refer to page 180.

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or visit our web site at www.insurance.hsbc.com.sg.**

HSBC Insurance India Equity Fund (USD)

Fund Objective

HSBC Insurance India Equity Fund (USD) seeks long-term capital growth through a diversified portfolio of investments in equity and equity-equivalent securities of companies registered in, and/or with an official listing on a major stock exchange or other regulated market of India, as well as those with significant operations in India. Fund investments are made by way of a feeder fund through the HSBC Global Investment Funds - Indian Equity (USD).

Investment and Market Review [^]

The Indian Equity Fund gained 6.07% in the 12 months ended June 2019 (in USD terms) while its benchmark, the S&P IFCI/India Gross Index rose by 5.74% over the same period.

The fund fell by 2.38% in the 2H18 (in USD terms) as sentiment during this period was negatively impacted by the rising price of oil (for which India is a major net importer), a weaker Rupee, global trade tensions. Market sentiment was also dented by the concerns around liquidity issues in the non-banking financial institution space. The India equity market remained weak in the beginning of 2019 as investor worries around the lapse in corporate governance and concerns around extent of pledged shares in some companies led to significant sell-off in January. The reversal of oil price, which rose by more than 20% in the first 2 months in 2019, also hindered Indian market performance. The market, however, finally broke out on the upside and rose by more than 10% in March as opinion polls suggested a relatively better performance by the incumbent government in the upcoming National Elections in May. Market sentiment generally improved post the general election as major uncertainty was removed and investors expect policy continuity.

The fund outperformed the index mainly on the back of successful stock selection in financials and industrial sectors. Sector allocation effect was also positive, in particular our overweight position in the cyclical sectors including financials and real estates.

Market Outlook and Investment Strategy [^]

We are constructive on the India story from a medium to long term perspective. India has powerful structural growth drivers – demographics and increasing urbanization, the need for infrastructure and the ability to absorb capital – which should play out over a period of time. Government policy also has a critical role in shaping the economic cycle over the near to medium term. The big success of the incumbent government in India's National Elections in May 2019 implies policy continuity. A government with a solid political majority of its own also means law making would be easier, it would typically be expected to drive a more decisive reform agenda and pursue macro stability. We believe the current government has put a number of building blocks in place for a sustained economic improvement and the tailwinds from these structural shifts will likely manifest in coming years. In particular, the GST regime is expected lead to faster formalization of the economy, broaden the tax base, improve the fiscal situation and improve the ease of doing business. Policies to structurally repair the banking sector will go a long way to help revive credit growth and move the economy forward. Separately, India also stands out as relatively insulated from ongoing US-China trade friction given its domestic economy and low correlations/sensitivity to China equities.

Overall, we continue to prefer cyclical sectors over defensives, given our belief that the economy is undergoing a gradual recovery. From a long-term perspective, cyclicals are still very cheap and we continue to like financials and real estate and are most underweight to energy and consumer staple.

[^] Source: HSBC Global Asset Management (HK) Limited

FUND FACTS

Underlying Sub-Fund	HSBC Global Investment Funds - Indian Equity Fund (USD)		
Fund Manager	HSBC Global Asset Management (Singapore) Limited		
Launch Date	17 Oct 2016		
CPFIS/SRS	Cash		
CPFIS Risk	N.A.		
Classification			
As at 30 June 2019			
Offer Price	USD	1.20338	
Bid Price	USD	1.20338	
Fund Size	USD	1.66	mil
Units in Issue		1.38	mil

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance India Equity Fund (USD)	0.97	8.53	5.83	N.A.	N.A.	N.A.	20.34
Benchmark*	0.31	7.15	5.74	N.A.	N.A.	N.A.	31.61

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance India Equity Fund (USD)	N.A.	N.A.	N.A.	7.21
Benchmark*	N.A.	N.A.	N.A.	10.89

* S&P / IFCI India Gross

[^]Inception Date: 02 Nov 2016

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV USD mil
HSBC Global Investment Funds - Indian Equity Fund (USD)	100.00	1.66
Total	100.00	1.66

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	USD
Subscription	976,025
Redemption	3,852

C) Underlying Fund Disclosure (HSBC Global Investment Funds - Indian Equity Fund (USD))

I Allocation by Country

Country	As at 30 Jun 2019	
	% of NAV	MV USD mil
India	98.21	1,394.80
Cash	1.79	25.41
Total	100.00	1,420.21

II Allocation by Industry

Industry	As at 30 Jun 2019	
	% of NAV	MV USD mil
Financials	41.09	583.40
Information Technology	12.75	181.03
Consumer Discretionary	8.30	117.92
Materials	7.56	107.41
Energy	6.78	96.32
Industrials	5.29	75.08
Consumer Staples	5.01	71.20
Real Estate	3.68	52.31
Communication Services	2.94	41.81
Health Care	2.83	40.22
Utilities	1.98	28.10
Cash	1.79	25.41
Total	100.00	1,420.21

III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2019

N.A.

IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2019	
	% of NAV	MV USD mil
HDFC Bank Ltd	9.88	140.42
Infosys Ltd	8.49	120.52
ICICI Bank Ltd	6.61	93.83
Axis Bank Ltd	6.31	89.61
Reliance Industries Ltd	5.41	76.88
Housing Development Finance Corp	4.95	70.25
HCL Technologies Ltd	4.26	60.51
ITC Ltd	3.90	55.41
Larsen & Toubro Ltd	3.76	53.44
Maruti Suzuki India Ltd	3.62	51.37

Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2018	
	% of NAV	MV USD mil
Infosys Ltd	8.83	135.50
HDFC Bank Ltd	8.57	131.47
ICICI Bank Ltd	5.26	80.59
Axis Bank Ltd	4.85	74.32
Maruti Suzuki India Ltd	4.52	69.35
Housing Development Finance Corp	4.41	67.60
ITC Ltd	4.17	63.98
Reliance Industries Ltd	3.89	59.59
HCL Technologies Ltd	3.68	56.47
Grasim Industries Ltd	3.48	53.29

V Exposure to Derivatives

N.A.

As at 30 Jun 2019

VI Borrowings of Net Asset Value

N.A.

As at 30 Jun 2019

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance India Equity Fund (USD)		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.94%	1.94%	1.90%	1.90%
Turnover Ratio	3.92%	2.17%	0.18%	17.35%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Global Investment Funds - Indian Equity Fund (USD) for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

HSBC Insurance India Equity Fund (USD) invests USD 1.66 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Funds - Indian Equity Fund (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 30 June 2019 amounts to USD 5,125.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

The investment adviser and its connected persons of the fund have entered into soft commission arrangements (relating solely to research services, defined as soft commissions by the Hong Kong Securities and Futures Commission, that are utilized by the Company) with certain brokers, for which goods and services used to support the investment decision making process were received by it or its connected persons.

The investment adviser or its connected persons do not make direct payment for these services, but transact and agree an amount of business with brokers on behalf of the fund. All transactions were entered into in the ordinary course of business and in normal commercial terms.

Commissions were paid by the Company on these transactions. The goods and services utilized for the Company include the following: research and advisory services, economic and political analysis, portfolio analysis, market analysis and investment related publications.

E) Financial Statements

Refer to page 181.

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HSBC Insurance Pacific Equity Fund (USD)

Fund Objective

HSBC Insurance Pacific Equity Fund (USD) aims to provide holders with medium to long-term capital growth from a diversified portfolio of Asian-Pacific equities excluding Japanese equities. Fund investments are made by way of a feeder fund, which invests substantially all, or all its assets in the Aberdeen Standard Select Portfolio – Aberdeen Pacific Equity Fund (USD)

Investment and Market Review [^]

Asian stocks performed well in the 1H19, with the regional benchmark rising about 11% in SGD terms.

Initial optimism over the dovish policy shift by major central banks and easing US-China trade tensions outweighed concerns over slowing global growth. The steady climb by markets came to an abrupt halt in May, when US-China tensions flared again. This knee-jerk sell-off, however, was followed swiftly by a strong recovery, as both sides agreed to resume talks. Through the six months, Australia was among the best performers, underpinned by strength in banks and miners. Most Southeast Asian markets also did well, with Thailand and Singapore leading gains. China and Hong Kong also posted double-digit market returns despite lingering trade war uncertainty, while India posted decent returns on expectations that the incumbent government would prevail in upcoming general elections.

Market Outlook and Investment Strategy [^]

Asian stocks have enjoyed a good first half-year, but as May's pullback has shown, volatility could be lurking just around the corner. Despite the recent truce, a US-China trade deal remains elusive with deep divisions on key issues. Trump's disputes with India and Europe also appear to be escalating. These trade tensions are compounding fears about a slowing global economy. Falling trade volumes and subdued business sentiment are evident in weakening order books. Data from China also underline how fragile the economy is. All this could, in turn, pressure corporate earnings.

While we remain cautious, we do see some green shoots. Most of our Chinese holdings are biased towards domestic demand, which should remain supported by Beijing's targeted consumption-led stimulus. Meanwhile, Southeast Asian economies could be the main beneficiaries as companies shift their supply chains and production bases from China because of the trade spat. Political worries have also eased, with the re-election of incumbents in India and Indonesia likely to drive more reforms.

Our approach of picking companies with the quality and potential to be long-run winners give us added comfort. Our holdings have healthy balance sheets and capital discipline, which buffer them against the uncertainty and support shareholder returns. More broadly, the region's prospects are still bright. The growing middle classes will propel demand for consumer and financial services, infrastructure and healthcare, while new technologies are likely to be future growth engines. The portfolio is well-exposed to these structural themes. Valuations remain attractive within several favoured markets and sectors, translating into compelling investment opportunities.

[^] Source: Aberdeen Standard Investments (Asia) Limited

FUND FACTS

Underlying Sub-Fund	Aberdeen Standard Select Portfolio -Aberdeen Standard Pacific Equity Fund (USD)		
Fund Manager	Aberdeen Standard Investments (Asia) Limited		
Launch Date	17 Oct 2016		
CPFIS/SRS	Cash		
CPFIS Risk Classification	N.A.		
As at 30 June 2019			
Offer Price	USD	1.24645	
Bid Price	USD	1.24645	
Fund Size	USD	7.56	mil
Units in Issue		6.06	mil

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Pacific Equity Fund (USD)	2.44	12.96	4.51	N.A.	N.A.	N.A.	24.65
Benchmark*	0.80	12.37	1.09	N.A.	N.A.	N.A.	30.20

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception [^]
	(%)	(%)	(%)	(%)
HSBC Insurance Pacific Equity Fund (USD)	N.A.	N.A.	N.A.	8.64
Benchmark*	N.A.	N.A.	N.A.	10.44

*MSCI AC Asia Pacific ex Japan TR USD

[^]Inception Date: 02 Nov 2016

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV USD mil
Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund (USD)	99.87	7.55
Other assets	0.40	0.03
Other liabilities	(0.27)	(0.02)
Total	100.00	7.56

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	USD
Subscription	4,822,220
Redemption	183,064

C) Underlying Sub-fund Disclosure (Aberdeen Standaard Select Portfolio - Aberdeen Pacific Equity Fund (USD))

I Allocation by Country

Country	As at 31 Mar 2019 [†]	
	% of NAV	MV USD mil
China	21.87	233.53
Hong Kong	13.57	144.95
Singapore	11.77	125.73
India	11.19	119.53
South Korea	7.94	84.77
United Kingdom	7.19	76.80
Australia	6.36	67.92
Taiwan	5.48	58.50
Indonesia	5.15	54.97
Others*	9.48	101.08
Total	100.00	1,067.78

*Includes other countries, cash and other payable/receivable

[†] Based on unaudited figures as at 31 Mar 2019 as the unaudited figures as at 30 Jun 2019 are not available.

II Allocation by Industry	As at 31 Mar 2019†	
	% of NAV	MV USD mil
Industry		
Unit Trusts	25.75	274.95
Financials	20.50	218.90
Information Technology	12.00	128.13
Communication Services	9.32	99.52
Materials	8.60	91.84
Real Estate	8.57	91.53
Consumer Discretionary	4.14	44.25
Healthcare	4.05	43.27
Industrials	3.44	36.77
Consumer Staples	1.77	18.88
Energy	0.45	4.84
Others*	1.41	14.90
Total	100.00	1,067.78

*Includes cash and other payable/receivable

III Allocation of Debt Securities by Credit Ratings	As at 31 Mar 2019†
N.A.	

IV Top Ten Holdings of Underlying Sub-Fund	As at 31 Mar 2019†	
	% of NAV	MV USD mil
Aberdeen Standard SICAV I - Indian Equity Fund*	7.72	82.53
Aberdeen Standard Singapore Equity Fund	6.53	69.70
Tencent	5.16	55.07
Aberdeen Standard China Opportunities Fund	5.06	54.04
Samsung Electronics (Preference Shares)	5.01	53.47
Taiwan Semiconductor Manufacturing Company	4.50	48.02
Aberdeen Standard Thailand Equity Fund	3.06	32.65
Ping An Insurance	2.89	30.87
AIA Group	2.81	30.02
China Resources Land	2.74	29.23

IV Top Ten Holdings of Underlying Sub-Fund	As at 31 Mar 2018&	
	% of NAV	MV USD mil
Aberdeen Global - Indian Equity Fund*	7.39	81.54
Aberdeen Singapore Equity Fund	7.30	80.52
Samsung Electronics (Preference Shares)	5.83	64.33
Aberdeen China Opportunities Fund	5.42	59.74
Taiwan Semiconductor Manufacturing Company	4.36	48.07
Tencent	4.02	44.40
AIA Group	3.21	35.45
China Resources Land	3.18	35.03
Aberdeen Thailand Equity Fund	3.17	35.02
Aberdeen Indonesia Equity Fund	3.08	33.94

* The underlying fund is not authorized for public sale in Singapore

V Exposure to Derivatives	As at 31 Mar 2019†
N.A.	

VI Borrowings of Net Asset Value	As at 31 Mar 2019†
N.A.	

† Based on unaudited figures as at 31 Mar 2019 as the unaudited figures as at 30 Jun 2019 are not available.

& Based on unaudited figures as at 31 Mar 2018 as the unaudited figures as at 30 Jun 2018 are not available.

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Pacific Equity Fund (USD)		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.75%	1.76%	1.71%	1.72%
Turnover Ratio	10.53%	8.41%	5.99%	9.97%

*Based on unaudited figures as at 31 Mar 2019 as the expense and turnover ratios of Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund (USD) for the financial year ended 30 Jun 2019 are not available.

**Based on unaudited figures as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

Cash balances maintained with HSBC Bank as at 30 Jun 2019 amounts to USD 1,460.97.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 181.

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HSBC Insurance US Equity Portfolio Fund (USD) FUND FACTS

Fund Objective

The Fund aims to provide long term total return by investing in a portfolio of US equities.

Invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, carry out the larger part of their business activities in or are listed on a Regulated Market in, the United States of America. The Underlying Sub-Fund may also invest in eligible closed-ended Real Estate Investment Trusts ("REITs").

Underlying Sub-Fund

HSBC Global Investment Funds – Economic Scale US Equity Fund (USD)
HSBC Global Asset Management (Singapore) Limited
17 Oct 2016
Cash
N.A.

Launch Date

CPFIS/SRS

CPFIS Risk

Classification

As at 30 June 2019

Offer Price

USD 1.30643

Bid Price

USD 1.30643

Fund Size

USD 2.31 mil

Units in Issue

1.77 mil

Investment and Market Review ^

On a 12-month basis, the fund underperformed its market cap weighed index. While our asset allocation contributed to the performance largely in line with the benchmark, stock selection weighed on performance. On a sector basis, our overweight allocations to Consumer Staples and Consumer Discretionary coupled with an underweight exposure to Communication Services contributed to performance. Conversely, an underweight allocation to IT coupled with our overweight exposures to Materials and Energy weighed on performance. At the stock level, overweighting Walmart Inc. (Consumer Staples, USA) coupled with underweighting Nvidia Corp. (Information Technology, USA) and Alphabet Inc. (Communication Services, USA) contributed to performance. Conversely, underweighting Microsoft Corp. (Information Technology, USA) and Visa Inc. (Information Technology) coupled with overweighting General Electric Co (Industrials) weighed on performance.

Market Outlook and Investment Strategy ^

US economic growth remains robust and continues to outperform other regions. The risk of a US recession remains modest. Positively, the Fed has signalled a more cautious approach to policy normalisation, while corporate fundamentals look reasonable. Risks from US protectionism also need to be considered.

^ Source: HSBC Global Asset Management (HK) Limited

A) Fund Performance

I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance US Equity Portfolio Fund (USD)	2.71	16.92	3.16	N.A.	N.A.	N.A.	30.64
Benchmark*	4.15	19.20	9.75	N.A.	N.A.	N.A.	43.75

II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance US Equity Portfolio Fund (USD)	N.A.	N.A.	N.A.	10.58
Benchmark*	N.A.	N.A.	N.A.	14.63

*Benchmark Details:

Inception to October 2017 - HSBC Economic Scale US Net

From October 2017 onwards - S&P 500 Net

^Inception Date: 02 Nov 2016

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV USD mil
HSBC Global Investment Funds - Economic Scale US Equity Fund (USD)	99.57	2.30
Other assets	0.43	0.01
Total	100.00	2.31

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	USD
Subscription	1,365,787
Redemption	907

C) Underlying Sub-Fund Disclosure (HSBC Global Investment Funds - Economic Scale US Equity Fund (USD))

I Allocation by Country

Country	As at 30 Jun 2019	
	% of NAV	MV USD mil
United States	98.96	972.39
Cash	1.04	10.26
Total	100.00	982.65

II Allocation by Industry

Industry	As at 30 Jun 2019	
	% of NAV	MV USD mil
Industrials	16.07	157.96
Information Technology	14.40	141.48
Financials	14.18	139.32
Consumer Discretionary	13.57	133.34
Health Care	9.81	96.37
Consumer Staples	9.70	95.35
Communication Services	7.68	75.47
Energy	5.85	57.46
Materials	3.97	39.00
Real Estate	2.22	21.81
Utilities	1.51	14.83
Cash	1.04	10.26
Total	100.00	982.65

III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2019

N.A.

IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2019	
	% of NAV	MV USD mil
Walmart Inc	3.17	31.07
Apple Inc	1.66	16.30
General Electric Co	1.58	15.57
AT&T Inc	1.39	13.61
Wells Fargo & Co	1.31	12.84
JP Morgan Chase & Co	1.22	11.97
Bank of America Corp	1.10	10.83
Verizon Communications Inc	1.02	10.06
Exxon Mobil Corp	1.00	9.85
United Parcel Service Inc	0.94	9.26

Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2018	
	% of NAV	MV USD mil
Walmart Inc	3.73	33.24
General Electric Co	1.75	15.63
AT&T Inc	1.23	11.02
Wells Fargo & Co	1.21	10.81
Apple Inc	1.18	10.57
JP Morgan Chase & Co	1.09	9.69
Bank of America Corp	1.08	9.66
Exxon Mobil Corp	1.06	9.51
United Parcel Service Inc	0.98	8.77
Hewlett-Packard Co	0.84	7.54

V Exposure to Derivatives

	As at 30 Jun 2019
% of NAV	0.09%
Market value (USD)	911,326
Realised Gains / (Losses) (USD)	(6,659,950)
Unrealised Gains / (Losses) (USD)	1,562,534

VI Borrowings of Net Asset Value

	As at 30 Jun 2019
Use of borrowing in % of Fund Total Net Asset	(0.01%)

D) Other Disclosure Items

Expense/Turnover Ratios	HSBC Insurance US Equity Portfolio Fund (USD)		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	0.79%	0.79%	0.75%	0.75%
Turnover Ratio	8.01%	5.17%	As at 30-Jun-19 0.22%	As at 30-Jun-18 22.35%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Global Investment Funds - Economic Scale US Equity Fund (USD) for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

HSBC Insurance US Equity Portfolio Fund (USD) invests USD 2.30 million, equivalent to 99.57% of its net asset value in HSBC Global Investment Funds - Economic Scale US Equity Fund (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 30 June 2019 amounts to USD 2,977.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

N.A.

E) Financial Statements

Refer to page 181.

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HSBC Insurance World Selection Funds (USD)

Fund Facts	HSBC Insurance World Selection 1 Fund (USD)	HSBC Insurance World Selection 2 Fund (USD)	HSBC Insurance World Selection 3 Fund (USD)
Launch Date	17 Oct 2016	05 Nov 2018	17 Oct 2016
Fund Manager	HSBC Global Asset Management (Singapore) Limited		
Underlying Sub-Fund	HSBC Portfolios – World Selection 1 USD	HSBC Portfolios – World Selection 2 USD	HSBC Portfolios – World Selection 3 USD
CPFIS/SRS		Cash	
CPFIS Risk Classification		N.A.	
As at 30 June 2019			
Offer Price	USD 1.08933	USD 1.0000	USD 1.16382
Bid Price	USD 1.08933	USD 1.0000	USD 1.16382
Fund Size	USD 0.27 mil	USD 0.00 mil	USD 1.25 mil
Units in Issue	0.25 mil	0.00 mil	1.08 mil

Fund Facts	HSBC Insurance World Selection 4 Fund (USD)	HSBC Insurance World Selection 5 Fund (USD)
Launch Date	05 Nov 2018	17 Oct 2016
Fund Manager	HSBC Global Asset Management (Singapore) Limited	
Underlying Sub-Fund	HSBC Portfolios - World Selection 4 USD	HSBC Portfolios - World Selection 5 USD
CPFIS/SRS		Cash
CPFIS Risk Classification		N.A.

As at 30 June 2019		
Offer Price	USD 1.05996	USD 1.22526
Bid Price	USD 1.05996	USD 1.22526
Fund Size	USD 0.01 mil	USD 0.92 mil
Units in Issue	0.01 mil	0.75 mil

Fund Objectives

HSBC Insurance World Selection 1 Fund (USD) seeks to provide capital growth through investment in a broad range of asset classes across global markets, consistent with a low risk investment strategy.

HSBC Insurance World Selection 2 Fund (USD) seeks to provide capital growth through investment in a broad range of asset classes across global markets, consistent with a low to medium risk investment strategy.

HSBC Insurance World Selection 3 Fund (USD) seeks to provide capital growth through investment in a broad range of asset classes across global markets, consistent with a medium risk investment strategy.

HSBC Insurance World Selection 4 Fund (USD) seeks to provide capital growth through investment in a broad range of asset classes across global markets, consistent with a medium to high risk investment strategy.

HSBC Insurance World Selection 5 Fund (USD) seeks to provide capital growth through investment in a broad range of asset classes across global markets, consistent with a high risk investment strategy.

Investment and Market Review [^]

Global equity markets moved ahead over the review period, although this masks periods of heightened volatility. After a gradual recovery over the summer, equity markets dropped again in Q4 2018 with US equities suffering particularly sharp falls. The weak equity performance seen in Q4 2018 reflected investor concerns over a slowdown in the pace of global economic expansion, the US-China 'trade-war' and fears that the US central bank may raise interest rates too far.

After a rebound at the beginning of 2019, driven by easing trade tensions and dovish comments by the Fed, which pivoted to an easing rather than tightening policy stance, volatility returned in May on a re-escalation in the trade-war and renewed fears over slowing global growth. However, the prospect of an increased likelihood of US rate cuts to support a slowing US economy, combined with renewed hope for progress in the trade talks between the US and China, led to a strong recovery in June 2019. The MSCI All Country World Index increased by 5.7% in USD terms over the year.

Bond yields have continued to decline in the face of concerns of an economic slowdown and central banks' move to an accommodative stance. The 10 year UST yield fell from 2.8% to 2.0% over the period, and we continue to view government bonds as expensive and remain underweight. We are also underweight Credit assets which do not offer good value and prospective returns are still not high enough in our view.

Market Outlook and Investment Strategy [^]

Our global Nowcast economic forecasting tool remains below our sense of trend growth, although there has been a modest pick up since the low point in February. Growth remains above trend in the US, but below trend elsewhere.

Chinese activity data have been volatile and have not built on the bounce seen in March/April. However, our leading indicator points to further upside, which would support the global manufacturing cycle. In our view, the global economy remains a long way from a severe recessionary environment. But the flare-up in tensions between the US and China has increased downside risks.

Inflation remains muted even in the US where, despite a tight labour market, unit labour costs have weakened and inflation expectations fallen.

This lack of inflation pressure has allowed the Fed to adopt a more dovish tone amid increased downside risks to growth. Some "insurance" interest rate cuts later this year seem likely.

A number of EM asset classes are relatively attractively-priced and have potential to outperform if key risks do not materialise and we remain overweight both equities and bonds in local currency.

We continue to recommend a pro-risk stance in multi-asset portfolios. In our view, policymakers have the tools and willingness to stabilise the global economy. The market is now pricing in a lower-for-even-longer interest rate scenario but even if this materialises, relative valuations continue to suggest a preference for equities versus bonds.

[^] Source: HSBC Global Asset Management (HK) Limited

A) Fund Performance

I Cumulative Total Returns

	3-Mth (%)	6-Mth (%)	1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception ^A (%)
HSBC Insurance World Selection 1 Fund (USD)*	2.61	7.73	5.17	N.A.	N.A.	N.A.	8.93
HSBC Insurance World Selection 2 Fund (USD)*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
HSBC Insurance World Selection 3 Fund (USD)*	2.78	11.33	4.35	N.A.	N.A.	N.A.	16.38
HSBC insurance World Selection 4 Fund (USD)*	3.18	6.00	N.A.	N.A.	N.A.	N.A.	6.00
HSBC insurance World Selection 5 Fund (USD)*	3.02	13.84	2.97	N.A.	N.A.	N.A.	22.53

II Average Annual Compounded Returns

	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception ^A (%)
HSBC Insurance World Selection 1 Fund (USD)*	N.A.	N.A.	N.A.	3.60
HSBC Insurance World Selection 2 Fund (USD)*	N.A.	N.A.	N.A.	N.A.
HSBC Insurance World Selection 3 Fund (USD)*	N.A.	N.A.	N.A.	5.88
HSBC Insurance World Selection 4 Fund (USD)*	N.A.	N.A.	N.A.	N.A.
HSBC Insurance World Selection 5 Fund (USD)*	N.A.	N.A.	N.A.	8.07

*These Funds do not have a benchmark due to the diverse range of asset classes; some do not have indices that meet the criteria for inclusion in a representative composite benchmark of being both investable and replicable.

^AHSBC Insurance World Selection 1 Fund (USD) Inception Date: 27 Jan 2017

HSBC Insurance World Selection 2 Fund (USD) does not have performance figures as it is not incepted.

HSBC Insurance World Selection 3 Fund (USD) Inception Date: 03 Nov 2016

HSBC Insurance World Selection 4 Fund (USD) Inception Date: 31 Jan 2019

HSBC Insurance World Selection 5 Fund (USD) Inception Date: 15 Nov 2016

HSBC Insurance World Selection 1 Fund (USD)

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV USD mil
HSBC Portfolios - World Selection 1 (USD)	100.00	0.27
Total	100.00	0.27

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	USD
Subscription	143,178
Redemption	18,234

C) Underlying Sub-Fund Disclosure (HSBC Portfolios - World Selection 1 (USD))

I Allocation by Country

	As at 30 Jun 2019	
Country	% of NAV	MV USD mil
United States	32.29	145.45
Japan	6.98	31.44
Germany	5.68	25.59
United Kingdom	5.49	24.73
France	4.31	19.41
Spain	2.37	10.68
Italy	2.36	10.63
Australia	2.00	9.01
Others*	34.75	156.53
Cash	3.77	16.98
Total	100.00	450.45

*Includes other countries

II Allocation by Industry

	As at 30 Jun 2019	
Industry	% of NAV	MV USD mil
Treasuries	41.54	187.12
Industrials	11.04	49.73
Financials	7.71	34.73
ABS	2.22	10.00
Sovereign	2.05	9.23
Consumer Discretionary	1.95	8.78
Health Care	1.95	8.78
Communication Services	1.65	7.43
Others*	26.12	117.67
Cash	3.77	16.98
Total	100.00	450.45

*Includes other industries

III Allocation of Debt Securities by Credit Ratings

	As at 30 Jun 2019	
Rating	% of NAV	MV USD mil
AAA	23.75	106.97
AA	8.52	38.38
A	13.77	62.03
BBB	11.39	51.31
BB	3.15	14.19
B	2.78	12.52
CCC	0.40	1.80
Unrated	5.43	24.46
Total	69.19	311.66

IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2019	
	% of NAV	MV USD mil
HSBC FTSE All World Index Instl Acc	11.94	53.77
HSBC GIF Global Government Bond ZQ1	8.10	36.49
HSBC GIF Global Em Mkts Local Debt ZQ1	6.05	27.25
HSBC GIF Global Asset Backed Bond ZC	4.99	22.48
HSBC US Dollar Liquidity Y	3.94	17.75
HSBC GIF Global Emerging Markets Bond ZQ1	3.51	15.81
HSBC GIF Global Real Estate Eq ZQ1	3.42	15.41
HSBC GIF Multi-Asset Style Factors ZC	3.07	13.83
HSBC GIF Global High Yield Bond ZQ1	3.05	13.74
US Treasury N/B 2.0000 31-Oct-21	2.41	10.86

Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2018	
	% of NAV	MV USD mil
HSBC Global Government Bond Strategy	24.49	121.31
HSBC FTSE All-World Index	13.65	67.61
HSBC GIF Global Government Bond	13.32	65.98
HSBC Global Corporate Bond Strategy	9.18	45.47
HSBC GIF Global Emerging Market Local Debt	8.71	43.14
HSBC US Dollar Liquidity Y	5.25	26.01
HSBC Global Asset Backed Bond	5.07	25.11
HSBC GIF Global Real Estate Equity	3.64	18.03
HSBC GIF Global High Yield Bond	3.49	17.29
HSBC GIF Global Emerging Markets Bond	3.04	15.06

V Exposure to Derivatives

	As at 30 Jun 2019
% of NAV	1.32%
Market value (USD)	5,959,203
Realised Gains / (Losses) (USD)	(22,107,570)
Unrealised Gains / (Losses) (USD)	1,182,361

VI Borrowings of Net Asset Value

	As at 30 Jun 2019
Use of borrowing in % of Fund Total Net Asset	(2.93%)

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance World Selection 1 Fund (USD)		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.64%	1.66%	1.26%	1.28%
			As at 30-Jun-19	As at 30-Jun-18
Turnover Ratio	15.36%	124.23%	0.20%	39.53%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Portfolios - World Selection 1 (USD) for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

HSBC Insurance World Selection 1 Fund (USD) invests USD 0.27 million, equivalent to 100.00% of its net asset value in HSBC Portfolios - World Selection 1 (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 30 June 2019 amounts to USD 584.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

The Investment Adviser of the Fund may from time to time receive goods and services which are paid for out of broker commissions provided that they relate to execution and research services which meet the criteria laid down by United Kingdom's Financial Conduct Authority Rules.

E) Financial Statements

Refer to page 182.

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HSBC Insurance World Selection 2 Fund (USD)

B) Fund Disclosure*

I Allocation by Asset Class

Asset Class

HSBC Portfolios - World Selection 2 (USD)

As at 30 Jun 2019
% of NAV MV USD mil
N.A.

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

Subscription

USD

Redemption

N.A.

N.A.

*Stated as N.A. as fund is yet to be inception.

C) Underlying Sub-Fund Disclosure (HSBC Portfolios - World Selection 2 (USD))

I Allocation by Country

Country

United States
United Kingdom

Germany

France

Japan

Netherlands

Switzerland

China

Others*

Cash

Total

As at 30 Jun 2019
% of NAV MV USD mil

32.51 190.04

6.66 38.93

4.15 24.26

3.94 23.03

3.32 19.41

2.30 13.44

2.00 11.69

1.83 10.70

38.70 226.22

4.59 26.83

100.00 584.55

*Includes other countries

II Allocation by Industry

Industry

Industrial

Treasuries

Financials

Consumer Discretionary

Health Care

Sovereign

Communication Services

Consumer Staples

Others*

Cash

Total

As at 30 Jun 2019
% of NAV MV USD mil

22.04 128.84

15.79 92.30

12.00 70.15

3.00 17.54

2.96 17.30

2.65 15.49

2.51 14.67

2.30 13.44

32.16 187.99

4.59 26.83

100.00 584.55

*Includes other industries

III Allocation of Debt Securities by Credit Ratings

Rating

AAA

AA

A

BBB

BB

B

CCC

Unrated

Total

As at 30 Jun 2019
% of NAV MV S\$ mil

6.34 37.07

4.87 28.47

14.43 84.35

19.90 116.33

3.48 20.34

3.21 18.76

0.43 2.51

4.53 26.48

57.19 334.31

IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2019	
	% of NAV	MV USD mil
HSBC FTSE ALL WORLD INDEX INSTL ACC	18.32	107.09
HSBC GIF GLOBAL GOVERNMENT BOND ZQ1	7.72	45.13
HSBC GIF GLOBAL EM MKTS LOCAL DEBT ZQ1	6.99	40.86
HSBC GIF GLOBAL ASSET BACKED BOND ZC	5.02	29.34
HSBC GIF GLOBAL REAL ESTATE EQ ZQ1	4.90	28.64
HSBC GIF GLOBAL EMERG MKTS BD ZQ1	4.54	26.54
HSBC US DOLLAR LIQUIDITY Y	3.84	22.45
HSBC GIF GLOBAL HIGH YIELD BOND ZQ1	3.55	20.75
HSBC ECONOMIC SCALE WORLDWIDE EQUITY ETF	2.23	13.04
VANGUARD FTSE ALL WORLD UCITS ETF	2.12	12.39

V Exposure to Derivatives

	As at 30 Jun 2019
% of NAV	1.33%
Market value (USD)	7,792,860
Realised Gains / (Losses) (USD)	(30,082,152)
Unrealised Gains / (Losses) (USD)	2,440,028

VI Borrowings of Net Asset Value

	As at 30 Jun 2019
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance World Selection 2 Fund (USD)	Underlying Sub-Fund
	As at 30-Jun-19*	As at 31-Mar-19**
Expense Ratio	N.A.	1.25%
Turnover Ratio	N.A.	As at 30-Jun-19 0.18%

* Stated as N.A. as fund is yet to be inception.

**Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Portfolios - World Selection 2 (USD) for the financial year ended 30 Jun 2019 is not available.

II Related-Party Transactions

N.A.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

The Investment Adviser of the Fund may from time to time receive goods and services which are paid for out of broker commissions provided that they relate to execution and research services which meet the criteria laid down by United Kingdom's Financial Conduct Authority Rules.

E) Financial Statements

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HSBC Insurance World Selection 3 Fund (USD)

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV USD mil
HSBC Portfolios - World Selection 3 (USD)	100.00	1.25
Total	100.00	1.25

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	USD
Subscription	810,934
Redemption	15,383

C) Underlying Sub-Fund Disclosure (HSBC Portfolios - World Selection 3 (USD))

I Allocation by Country

Country	As at 30 Jun 2019	
	% of NAV	MV USD mil
United States	34.57	308.27
United Kingdom	5.18	46.19
Japan	3.82	34.06
China	3.13	27.91
France	2.84	25.33
Germany	2.37	21.13
Switzerland	1.32	11.77
Brazil	1.20	10.70
Others*	41.38	369.01
Cash	4.19	37.36
Total	100.00	891.73

*Includes other countries

II Allocation by Industry

Industry	As at 30 Jun 2019	
	% of NAV	MV USD mil
Industrial	15.39	137.24
Financial	12.96	115.57
Information technology	7.76	69.20
Treasuries	6.36	56.71
Health Care	5.60	49.94
Consumer discretionary	5.57	49.67
Communication services	4.58	40.84
Consumer staples	4.36	38.88
Others*	33.23	296.32
Cash	4.19	37.36
Total	100.00	891.73

*Includes other industries

III Allocation of Debt Securities by Credit Ratings

Rating	As at 30 Jun 2019	
	% of NAV	MV USD mil
AAA	2.06	18.37
AA	1.84	16.41
A	5.54	49.40
BBB	9.87	88.01
BB	4.38	39.06
B	4.05	36.11
CCC	0.61	5.44
Unrated	5.21	46.46
Total	33.56	299.26

IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2019	
	% of NAV	MV USD mil
HSBC FTSE All World Index Instl Acc	16.83	150.08
HSBC American Index Institutional Acc	9.70	86.50
HSBC GIF Global Em Mkts Local Debt ZQ1	7.99	71.25
HSBC GIF Global High Yield Bond ZQ1	5.38	47.97
HSBC GIF Global Emerging Mkts Bd ZQ1	4.99	44.50
HSBC GIF Global Real Estate Eq ZQ1	4.80	42.80
HSBC US Dollar Liquidity Y	4.24	37.81
HSBC Economic Scale Worldwide Equity ETF	4.20	37.45
HSBC European Index Institutional Acc	3.55	31.66
HGIF Global Asset Backed Bond ZC	2.97	26.48

Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2018	
	% of NAV	MV USD mil
HSBC FTSE All-World Index	19.37	211.56
HSBC American Index	10.40	113.59
HSBC GIF Global Emerging Market Local Debt	8.63	94.26
HSBC Global Corporate Bond Strategy	7.79	85.09
HSBC GIF Global High Yield Bond	5.79	63.24
HSBC GIF Global Real Estate Equity	5.20	56.80
HSBC GIF Global Emerging Markets Bond	4.63	50.57
Vanguard FTSE All-World ETF	4.46	48.71
HSBC ESI Worldwide Equity ETF	3.91	42.71
HSBC European Index	3.33	36.37

V Exposure to Derivatives

	As at 30 Jun 2019
% of NAV	1.08%
Market value (USD)	9,606,275
Realised Gains / (Losses) (USD)	(47,728,871)
Unrealised Gains / (Losses) (USD)	4,104,295

VI Borrowings of Net Asset Value

	As at 30 Jun 2019
N.A.	

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance World Selection 3 Fund (USD)		Underlying Sub-Fund	
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.74%	1.74%	1.46%	1.45%
Turnover Ratio	12.72%	12.02%	0.10%	28.23%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Portfolios - World Selection 3 (USD) for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

HSBC Insurance World Selection 3 Fund (USD) invests USD 1.25 million, equivalent to 100.00% of its net asset value in HSBC Portfolios - World Selection 3 (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 30 June 2019 amounts to USD 2,654.

III Material Information that will adversely impact the valuation of the ILP sub-fund

N.A.

IV Soft Dollar Commission Arrangement

The Investment Adviser of the Fund may from time to time receive goods and services which are paid for out of broker commissions provided that they relate to execution and research services which meet the criteria laid down by United Kingdom's Financial Conduct Authority Rules.

E) Financial Statements

Refer to page 182.

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HSBC Insurance World Selection 4 Fund (USD)

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV USD mil
HSBC Portfolios - World Selection 4 (USD)	100.00	0.01
Total	100.00	0.01

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	USD
Subscription	10,640
Redemption	0

C) Underlying Sub-Fund Disclosure (HSBC Portfolios - World Selection 4 (USD))

I Allocation by Country

Country	As at 30 Jun 2019	
	% of NAV	MV USD mil
United States	35.39	258.42
Japan	5.73	41.84
China	4.54	33.15
United Kingdom	4.46	32.57
France	2.47	18.04
Germany	2.03	14.82
India	1.97	14.39
Switzerland	1.91	13.95
Others*	37.57	274.33
Cash	3.93	28.70
Total	100.00	730.21

*Includes other countries

II Allocation by Industry

Industry	As at 30 Jun 2019	
	% of NAV	MV USD mil
Financials	13.29	97.04
Industrials	10.75	78.50
Information Technology	10.72	78.28
Consumer Discretionary	7.89	57.61
Health Care	7.72	56.37
Communication Services	6.49	47.39
Consumer Staples	6.18	45.13
Energy	4.48	32.71
Others*	28.55	208.48
Cash	3.93	28.70
Total	100.00	730.21

*Includes other industries

III Allocation of Debt Securities by Credit Ratings			As at 30 Jun 2019	
Rating	% of NAV		MV S\$ mil	
AAA	(2.37)		(17.31)	
AA	0.11		0.80	
A	1.26		9.20	
BBB	3.48		25.41	
BB	2.93		21.40	
B	2.15		15.70	
CCC	0.29		2.12	
Unrated	4.59		33.52	
Total	12.44		90.84	

IV Top Ten Holdings of Underlying Sub-Fund			As at 30 Jun 2019	
	% of NAV		MV USD mil	
HSBC FTSE All World Index Instl Acc	15.25		111.36	
HSBC American Index Institutional Acc	15.06		109.97	
Vanguard FTSE All World UCITS ETF	10.72		78.28	
HSBC GIF Global Em Mkts Local Dbt ZQ1	8.14		59.44	
HSBC Economic Scale Worldwide Equity ETF	7.16		52.28	
HSBC European Index Institutional Acc	5.00		36.51	
HSBC GIF Global Real Estate Eq ZQ1	4.80		35.05	
HSBC Multi Factor Worldwide Equity ETF	4.23		30.89	
Ishares Core MSCI Em IMI ETF USD Acc	4.20		30.67	
Struct GS Cross Asset Trend E USD Acc	3.02		22.05	

V Exposure to Derivatives			As at 30 Jun 2019	
% of NAV			1.44%	
Market value (USD)			10,486,467	
Realised Gains / (Losses) (USD)			(56,091,706)	
Unrealised Gains / (Losses) (USD)			6,465,600	

VI Borrowings of Net Asset Value			As at 30 Jun 2019	
N.A.				

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance World Selection 4 Fund (USD)	Underlying Sub-Fund
	As at 30-Jun-19	As at 31-Mar-19*
Expense Ratio	1.72%	1.42%
Turnover Ratio	179.70%	As at 30-Jun-19 0.09%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Portfolios - World Selection 4 (USD) for the financial year ended 30 Jun 2019 is not available.

II Related-Party Transactions

HSBC Insurance World Selection 4 Fund (USD) invests USD 0.01 million, equivalent to 100.00% of its net asset value in HSBC Portfolios - World Selection 4 (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 30 June 2019 amounts to USD 8.

III Material Information that will adversely impact the valuation of the ILP sub-fund		
N.A.		

IV Soft Dollar Commission Arrangement

The Investment Adviser of the Fund may from time to time receive goods and services which are paid for out of broker commissions provided that they relate to execution and research services which meet the criteria laid down by United Kingdom's Financial Conduct Authority Rules.

E) Financial Statements

Refer to page 183.

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HSBC Insurance World Selection 5 Fund (USD)

B) Fund Disclosure

I Allocation by Asset Class

Asset Class	As at 30 Jun 2019	
	% of NAV	MV USD mil
HSBC Portfolios - World Selection 5 (USD)	100.00	0.92
Total	100.00	0.92

II Fund Movement

(01 Jul 2018 - 30 Jun 2019)

	USD
Subscription	537,633
Redemption	29,610

C) Underlying Sub-Fund Disclosure (HSBC Portfolios - World Selection 5 (USD))

I Allocation by Country

Country	As at 30 Jun 2019	
	% of NAV	MV USD mil
United States	40.51	131.43
Japan	6.38	20.70
United Kingdom	5.00	16.22
China	4.74	15.38
France	2.74	8.89
Germany	2.27	7.36
Switzerland	2.21	7.17
Australia	1.83	5.94
Others*	33.87	109.88
Cash	0.45	1.46
Total	100.00	324.43

*Includes other countries

II Allocation by Industry

Industry	As at 30 Jun 2019	
	% of NAV	MV USD mil
Financials	14.02	45.49
Information Technology	12.16	39.45
Industrial	10.09	32.74
Health Care	8.82	28.61
Consumer Discretionary	8.82	28.61
Communication Services	7.21	23.39
Consumer Staples	6.86	22.26
Energy	4.90	15.90
Materials	4.13	13.40
Others*	22.54	73.12
Cash	0.45	1.46
Total	100.00	324.43

*Includes other industries

III Allocation of Debt Securities by Credit Ratings

Rating	As at 30 Jun 2019	
	% of NAV	MV USD mil
AA	0.04	0.13
A	0.56	1.82
BBB	1.60	5.19
BB	1.46	4.74
B	0.99	3.21
CCC	0.13	0.42
Unrated	2.47	8.01
Total	7.25	23.52

IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2019	
	% of NAV	MV USD mil
HSBC FTSE All World Index Instl Acc	15.69	50.92
HSBC American Index Instl Acc	14.63	47.46
Ishares Core S&P 500 ETF USD Acc	10.85	35.20
HSBC European Index Institutional Acc	7.57	24.56
HSBC Economic Scale Worldwide Equity ETF	7.31	23.72
Ishares Core MSCI Em Imi ETF USD Acc	6.31	20.47
HSBC GIF Global Real Estate Eq ZQ1	4.92	15.96
HSBC GIF Global Em Mkts Local Dbt ZQ1	4.51	14.63
HSBC Multi Factor Worldwide Equity ETF	4.44	14.40
HSBC Japan Index Instl Acc	4.06	13.17

Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2018	
	% of NAV	MV USD mil
HSBC FTSE All-World Index	19.02	67.41
HSBC American Index	16.48	58.40
iShares Core S&P 500	8.46	29.98
HSBC ESI Worldwide Equity ETF	7.66	27.14
HSBC European Index	7.55	26.75
iShares Core MSCI Emerging Markets	6.43	22.78
HSBC GIF Global Real Estate Equity	5.01	17.75
Vanguard FTSE All-World ETF	4.90	17.36
HSBC GIF Global Emerging Market Local Debt	4.79	16.97
HSBC Japan Index	4.18	14.81

V Exposure to Derivatives

	As at 30 Jun 2019
% of NAV	1.45%
Market value (USD)	4,708,689
Realised Gains / (Losses) (USD)	(24,026,304)
Unrealised Gains / (Losses) (USD)	3,153,143

VI Borrowings of Net Asset Value

	As at 30 Jun 2019
Use of borrowing in % of Fund Total Net Asset	(0.04%)

D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance World Selection 5		Underlying Sub-Fund	
	Fund (USD)			
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Expense Ratio	1.81%	1.80%	1.52%	1.51%
	As at 30-Jun-19	As at 30-Jun-18	As at 31-Mar-19*	As at 31-Mar-18**
Turnover Ratio	13.37%	9.19%	0.08%	38.23%

*Based on unaudited figure as at 31 Mar 2019 as the expense ratio of HSBC Portfolios - World Selection 5 (USD) for the financial year ended 30 Jun 2019 is not available.

**Based on unaudited figure as at 31 Mar 2018 for comparative purposes.

II Related-Party Transactions

HSBC Insurance World Selection 5 Fund (USD) invests USD 0.92 million, equivalent to 100.00% of its net asset value in HSBC Portfolios - World Selection 5 (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2018 to 30 June 2019 amounts to USD 2,333.

III Material Information that will adversely impact the valuation of the ILP sub-fund
N.A.

IV Soft Dollar Commission Arrangement

The Investment Adviser of the Fund may from time to time receive goods and services which are paid for out of broker commissions provided that they relate to execution and research services which meet the criteria laid down by United Kingdom's Financial Conduct Authority Rules.

E) Financial Statements

Refer to page 183.

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STATEMENT BY DIRECTOR

For the financial year/period ended 30 June 2019

In the opinion of the directors of HSBC Insurance (Singapore) Pte. Limited, the accompanying financial statements of the Investment-Linked Funds of HSBC Insurance (Singapore) Pte. Limited set out on 167 to 186 comprising the Statements of Assets and Liabilities, Capital and Income Accounts and notes to the financial statements, are drawn up in accordance with the stated accounting policies.

For and on behalf of director of HSBC Insurance (Singapore) Pte. Limited

Carlos M Vazquez

Director

30 September 2019

INDEPENDENT AUDITOR'S REPORT TO HSBC INSURANCE (SINGAPORE) PTE. LIMITED

Our Opinion

In our opinion, the accompanying financial statements of the Investment Linked Sub-Funds (the list of Investment Linked Sub-Funds are set out in pages 167 to 168) of HSBC Insurance (Singapore) Pte. Limited ("the Company") for the financial year/period ended 30 June 2019 are prepared, in all material respects, in accordance with the stated accounting policies as set out in Note 2.

What we have audited

The financial statements of the Investment Linked Sub-Funds comprise:

- the Statement of Assets and Liabilities as at 30 June 2019;
- the Capital and Income Accounts for the financial year/period then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 to the financial statements which describes the basis of accounting. The financial statements are prepared to assist the Company to comply with MAS Notice 307 *Investment-Linked Policies*. As a result, the financial statements may not be suitable for another purpose. This report is intended for the sole benefit and use of the Company and is not intended to nor may it be relied upon by any other party, other than the Company. We accept no liability or responsibility to any other party to whom this report is disclosed or otherwise made available to. This report relates solely to the financial statements of the Investment Linked Sub-Funds of the Company and does not extend to the financial statements of the Company taken as a whole. Our report is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO HSBC INSURANCE (SINGAPORE) PTE. LIMITED (continued)

Other Information

Management is responsible for the other information. The other information comprises the fund updates, fund performance summary, notes to the fund disclosures, fund disclosures in respect of each Investment Linked Sub-Fund, and excludes the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Directors for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the accounting policies set out in Note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Investment Linked Sub-Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to terminate the Investment Linked Sub-Funds or to cease the Investment Linked Sub-Funds' operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Investment Linked Sub-Funds' financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO HSBC INSURANCE (SINGAPORE) PTE. LIMITED (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Investment Linked Sub-Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Investment Linked Sub-Funds to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Public Accountants and Chartered Accountants
Singapore, 30 September 2019

The Statements of Assets and Liabilities and Capital and Income Accounts of the following Investment-Linked Funds are covered in this report:

HSBC Insurance Asia Equity Fund	HSBC Insurance Global High Income Bond Fund
HSBC Insurance Asia Focused Income Fund	HSBC Insurance Global Multi-Asset Fund
HSBC Insurance Asian Bond Fund	HSBC Insurance India Equity Fund
HSBC Insurance China Equity Fund	HSBC Insurance Pacific Equity Fund
HSBC Insurance Chinese Equity Fund	HSBC Insurance Premium Balanced Fund
HSBC Insurance Emerging Markets Equity Fund	HSBC Insurance Singapore Bond Fund
HSBC Insurance Ethical Global Equity Fund	HSBC Insurance Singapore Equity Fund
HSBC Insurance Ethical Global Sukuk Fund	HSBC Insurance US Equity Portfolio Fund
HSBC Insurance Europe Dynamic Equity Fund	HSBC Insurance US Opportunities Equity Fund
HSBC Insurance Global Bond Fund	HSBC Insurance World Selection 1 Fund
HSBC Insurance Global Emerging Markets Bond Fund	HSBC Insurance World Selection 2 Fund
HSBC Insurance Global Emerging Markets Equity Fund	HSBC Insurance World Selection 3 Fund
HSBC Insurance Global Equity Fund	HSBC Insurance World Selection 4 Fund
HSBC Insurance Global Equity Portfolio Fund	HSBC Insurance World Selection 5 Fund
HSBC Insurance Global Equity Volatility Focused Fund	

The Statements of Assets and Liabilities and Capital and Income Accounts of the following Investment-Linked Funds are covered in this report (Cont) :

HSBC Insurance Europe Dynamic Equity Fund (USD)	HSBC Insurance Pacific Equity Fund (USD)
HSBC Insurance Global Emerging Markets Bond Fund (USD)	HSBC Insurance US Equity Portfolio Fund (USD)
HSBC Insurance Global Emerging Markets Equity Fund (USD)	HSBC Insurance World selection 1 Fund (USD)
HSBC Insurance Global Equity Portfolio Fund (USD)	HSBC Insurance World Selection 2 Fund (USD)
HSBC Insurance Global Equity Volatility Focused Fund (USD)	HSBC Insurance World Selection 3 Fund (USD)
HSBC Insurance Global High Income Bond Fund (USD)	HSBC Insurance World Selection 4 Fund (USD)
HSBC Insurance India Equity Fund (USD)	HSBC Insurance World Selection 5 Fund (USD)

Financial Statements

	HSBC Insurance Asia Equity Fund S\$	HSBC Insurance Asia Focused Income Fund S\$	HSBC Insurance Asian Bond Fund S\$
Capital and Income Account			
For The Financial Year Ended 30 June 2019			
Value of Fund as at 1 July 2018	109,371,467	9,842,621	28,470,138
Amounts received by the Fund for creation of units	9,193,676	1,457,118	4,233,625
Amounts paid by the Fund for liquidation of units	(21,792,620)	(3,465,658)	(10,311,623)
Net cash into/(out of) Fund	(12,598,944)	(2,008,540)	(6,077,998)
Unrealised appreciation/(diminution) in value of investments	(7,075,396)	539,374	685,234
Gain/(Loss) on sale of investments	5,408,278	(51,411)	808,053
Management fees	(1,477,091)	(110,859)	(268,342)
Other expenses	(36,878)	(3,321)	(10,049)
Increase/(Decrease) in net asset value for the period	(15,780,031)	(1,634,757)	(4,863,102)
Value of Fund as at 30 June 2019	93,591,436	8,207,864	23,607,036
Statement of Assets and Liabilities			
As at 30 June 2019			
<u>Assets</u>			
Investments in funds	93,853,066	8,207,719	23,599,649
Other debtors	317,851	72,425	474,349
Total assets	94,170,917	8,280,144	24,073,998
<u>Liabilities</u>			
Other creditors	(579,481)	(72,280)	(466,962)
Value of Fund as at 30 June 2019	93,591,436	8,207,864	23,607,036

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance China Equity Fund	HSBC Insurance Chinese Equity Fund	HSBC Insurance Emerging Markets Equity Fund
	S\$	S\$	S\$
Capital and Income Account			
For The Financial Year Ended 30 June 2019			
Value of Fund as at 1 July 2018	104,879,317	7,456,846	33,137,538
Amounts received by the Fund for creation of units	7,584,073	9,998,998	2,844,000
Amounts paid by the Fund for liquidation of units	(24,150,286)	(382,123)	(6,260,700)
Net cash into/(out of) Fund	(16,566,213)	9,616,875	(3,416,700)
Unrealised appreciation/(diminution) in value of investments	(13,089,739)	(348,704)	(510,758)
Gain/(Loss) on sale of investments	6,920,731	(8,290)	918,803
Dividend Income	-	2,391	-
Management fees	(1,340,461)	(171,556)	(458,153)
Other expenses	(33,467)	(4,283)	(11,439)
Increase/(Decrease) in net asset value for the period	(24,109,149)	9,086,433	(3,478,247)
Value of Fund as at 30 June 2019	80,770,168	16,543,279	29,659,291
Statement of Assets and Liabilities			
As at 30 June 2019			
<u>Assets</u>			
Investments in funds	81,062,391	16,526,865	29,672,033
Other debtors	295,393	44,282	165,795
Total assets	81,357,784	16,571,147	29,837,828
<u>Liabilities</u>			
Other creditors	(587,616)	(27,868)	(178,537)
Value of Fund as at 30 June 2019	80,770,168	16,543,279	29,659,291

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance Ethical Global Equity Fund S\$	HSBC Insurance Ethical Global Sukuk Fund S\$	HSBC Insurance Europe Dynamic Equity Fund S\$
Capital and Income Account For The Financial Year Ended 30 June 2019			
Value of Fund as at 1 July 2018	55,692,332	15,199,285	37,191,479
Amounts received by the Fund for creation of units	1,172,156	148,023	8,024,397
Amounts paid by the Fund for liquidation of units	(6,672,463)	(1,346,483)	(10,646,287)
Net cash into/(out of) Fund	(5,500,307)	(1,198,460)	(2,621,890)
Unrealised appreciation/(diminution) in value of investments	(3,931,730)	521,028	387,816
Gain/(Loss) on sale of investments	680,672	(20,577)	(274,396)
Dividend Income	-	706,770	-
Other Income	60,000	-	-
Management fees	(744,782)	(192,992)	(514,293)
Other expenses	-	(10,227)	(12,840)
Increase/(Decrease) in net asset value for the period	(9,436,147)	(194,458)	(3,035,603)
Value of Fund as at 30 June 2019	46,256,185	15,004,827	34,155,876
Statement of Assets and Liabilities As at 30 June 2019			
<u>Assets</u>			
Investments in funds	46,243,427	15,005,802	34,185,106
Cash and bank balances	-	1,523	-
Other debtors	138,796	15,722	127,257
Total assets	46,382,223	15,023,047	34,312,363
<u>Liabilities</u>			
Other creditors	(126,038)	(18,220)	(156,487)
Value of Fund as at 30 June 2019	46,256,185	15,004,827	34,155,876

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance Global Bond Fund S\$	HSBC Insurance Global Emerging Markets Bond Fund S\$	HSBC Insurance Global Emerging Markets Equity Fund S\$
Capital and Income Account For The Financial Year Ended 30 June 2019			
Value of Fund as at 1 July 2018	9,356,206	2,147,822	3,705,279
Amounts received by the Fund for creation of units	1,140,434	769,831	5,081,608
Amounts paid by the Fund for liquidation of units	(3,133,656)	(588,946)	(394,389)
Net cash into/(out of) Fund	(1,993,222)	180,885	4,687,219
Unrealised appreciation/(diminution) in value of investments	186,090	138,764	852,519
Gain/(Loss) on sale of investments	255,131	(60,006)	743
Dividend Income	-	128,219	-
Other Income	2,000	-	-
Management fees	(68,998)	(25,420)	(91,371)
Other expenses	(3,230)	(761)	(2,281)
Increase/(Decrease) in net asset value for the period	(1,622,229)	361,681	5,446,829
Value of Fund as at 30 June 2019	7,733,977	2,509,503	9,152,108
Statement of Assets and Liabilities As at 30 June 2019			
<u>Assets</u>			
Investments in funds	7,817,204	2,486,550	9,148,817
Dividend Receivable	-	13,564	-
Other debtors	46,655	9,541	13,366
Total assets	7,863,859	2,509,655	9,162,183
<u>Liabilities</u>			
Other creditors	(129,882)	(152)	(10,075)
Value of Fund as at 30 June 2019	7,733,977	2,509,503	9,152,108

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance Global Equity Fund S\$	HSBC Insurance Global Equity Portfolio Fund S\$	HSBC Insurance Global Equity Volatility Focused Fund S\$
Capital and Income Account For The Financial Year Ended 30 June 2019			
Value of Fund as at 1 July 2018	78,683,163	5,905,284	7,315,137
Amounts received by the Fund for creation of units	2,967,340	4,420,704	861,709
Amounts paid by the Fund for liquidation of units	(11,601,489)	(364,674)	(2,112,143)
Net cash into/(out of) Fund	(8,634,149)	4,056,030	(1,250,434)
Unrealised appreciation/(diminution) in value of investments	(2,492,871)	93,369	354,291
Gain/(Loss) on sale of investments	4,539,343	8,135	10,931
Dividend income	-	83,134	-
Management fees	(1,170,763)	(46,792)	(99,555)
Other expenses	(27,403)	(2,921)	(2,486)
Increase/(Decrease) in net asset value for the period	(7,785,843)	4,190,955	(987,253)
Value of Fund as at 30 June 2019	70,897,320	10,096,239	6,327,884
Statement of Assets and Liabilities As at 30 June 2019			
<u>Assets</u>			
Investments in funds	70,984,803	10,095,111	6,330,278
Other debtors	136,697	1,726	25,290
Total assets	71,121,500	10,096,837	6,355,568
<u>Liabilities</u>			
Other creditors	(224,180)	(598)	(27,684)
Value of Fund as at 30 June 2019	70,897,320	10,096,239	6,327,884

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance Global High Income Bond Fund S\$	HSBC Insurance Global Multi-Asset Fund S\$	HSBC Insurance India Equity Fund S\$
Capital and Income Account			
For The Financial Year Ended 30 June 2019			
Value of Fund as at 1 July 2018	2,256,023	789,658	61,416,750
Amounts received by the Fund for creation of units	1,769,757	764,761	10,829,431
Amounts paid by the Fund for liquidation of units	(143,512)	(206,618)	(14,004,318)
Net cash into/(out of) Fund	1,626,245	558,143	(3,174,887)
Unrealised appreciation/(diminution) in value of investments	299,718	54,380	2,156,835
Gain/(Loss) on sale of investments	2,661	(2,916)	2,055,308
Management fees	(39,174)	(14,362)	(896,697)
Other expenses	(1,174)	(430)	(22,388)
Increase/(Decrease) in net asset value for the period	1,888,276	594,815	118,171
Value of Fund as at 30 June 2019	4,144,299	1,384,473	61,534,921
Statement of Assets and Liabilities			
As at 30 June 2019			
<u>Assets</u>			
Investments in funds	4,143,159	1,384,550	61,603,756
Other debtors	1,388	42,304	243,838
Total assets	4,144,547	1,426,854	61,847,594
<u>Liabilities</u>			
Other creditors	(248)	(42,381)	(312,673)
Value of Fund as at 30 June 2019	4,144,299	1,384,473	61,534,921

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance Pacific Equity Fund S\$	HSBC Insurance Premium Balanced Fund S\$	HSBC Insurance Singapore Bond Fund S\$
Capital and Income Account For The Financial Year Ended 30 June 2019			
Value of Fund as at 1 July 2018	169,460,468	119,590,914	33,259,815
Amounts received by the Fund for creation of units	34,754,174	5,883,387	3,146,097
Amounts paid by the Fund for liquidation of units	(45,173,570)	(11,092,245)	(8,377,983)
Net cash into/(out of) Fund	(10,419,396)	(5,208,858)	(5,231,886)
Unrealised appreciation/(diminution) in value of investments	3,449,110	2,588,056	299,021
Gain/(Loss) on sale of investments	5,393,436	3,376,266	600,379
Management fees	(2,469,409)	(833,067)	(154,826)
Other expenses	(61,653)	(44,569)	(11,597)
Increase/(Decrease) in net asset value for the period	(4,107,912)	(122,172)	(4,498,909)
Value of Fund as at 30 June 2019	165,352,556	119,468,742	28,760,906
Statement of Assets and Liabilities As at 30 June 2019			
<u>Assets</u>			
Investments in funds	165,590,327	119,501,299	28,717,118
Cash and bank balances	104,798	-	-
Other debtors	897,413	66,545	62,081
Total assets	166,592,538	119,567,844	28,779,199
<u>Liabilities</u>			
Other creditors	(1,239,982)	(99,102)	(18,293)
Value of Fund as at 30 June 2019	165,352,556	119,468,742	28,760,906

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance Singapore Equity Fund S\$	HSBC Insurance US Equity Portfolio Fund S\$	HSBC Insurance US Opportunities Equity Fund S\$
Capital and Income Account For The Financial Year Ended 30 June 2019			
Value of Fund as at 1 July 2018	22,020,866	5,722,086	1,603,384
Amounts received by the Fund for creation of units	5,118,193	3,901,701	2,444,429
Amounts paid by the Fund for liquidation of units	(6,422,038)	(276,242)	(469,626)
Net cash into/(out of) Fund	(1,303,845)	3,625,459	1,974,803
Unrealised appreciation/(diminution) in value of investments	730,582	176,190	318,012
Gain/(Loss) on sale of investments	(305,242)	26,750	44,615
Dividend Income	866,750	47,437	-
Management fees	(239,382)	(30,363)	(40,011)
Other expenses	(7,969)	(2,843)	(999)
Increase/(Decrease) in net asset value for the period	(259,106)	3,842,630	2,296,420
Value of Fund as at 30 June 2019	21,761,760	9,564,716	3,899,804
Statement of Assets and Liabilities As at 30 June 2019			
<u>Assets</u>			
Investments in funds	21,816,838	9,536,844	3,890,523
Other debtors	-	28,434	26,807
Total assets	21,816,838	9,565,278	3,917,330
<u>Liabilities</u>			
Other creditors	(55,078)	(562)	(17,526)
Value of Fund as at 30 June 2019	21,761,760	9,564,716	3,899,804

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance World Selection 1 Fund S\$	HSBC Insurance World Selection 2 Fund* S\$	HSBC Insurance World Selection 3 Fund S\$
Capital and Income Account			
For The Financial Year Ended 30 June 2019			
Value of Fund as at 1 July 2018	2,684,146	-	7,010,019
Amounts received by the Fund for creation of units	1,141,100	85,908	4,753,015
Amounts paid by the Fund for liquidation of units	(625,144)	-	(826,610)
Net cash into/(out of) Fund	515,956	85,908	3,926,405
Unrealised appreciation/(diminution) in value of investments	158,641	1,880	406,028
Gain/(Loss) on sale of investments	74,309	-	263,277
Management fees	(40,408)	(175)	(126,750)
Other expenses	(1,121)	(4)	(3,274)
Increase/(Decrease) in net asset value for the period	707,377	87,609	4,465,686
Value of Fund as at 30 June 2019	3,391,523	87,609	11,475,705
Statement of Assets and Liabilities			
As at 30 June 2019			
<u>Assets</u>			
Investments in funds	3,391,035	87,642	11,479,317
Other debtors	1,591	-	8,598
Total assets	3,392,626	87,642	11,487,915
<u>Liabilities</u>			
Other creditors	(1,103)	(33)	(12,210)
Value of Fund as at 30 June 2019	3,391,523	87,609	11,475,705

*Fund was launched on 05 November 2018.

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance World Selection 4 Fund* S\$	HSBC Insurance World Selection 5 Fund S\$
Capital and Income Account For The Financial Year Ended 30 June 2019		
Value of Fund as at 1 July 2018	-	17,241,273
Amounts received by the Fund for creation of units	124,042	5,121,699
Amounts paid by the Fund for liquidation of units	-	(1,678,638)
Net cash into/(out of) Fund	124,042	3,443,061
Unrealised appreciation/(diminution) in value of investments	3,030	87,525
Gain/(Loss) on sale of investments	-	1,065,750
Management fees	(361)	(296,511)
Other expenses	(9)	(7,164)
Increase/(Decrease) in net asset value for the period	126,702	4,292,661
Value of Fund as at 30 June 2019	126,702	21,533,934
Statement of Assets and Liabilities As at 30 June 2019		
<u>Assets</u>		
Investments in funds	126,868	21,525,723
Other debtors	-	48,961
Total assets	126,868	21,574,684
<u>Liabilities</u>		
Other creditors	(166)	(40,750)
Value of Fund as at 30 June 2019	126,702	21,533,934

*Fund was launched on 05 November 2018.

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance Europe Dynamic Equity Fund (USD) US\$	HSBC Insurance Global Emerging Markets Bond Fund (USD) US\$	HSBC Insurance Global Emerging Markets Equity Fund (USD) US\$
Capital and Income Account			
For The Financial Year Ended 30 June 2019			
Value of Fund as at 1 July 2018	680,487	552,623	1,151,717
Amounts received by the Fund for creation of units	1,336,792	545,901	1,797,527
Amounts paid by the Fund for liquidation of units	(209,581)	-	(39,090)
Net cash into/(out of) Fund	1,127,211	545,901	1,758,437
Unrealised appreciation/(diminution) in value of investments	68,465	103,140	329,014
Gain/(Loss) on sale of investments	3,077	-	(4,858)
Management fees	(18,342)	(10,726)	(29,823)
Other expenses	(458)	(321)	(745)
Increase/(Decrease) in net asset value for the period	1,179,953	637,994	2,052,025
Value of Fund as at 30 June 2019	1,860,440	1,190,617	3,203,742
Statement of Assets and Liabilities			
As at 30 June 2019			
<u>Assets</u>			
Investments in funds	1,860,786	1,190,077	3,203,817
Other debtors	-	611	14,125
Total assets	1,860,786	1,190,688	3,217,942
<u>Liabilities</u>			
Other creditors	(346)	(71)	(14,200)
Value of Fund as at 30 June 2019	1,860,440	1,190,617	3,203,742

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance Global Equity Portfolio Fund (USD) US\$	HSBC Insurance Global Equity Volatility Focused Fund (USD) US\$	HSBC Insurance Global High Income Bond Fund (USD) US\$
Capital and Income Account			
For The Financial Year Ended 30 June 2019			
Value of Fund as at 1 July 2018	1,330,655	26,543	633,360
Amounts received by the Fund for creation of units	1,662,923	91,512	567,176
Amounts paid by the Fund for liquidation of units	(136,883)	-	(5,971)
Net cash into/(out of) Fund	1,526,040	91,512	561,205
Unrealised appreciation/(diminution) in value of investments	63,402	4,186	97,578
Gain/(Loss) on sale of investments	(2,649)	-	2,132
Dividend Income	16,782	-	-
Management fees	(12,045)	(814)	(11,539)
Other expenses	(752)	(20)	(346)
Increase/(Decrease) in net asset value for the period	1,590,778	94,864	649,030
Value of Fund as at 30 June 2019	2,921,433	121,407	1,282,390
Statement of Assets and Liabilities			
As at 30 June 2019			
<u>Assets</u>			
Investments in funds	2,919,103	121,450	1,281,387
Other debtors	19,799	-	1,079
Total assets	2,938,902	121,450	1,282,466
<u>Liabilities</u>			
Other creditors	(17,469)	(43)	(76)
Value of Fund as at 30 June 2019	2,921,433	121,407	1,282,390

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance India Equity Fund (USD)	HSBC Insurance Pacific Equity Fund (USD)	HSBC Insurance US Equity Portfolio Fund (USD)
	US\$	US\$	US\$
Capital and Income Account For The Financial Year Ended 30 June 2019			
Value of Fund as at 1 July 2018	588,403	2,489,889	871,461
Amounts received by the Fund for creation of units	976,025	4,822,220	1,365,787
Amounts paid by the Fund for liquidation of units	(3,852)	(183,064)	(907)
Net cash into/(out of) Fund	972,173	4,639,156	1,364,880
Unrealised appreciation/(diminution) in value of investments	119,727	514,656	65,007
Gain/(Loss) on sale of investments	(988)	(13,619)	4,792
Dividend Income	-	-	6,929
Management fees	(15,375)	(69,033)	(5,953)
Other expenses	(384)	(1,723)	(557)
Increase/(Decrease) in net asset value for the period	1,075,153	5,069,437	1,435,098
Value of Fund as at 30 June 2019	1,663,556	7,559,326	2,306,559

**Statement of Assets and Liabilities
As at 30 June 2019**

<u>Assets</u>			
Investments in funds	1,662,322	7,549,043	2,300,281
Cash and bank balances	-	1,461	-
Other debtors	1,335	31,998	6,409
Total assets	1,663,657	7,582,502	2,306,690
<u>Liabilities</u>			
Other creditors	(101)	(23,176)	(131)
Value of Fund as at 30 June 2019	1,663,556	7,559,326	2,306,559

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance World Selection 1 Fund (USD) US\$	HSBC Insurance World Selection 2 Fund (USD)* US\$	HSBC Insurance World Selection 3 Fund (USD) US\$
Capital and Income Account For The Financial Year Ended 30 June 2019			
Value of Fund as at 1 July 2018	131,592	N.A.	406,390
Amounts received by the Fund for creation of units	143,178		810,934
Amounts paid by the Fund for liquidation of units	(18,234)		(15,383)
Net cash into/(out of) Fund	124,944		795,551
Unrealised appreciation/(diminution) in value of investments	15,248		59,534
Gain/(Loss) on sale of investments	(618)		1,793
Management fees	(2,627)		(10,691)
Other expenses	(73)		(276)
Increase/(Decrease) in net asset value for the period	136,874		845,911
Value of Fund as at 30 June 2019	268,466		1,252,301
Statement of Assets and Liabilities As at 30 June 2019			
<u>Assets</u>			
Investments in funds	268,700		1,252,713
Cash and bank balances	-		-
Other debtors	-		2,295
Total assets	268,700		1,255,008
<u>Liabilities</u>			
Other creditors	(234)		(2,707)
Value of Fund as at 30 June 2019	268,466		1,252,301

*Fund was launched on 05 November 2018.
Stated as N.A. as fund is yet to be incepted.

The accompanying notes form an integral part of these financial statements.

Financial Statements (Cont)

	HSBC Insurance World Selection 4 Fund (USD)* US\$	HSBC Insurance World Selection 5 Fund (USD) US\$
Capital and Income Account For The Financial Year Ended 30 June 2019		
Value of Fund as at 1 July 2018	-	379,860
Amounts received by the Fund for creation of units	10,640	537,633
Amounts paid by the Fund for liquidation of units	-	(29,610)
Net cash into/(out of) Fund	10,640	508,023
Unrealised appreciation/(diminution) in value of investments	381	41,847
Gain/(Loss) on sale of investments	-	(4,800)
Management fees	(36)	(9,273)
Other expenses	(1)	(224)
Increase/(Decrease) in net asset value for the period	10,984	535,573
Value of Fund as at 30 June 2019	10,984	915,433
Statement of Assets and Liabilities As at 30 June 2019		
<u>Assets</u>		
Investments in funds	10,987	914,795
Other debtors	-	861
Total assets	10,987	915,656
<u>Liabilities</u>		
Other creditors	(3)	(223)
Value of Fund as at 30 June 2019	10,984	915,433

*Fund was launched on 05 November 2018.

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

These notes form an integral part of the financial statements.

1. HSBC Insurance (Singapore) Pte. Limited Investment-Linked Funds

- 1.1 The Investment-Linked Funds of HSBC Insurance (Singapore) Pte. Limited (HSBC Insurance Investment-Linked Funds) comprise:

Funds	Units in issue as at 30 June 2019
HSBC Insurance Asia Equity Fund	32,220,273
HSBC Insurance Asia Focused Income Fund	7,308,182
HSBC Insurance Asian Bond Fund	12,388,889
HSBC Insurance China Equity Fund	30,567,547
HSBC Insurance Chinese Equity Fund	11,701,156
HSBC Insurance Emerging Markets Equity Fund	23,059,156
HSBC Insurance Ethical Global Equity Fund	35,079,338
HSBC Insurance Ethical Global Sukuk Fund	12,738,106
HSBC Insurance Europe Dynamic Equity Fund	27,272,208
HSBC Insurance Global Bond Fund	6,421,100
HSBC Insurance Global Emerging Markets Bond Fund	2,357,796
HSBC Insurance Global Emerging Markets Equity Fund	5,502,415
HSBC Insurance Global Equity Fund	42,404,215
HSBC Insurance Global Equity Portfolio Fund	7,579,028
HSBC Insurance Global Equity Volatility Focused Fund	5,059,524
HSBC Insurance Global High Income Bond Fund	3,491,491
HSBC Insurance Global Multi-Asset Fund	1,245,706
HSBC Insurance India Equity Fund	22,796,322
HSBC Insurance Pacific Equity Fund	115,575,516
HSBC Insurance Premium Balanced Fund	68,199,930
HSBC Insurance Singapore Bond Fund	20,302,456
HSBC Insurance Singapore Equity Fund	17,149,063
HSBC Insurance US Equity Portfolio Fund	6,425,176
HSBC Insurance US Opportunities Equity Fund	2,332,409
HSBC Insurance World Selection 1 Fund	2,682,395
HSBC Insurance World Selection 2 Fund	83,096
HSBC Insurance World Selection 3 Fund	8,224,994
HSBC Insurance World Selection 4 Fund	117,359
HSBC Insurance World Selection 5 Fund	14,609,148

HSBC Insurance (Singapore) Pte. Limited Investment-Linked Funds (Cont)

<u>Funds</u>	<u>Units in issue as at 30 June 2019</u>
HSBC Insurance Europe Dynamic Equity Fund (USD)	1,603,793
HSBC Insurance Global Emerging Markets Equity Fund (USD)	2,238,412
HSBC Insurance Global Equity Portfolio Fund (USD)	2,313,818
HSBC Global Equity Volatility Focused Fund (USD)	100,040
HSBC Insurance Global High Income Bond Fund (USD)	1,148,842
HSBC Insurance Global Emerging Markets Bond Fund (USD)	1,076,392
HSBC Insurance India Equity Fund (USD)	1,382,400
HSBC Insurance Pacific Equity Fund (USD)	6,064,694
HSBC Insurance US Equity Portfolio Fund (USD)	1,765,538
HSBC Insurance World selection 1 Fund (USD)	246,451
HSBC Insurance World Selection 2 Fund (USD)	0
HSBC Insurance World Selection 3 Fund (USD)	1,076,027
HSBC Insurance World Selection 4 Fund (USD)	10,362
HSBC Insurance World Selection 5 Fund (USD)	747,132

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the HSBC Insurance Investment-Linked Funds are presented in the currencies of the respective underlying funds, which includes Singapore and United States Dollars. The financial statements have been prepared on the historical cost basis, except for investments which are measured at fair value.

2.2 Investments

All purchases of investments, which only comprise of unit trusts, are recognised on their trade dates, i.e. the date the commitment exists to purchase the investments. The investments are initially recorded at cost, being the consideration given and excluding acquisition charges associated with the investments. After initial recognition, the investments are subsequently measured at fair value. The unrealised gains or losses on re-measurement to fair value are taken to the Capital and Income Account within unrealised appreciation/ (diminution) in value of investments after being adjusted for management fees at the underlying invested unit trust. The fair value is determined by using open market valuation at the reporting date. The quoted market price used for these investments is the quoted net asset value per unit of the unit trusts.

2.3 Amounts received by the funds for creation of units

The amounts received by the funds comprise the gross premiums received by the Company (after deducting charges which include bid-offer spread) and switches by the policyholders from other funds.

2.4 Amounts paid by the funds for liquidation of units

The amounts paid by the funds for liquidation of units comprise of the sale of units in the investment-linked funds for the payment of death claims or surrenders and for switches by the policyholders to the other funds.

2.5 The amount due to and due from unitholders are calculated based on net amount basis.

2.6 The amount due to and due from brokers are calculated based on net amount basis.

2.7 Policy fees, mortality charges and other administrative fees

Policy fees, mortality charges and other administrative fees are charged to the Capital and Income Accounts by way of unit deductions.

2.8 Gains/losses from sale of investments

All sales of investments are recognised on their trade dates, the date the fund commits to sell the investments. The cost of disposal of investments is determined on the weighted-average cost basis. Realised gains/losses from the sale of investments are taken to the Capital and Income Account.

2.9 Income and expenses recognition

Dividend income is recognised in the Capital and Income Account when the right to receive payment is established.

Expenses are recognised on an accrual basis.

2.10 Foreign currencies

Transactions in foreign currencies are translated into their functional currencies being Singapore dollars or United States Dollars at the exchange rate at the date of the transaction. Financial assets and liabilities denominated in foreign currencies at the reporting date are translated into their respective functional currencies at the exchange rate at the reporting date. Foreign currency differences are recognised in Other expenses in the Capital and Income Account.

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HSBC Insurance (Singapore) Pte. Limited ("HSBC Insurance (Singapore)") is a wholly owned subsidiary of HSBC Insurance (Asia Pacific) Holdings Limited, which is ultimately owned by HSBC Holdings plc, the London-based holding company of the HSBC Group. HSBC Insurance (Singapore) provides a wide range of solutions to cater to retirement, protection, legacy planning, education and growing your wealth needs.

HSBC Insurance Singapore's financial strength

- Our financial strength currently stands at almost S\$5.8 billion in assets as at 31 December, 2018.
- Our Capital Adequacy Ratio (CAR) as at 31 December, 2018 was 199%, more than the statutory capital requirement.
- A+ rating from Standard & Poor's in 2018 thanks to our continued growth, strength of management and sound financial condition.

Important Notes

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