

# Investment-linked policy sub-funds

Annual report for the year ended 30 June 2021.



**HSBC**  
Life

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## Fund Updates

1 July 2020 – 30 June 2021

### 1. Changes to HSBC Insurance Asian Bond Fund and HSBC Insurance Global Bond Fund

From 1 September 2020 (the "Effective Date"), the Fund Manager has applied a dilution adjustment mechanism as part of its daily valuation policy. The implementation of the dilution adjustment mechanism will reduce the negative cost impact to the existing investors caused by large inflow in or outflow monies from the Underlying Sub-Fund.

ILP Sub-Fund	Underlying Sub-Fund	Fund Manager
HSBC Insurance Asian Bond Fund	Legg Mason Western Asset Asian Bond Trust	Legg Mason Asset Management Singapore Pte. Limited
HSBC Insurance Global Bond Fund	Legg Mason Western Asset Global Bond Trust	Legg Mason Asset Management Singapore Pte. Limited

### 2. Changes to HSBC Insurance Global Emerging Markets Bond Fund (SGD & USD)

As part of our regular review, we have decided to replace the Underlying Sub-Fund of HSBC Insurance Global Emerging Markets Bond Fund (SGD & USD) (the "ILP Sub-Fund"). The following revisions have been made from 20 July 2020 (the "Effective Date"):

	Before the Effective Date	From the Effective Date
The Underlying Sub-Fund	HSBC Global Investment Funds - Global Emerging Markets Bond	PIMCO Emerging Markets Bond Fund
The Underlying Sub-Fund Manager	HSBC Investment Funds (Luxembourg) S.A.	PIMCO Global Advisors (Ireland) Limited

### 3. Changes to HSBC Life FlexConcept Fund (USD)

MEAG FlexConcept – BEST10USD, the Underlying Sub-Fund of HSBC Life FlexConcept Fund (USD) has changed Investment Manager effective from 1 April 2021.

The Underlying Sub-Fund manager, MEAG Luxembourg S.à r.l. has currently appointed MEAG MUNICH ERGO Kapitalanlagegesellschaft mbH, Am Münchner Tor 1, D-80805 Munich, Federal Republic of Germany as the investment manager of the Underlying Sub-Fund. From the Effective Date, the investment manager shall be replaced by Munich Re Investment Partners GmbH, Königinstraße 107, D-80802 Munich, Federal Republic of Germany acting as investment manager of the Underlying Sub-Fund.

### 4. Changes to HSBC Insurance Asian Bond Fund

As part of our regular review, we have decided to replace the Underlying Sub-Fund of HSBC Insurance Asian Bond Fund (the "ILP Sub-Fund"). The following revisions have been made on 14 June 2021 (the "Effective Date"):

	Before the Effective Date	From the Effective Date
The Underlying Sub-Fund	Legg Mason Western Asset Asian Bond Trust	Blackrock Global Funds – Asian Tiger Bond Fund

The Underlying Sub-Fund Manager	Legg Mason Asset Management Singapore Pte. Limited	BlackRock (Luxembourg) S.A.
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#### 5. Changes to HSBC Insurance Global Equity Portfolio Fund (SGD & USD)

As part of our regular review, we have decided to replace the Underlying Sub-Fund of HSBC Insurance Global Equity Portfolio Fund (the "ILP Sub-Fund"). The following revisions have been made on 7 April 2021 (the "Effective Date"):

	Before the Effective Date	From the Effective Date
The Underlying Sub-Fund	HSBC Global Investment Funds – Economic Scale Global Equity	AB Sustainable Global Thematic Portfolio
The Underlying Sub-Fund Manager	HSBC Investment Funds (Luxembourg) S.A.	AllianceBernstein (Luxembourg) S.à r.l.
ILP Sub-Fund name	HSBC Insurance Global Equity Portfolio Fund	HSBC Insurance Global Sustainable Equity Portfolio Fund

**Fund Performance Summary (SGD)**

		Cumulative		Annualised	
	3-Mth (%)	6-Mth (%)	1-Year (%)	3-Year (%)	3-Year (%)
<b>HSBC Insurance Asia Equity Fund Benchmark *</b>	(0.38) 3.30	2.86 7.60	25.74 33.17	33.32 40.56	10.06 12.02
<b>HSBC Insurance Asia Focused Income Fund</b> The Fund has no benchmark	(0.43)	(0.24)	13.09	18.48	5.81
<b>HSBC Insurance Asian Bond Fund Benchmark *</b>	0.28 1.11	(1.39) 1.58	1.18 0.07	7.86 18.70	2.55 5.88
<b>HSBC Insurance China Equity Fund Benchmark *</b>	5.96 2.31	7.55 3.57	33.99 22.75	50.85 32.51	14.69 9.84
<b>HSBC Insurance Chinese Equity Fund Benchmark *</b>	2.93 3.12	(0.03) 3.91	25.69 26.78	36.65 34.33	10.97 10.34
<b>HSBC Insurance Emerging Markets Equity Fund Benchmark *</b>	3.52 5.09	7.96 9.28	38.46 35.77	38.51 35.82	11.47 10.75
<b>HSBC Insurance Ethical Global Equity Fund Benchmark *</b>	1.58 5.92	10.11 13.22	30.15 30.10	13.73 34.72	4.38 10.45
<b>HSBC Insurance Ethical Global Sukuk Fund Benchmark *</b>	(0.16) 1.79	1.49 2.40	1.51 1.41	16.41 20.58	5.19 6.44
<b>HSBC Insurance Europe Dynamic Equity Fund Benchmark *</b>	5.99 6.68	16.36 14.16	33.80 27.58	24.83 29.53	7.67 9.01
<b>HSBC Insurance Global Bond Fund Benchmark *</b>	0.92 0.85	(3.05) (2.81)	(0.98) (1.76)	12.27 14.04	1.61 4.48
<b>HSBC Insurance Global Emerging Markets Bond Fund Benchmark *</b>	4.01 3.96	(1.15) (1.00)	8.11 6.65	10.61 18.75	3.42 5.90
<b>HSBC Insurance Global Emerging Markets Equity Fund Benchmark *</b>	6.18 5.09	5.25 9.28	38.61 35.77	58.29 35.82	16.54 10.75
<b>HSBC Insurance Global Equity Fund Benchmark *</b>	6.48 7.79	14.51 14.98	37.09 33.98	47.68 49.90	13.88 14.45
<b>HSBC Insurance Global Sustainable Equity Portfolio Fund Benchmark *</b>	5.13 7.44	16.79 14.22	38.10 34.19	29.14 48.24	8.90 14.02
<b>HSBC Insurance Global Equity Volatility Focused Fund</b> The Fund has no benchmark	3.99	6.18	30.42	31.78	9.64
<b>HSBC Insurance Global High Income Bond Fund</b> The Fund has no benchmark	2.05	0.19	7.34	17.20	5.43
<b>HSBC Insurance Global Multi-Asset Fund</b> The Fund has no benchmark	3.21	3.79	15.79	13.40	4.28
<b>HSBC Insurance India Equity Fund Benchmark *</b>	5.84 8.74	14.26 18.48	50.74 58.01	23.33 42.26	7.24 12.47

		Cumulative		Annualised	
	3-Mth (%)	6-Mth (%)	1-Year (%)	3-Year (%)	3-Year (%)
<b>HSBC Insurance Pacific Equity Fund</b>	3.22	5.28	35.93	43.39	12.76
<b>Benchmark *</b>	4.12	8.77	34.60	39.12	11.63
<b>HSBC Insurance Premium Balanced Fund</b>	3.15	0.93	5.63	19.05	5.99
The Fund has no benchmark					
<b>HSBC Insurance Singapore Bond Fund</b>	0.54	(0.17)	3.62	8.60	2.79
The Fund has no benchmark					
<b>HSBC Insurance Singapore Equity Fund</b>	0.61	10.38	20.04	5.68	1.86
<b>Benchmark *</b>	0.51	11.25	23.99	9.36	3.03
<b>HSBC Insurance US Equity Portfolio Fund</b>	6.63	24.18	51.85	47.40	13.81
<b>Benchmark *</b>	8.48	17.63	35.03	62.04	17.46
<b>HSBC Insurance US Opportunities Equity Fund</b>	14.94	12.05	38.07	80.68	21.80
<b>Benchmark *</b>	11.34	14.76	37.98	90.35	23.93
<b>HSBC Insurance World Selection 1 Fund</b>	1.76	0.46	5.89	13.77	4.39
The Fund has no benchmark					
<b>HSBC Insurance World Selection 2 Fund</b>	3.14	3.12	12.65	N.A.	N.A.
The Fund has no benchmark					
<b>HSBC Insurance World Selection 3 Fund</b>	4.60	6.69	22.47	25.83	7.96
The Fund has no benchmark					
<b>HSBC Insurance World Selection 4 Fund</b>	5.80	9.53	29.59	N.A.	N.A.
The Fund has no benchmark					
<b>HSBC Insurance World Selection 5 Fund</b>	6.34	10.78	32.39	32.59	9.86
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 (%)
<b>HSBC Insurance Europe Dynamic Equity Fund (USD)</b>	6.06	16.27	34.03	26.85	8.25
<b>Benchmark *</b>	6.67	14.06	27.81	32.42	9.81
<b>HSBC Insurance Global Emerging Markets Bond Fund (USD)</b>	4.01	(1.15)	8.26	12.95	4.14
<b>Benchmark *</b>	3.93	(1.00)	6.81	20.72	6.48
<b>HSBC Insurance Global Emerging Markets Equity Fund (USD)</b>	6.13	3.42	44.01	60.70	17.13
<b>Benchmark *</b>	5.05	7.45	40.90	37.77	11.27
<b>HSBC Insurance Global Sustainable Equity Portfolio Fund (USD)</b>	5.55	15.57	44.46	31.48	9.55
<b>Benchmark *</b>	7.39	12.30	39.26	50.37	14.57
<b>HSBC Insurance Global Equity Volatility Focused Fund (USD)</b>	4.09	6.56	31.37	35.90	10.77
<b>Benchmark *</b>	7.39	12.48	39.26	50.37	14.57
<b>HSBC Insurance Global High Income Bond Fund (USD)</b>	2.08	0.33	7.71	19.98	6.26
<b>Benchmark *</b>	2.42	(0.89)	3.71	21.44	6.69
<b>HSBC Insurance India Equity Fund (USD)</b>	5.81	12.40	56.53	24.65	7.62
<b>Benchmark *</b>	8.69	16.49	63.98	44.30	13.00
<b>HSBC Insurance Pacific Equity Fund (USD)</b>	3.12	3.43	40.91	44.83	13.14
<b>Benchmark *</b>	4.07	6.95	39.69	41.12	12.17
<b>HSBC Insurance US Equity Portfolio Fund (USD)</b>	6.64	22.29	57.98	48.96	14.21
<b>Benchmark *</b>	8.44	15.75	40.14	64.36	18.01
<b>HSBC Insurance World selection 1 Fund (USD)</b>	1.83	0.59	6.24	14.08	4.49
The Fund has no benchmark					
<b>HSBC Insurance World Selection 2 Fund (USD)^</b>	N.A.	N.A.	N.A.	N.A.	N.A.
The Fund has no benchmark					
<b>HSBC Insurance World Selection 3 Fund (USD)</b>	4.69	6.91	22.96	26.69	8.20
The Fund has no benchmark					
<b>HSBC Insurance World Selection 4 Fund (USD)</b>	5.97	9.88	30.71	N.A.	N.A.
The Fund has no benchmark					
<b>HSBC Insurance World Selection 5 Fund (USD)</b>	6.44	10.95	33.26	33.11	10.00
The Fund has no benchmark					
<b>HSBC Life FlexConcept Fund (USD)</b>	4.51	4.43	11.98	N.A.	N.A.
<b>Benchmark *</b>	4.70	5.65	14.70	N.A.	N.A.

\* Refer to the respective funds for the benchmark used.

^ Fund does not have performance figures as it was incepted less than 3 months.



## 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 2021 and for the 12 months ended 30 June 2020. 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 2021 and for the 12 months ended 30 June 2020. 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 <sup>^</sup>

Asian stocks rose during the reporting period. While COVID-19 cases continued to rise with more infectious variants reported, equity markets were supported by the start of vaccination programs, government relief measures and high level of liquidity injected by central banks around the world. Volatilities started to increase in the past two quarters as the US contemplated tapering and reduced corporate bond purchase. The US 10-year bond yield shot from 0.5282% in July 2020 to over 1.77% in March 2021 and closed at 1.468% at the end of June 2021. The Delta variant of Covid-19 caused repeated lockdowns in some Asian countries. In China, the government continued antitrust and data security investigations against Chinese e-commerce giants. The government also attempted to reform the after-school tutoring market, considering to reduce holiday and weekend tuition. It also tightened the financing availability for property developers to contain property prices. As a result of the regulatory risks, China and Hong Kong underperformed regional peers, dragged by communication services and real estate. South Korea and Taiwan outperformed on restocking demand and supply-chain disruptions caused by social distancing measures. Consumer discretionary and energy rose in South Korea, while industrials and information technology outperformed in Taiwan. Singapore lagged behind regional peers on delayed resumption of international travel, with stagnant performance of communication services. Other Southeast Asian countries including Indonesia, Malaysia, Philippines and Thailand underperformed. All suffered from resurgence of daily new Covid-19 cases and low vaccination rate. The currency of Indonesia and Thailand depreciated against the US dollar.

### Market Outlook and Investment Strategy <sup>^</sup>

Asia markets currently trade at consensus 12-month forward price to earnings ratio of 16 times, with 1.7% dividend yield, compared to zero interest rate policy globally. Global liquidity and vaccination would continue to support the markets. The fund will focus on companies with solid growth potential. Opportunities lie in 5G-related investment, proliferation of electric vehicles and automotive electrification. The shift of consumption pattern post COVID-19 will be another focus. During the reporting period, the fund suffered from positions impacted by regulatory risks in China, especially on consumer discretionary sector. The underweight on industrials in Taiwan also dragged. As for positioning, the key overweight markets are Hong Kong and Singapore, while underweight markets are China and Taiwan. In terms of sector, communication services is the most overweight sector, while consumer staples and industrials are underweight.

<sup>^</sup> 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 2021	
Offer Price	S\$ 4.19368
Bid Price	S\$ 3.98400
Fund Size	S\$ 92.58 mil
Units in Issue	23.24 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 <sup>A</sup>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Asia Equity Fund	(0.38)	2.86	25.74	33.32	90.43	88.32	319.37
Benchmark*	3.30	7.60	33.17	40.56	102.06	126.40	249.75

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>A</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Asia Equity Fund	10.06	13.75	6.53	5.39
Benchmark*	12.02	15.11	8.51	4.69

\*MSCI AC Far East ex Japan (SGD)

<sup>A</sup>Inception Date: 16 Mar 1994

## B) Fund Disclosure

### I Allocation by Asset Class

	As at 30 Jun 2021	
Asset Class	% of NAV	MV S\$ mil
DWS Asia Premier Trust	100.05	92.63
Other assets	0.18	0.17
Other liabilities	(0.23)	(0.22)
<b>Total</b>	<b>100.00</b>	<b>92.58</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	5,036,293
Redemption	19,274,483

## C) Underlying Fund Disclosure (DWS Asia Premier Trust)

### I Allocation by Country

	As at 30 Jun 2021	
Country	% of NAV	MV S\$ mil
Cayman Islands	37.50	41.35
South Korea	17.42	19.21
Taiwan	15.25	16.82
Hong Kong	10.74	11.84
China	6.91	7.62
Singapore	3.70	4.08
Thailand	2.35	2.59
Malaysia	0.83	0.91
Philippines	0.56	0.62
Others*	4.74	5.24
<b>Total</b>	<b>100.00</b>	<b>110.28</b>

\*Includes other countries and net assets

## II Allocation by Industry

Industry	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
E-Commerce	12.35	13.62
Electrical/Electronics	10.98	12.11
Semiconductors	10.58	11.67
Internet Service	9.01	9.94
Banks	8.59	9.47
Insurance	6.02	6.64
Real Estate	5.69	6.27
Chemicals	3.32	3.66
Computer/Software	3.16	3.48
Media	2.82	3.11
Telecom Services	2.75	3.03
Others*	24.73	27.28
<b>Total</b>	<b>100.00</b>	<b>110.28</b>

\*Includes other industries and net assets

## III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2021

N.A.

## IV Top Ten Holdings of Underlying Fund

	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Taiwan Semiconductor Manufacturing Corporation Limited	9.32	10.28
Samsung Electronics Company Limited	9.23	10.18
Tencent Holdings Limited	9.01	9.94
Alibaba Group Holding Limited	8.41	9.28
AIA Group Limited	4.65	5.13
CTBC Financial Holding Company Limited	2.75	3.03
China Construction Bank H Shares	2.15	2.37
Formosa Plastics Corporation	2.08	2.29
Galaxy Entertainment Group Limited	1.98	2.18
NetEase Inc	1.90	2.09

## Top Ten Holdings of Underlying Fund

	As at 30 Jun 2020	
	% of NAV	MV S\$ mil
Tencent Holdings Limited	10.15	10.16
Taiwan Semiconductor Manufacturing Corporation Limited	9.29	9.32
Alibaba Group Holding Limited	9.20	9.22
Samsung Electronics Company Limited	7.91	7.93
China Construction Bank H Shares	4.49	4.50
AIA Group Limited	3.98	3.99
Vanguard International Semiconductor Corporation	2.34	2.35
NetEase Inc	2.27	2.28
JD.com Incorporation	2.15	2.16
New Oriental Education & Technology Group Inc	2.08	2.09

## V Exposure to Derivatives

As at 30 Jun 2021

% of NAV	-
Market Value (S\$)	-
Realised gains / (Losses) (S\$)	(77,551)
Unrealised Gains / (Losses) (S\$)	-

## VI Borrowings of Net Asset Value

As at 30 Jun 2021

N.A.

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance Asia Equity Fund</b>		<b>Underlying Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20**</b>
Expense Ratio	1.76%	1.71%	1.47%	1.41%
Turnover Ratio	3.69%	4.88%	37.40%	25.44%

\*Based on unaudited figure as at 31 Mar 2021 as the expense ratio of DWS Asia Premier Trust for the financial year ended 30 Jun 2021 is not available.

\*\*Based on unaudited figure as at 31 Mar 2020 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](http://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 <sup>^</sup>

The fund returned positively over the 1-year period ended June 2021, mainly contributed by strong performance in Asian equities. Following the sharp global market sell-off in March 2020, Asian stock markets quickly recovered the losses and subsequently continued to perform well as virus situation was relatively contained in the region compared to the rest of the world. Gains were broadly sustained over the period thanks to good prospects of economic recovery, vaccination rollouts and broadly supportive policies. Fixed income assets in the portfolio also ended higher. Within the fixed income space, Asian high yield (HY) bonds contributed the most to performance, followed by Asian investment grade bonds, thanks to compression in credit spreads as economies recovered. GEM and Asian local currency bonds also performed positively as most of the key local currencies generally appreciated against the US dollar over the period.

### Market Outlook and Investment Strategy <sup>^</sup>

The three key debates at the moment are around growth, inflation and how these will interact to determine the course of monetary policy in different countries. We are entering the expansion phase of the economic cycle with China and the US leading the way. Other countries are set to follow later this year and into 2022. Among developed markets, supportive fiscal policy has boosted US growth. In Asia, credit tightening in China suggests more moderate growth ahead with spillovers to North Asia. However, some other Asian emerging markets could see stronger growth, provided that COVID is brought under control and vaccines are rolled out.

Inflation has been rising, driven by base effects from depressed prices – particularly for services – last year, the strong rise in the oil price over the past year, relative price adjustments between sectors, and speed limit effects as strong demand runs up against supply constraints in some areas. These effects may well prove to be transitory but will still be affecting inflation for a number of months to come. The effect of growth and inflation on markets will depend on whether they change the likely path of interest rates, and therefore bond yields. If yields are driven higher, then stock market valuation will look less attractive and we can expect a meaningful setback in equity prices. If, as we expect, inflation does indeed prove transitory and growth positive but not excessive, then interest rates will likely remain low and both bond and equity prices will be supported.

<sup>^</sup> 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 Classification	N.A.
As at 30 June 2021	
Offer Price	S\$ 1.34082
Bid Price	S\$ 1.27378
Fund Size	S\$ 8.27 mil
Units in Issue	6.49 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*	(0.43)	(0.24)	13.09	18.48	28.94	N.A.	34.08

### II Average Annual Compounded Returns

	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception^ (%)
HSBC Insurance Asia Focused Income Fund*	5.81	5.22	N.A.	3.55

\*This fund has no benchmark.

^Inception Date: 06 Feb 2013

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
HSBC Global Investment Funds – Managed Solutions - Asia Focused Income	100.00	8.27
<b>Total</b>	<b>100.00</b>	<b>8.27</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	1,251,439
Redemption	2,060,807

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

### I Allocation by Country

Country	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
China	44.19	480.89
Korea, Republic of, (South Korea)	12.73	138.53
India	9.73	105.88
Indonesia	6.82	74.18
Taiwan	6.06	65.91
Singapore	5.79	62.97
Thailand	3.98	43.27
Malaysia	2.82	30.67
Others*	6.31	68.81
Cash	1.57	17.09
<b>Total</b>	<b>100.00</b>	<b>1,088.20</b>

\*Includes other countries

### II Allocation by Industry

Industry	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Asia ex Japan Equity	36.55	397.77
Asian Investment Grade Bond	29.41	320.03
Asian Local Currency Bonds	16.12	175.41
Asian High Yield Bond	14.23	154.83
Global Emerging Market Debt Local Currency	2.47	26.83
Liquidity	1.22	13.33
<b>Total</b>	<b>100.00</b>	<b>1,088.20</b>

### III Allocation of Debt Securities by Credit Ratings

Rating (For Debt securities portfolio only)	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
AAA	3.37	36.67
AA+	0.73	7.97
AA	0.74	8.05
AA-	3.76	40.89
A+	4.36	47.48
A	4.89	53.23
A-	3.31	36.06
BBB+	11.22	122.14
BBB	9.37	102.00
BBB-	5.11	55.66
BB+	0.56	6.14
BB	2.10	22.85
BB-	3.42	37.25
Others*	7.33	79.54
Unrated	1.95	21.17
<b>Total</b>	<b>62.22</b>	<b>677.10</b>

\*Includes lower rated debt securities

### IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Samsung Electronics Co Ltd	2.98	32.43
Taiwan Semiconductor Co Ltd	2.88	31.30
HSBC GIF Global EM Local Dbt ZD	2.47	26.83
KB Financial Group INC	1.67	18.17
SK Telecom	1.50	16.32
ITC LTD	1.49	16.17
Meditatek INC	1.47	16.05
Tencent Holdings Ltd	1.41	15.33
United Tractors TBK PT	1.32	14.41
Shimao Group Holdings LTD	1.31	14.24

### Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2020	
	% of NAV	MV S\$ mil
Taiwan Semiconductor Co Ltd	3.11	14.34
Samsung Electronics Co Ltd	3.01	13.92
HSBC GIF Global Em Local Dbt ZD	2.59	11.96
HSBC FTSE All-World Index Instl Acc	2.04	9.41
Alibaba Group Holding Ltd	1.99	9.21
AIA Group Ltd	1.89	8.75
Tencent Holdings Ltd	1.51	6.98
PT Telekomunikasi Indonesia	1.44	6.63
China Life Insurance Co	1.36	6.28
KB Financial Group Inc	1.29	5.95

### V Exposure to Derivatives

	As at 30 Jun 2021	
	% of NAV	
Market value (S\$)	0.07%	
Realised Gains / (Losses) (S\$)		736,789
Unrealised Gains / (Losses) (S\$)		4,311,440
		(98,847)

### VI Borrowings of Net Asset Value

	As at 30 Jun 2021
N.A.	



**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance Asia Focused Income Fund</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20**</b>
Expense Ratio	1.66%	1.67%	1.62%	1.62%
Turnover Ratio	14.65%	17.26%	<b>As at 30-Jun-21</b> 0.95%	<b>As at 30-Jun-20</b> 0.98%

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Global Investment Funds – Managed Solutions - Asia Focused Income for the financial year ended 30 Jun 2021 is not available.

\*\*Based on audited figure as at 31 Mar 2020 for comparative purposes.

**II Related-Party Transactions**

HSBC Insurance Asia Focused Income Fund invests S\$8.27 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Funds – Managed Solutions - Asia Focused Income 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 2020 to 30 June 2021 amounts to S\$52,548.

**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.

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call our Customer Service Hotline on 6225 6111,  
or visit our web site at [www.insurance.hsbc.com.sg](http://www.insurance.hsbc.com.sg).**

## HSBC Insurance Asian Bond Fund

### Fund Objective

HSBC Insurance Asian Bond Fund (the "ILP Sub-Fund") seeks to maximise return. The ILP Sub-Fund invests at least 70% of its total assets in the fixed income transferable securities of issuers domiciled in, or exercising the predominant part of their economic activity in, Asian Tiger countries. The ILP Sub-Fund may invest in the full spectrum of available securities, including non-investment grade. The currency exposure of the ILP Sub-Fund is flexibly managed.

The ILP Sub-Fund invests 100% into Blackrock Global Funds - Asian Tiger Bond Fund (the "Underlying Sub-Fund").

### Investment and Market Review ^

Markets were on a strong footing through most of the latter half of 2020, buoyed by strong data, a weaker USD and extensive policy support in response to Covid. There were brief periods of volatility from factors including US elections, Covid resurgences in various countries and China-related news flow on onshore defaults and tensions with the US, but markets remained well-supported on the demand side. In 2021, there was volatility in UST yields, with continued focus on reflation risks. Some sectors saw idiosyncratic issues that dampened sentiment, such as Indonesia HY, Indian IG, China Financials and China HY Property. Of note, frontier markets have outperformed for much of the last 12 months, due to their retracement of the massive underperformance against IG sovereigns seen in 2020. Additionally, the Asian HY universe has seen a sharp stratification over the last 18 months, with bonds yielding below 5% and above 12% rising heavily in composition.

The fund outperformed its benchmark through the period. Key contributors to active returns in credit were overweight positions in China HY property, Indonesia HY and India across the credit spectrum; security selection in financials from South Korea and Thailand; off-benchmark positions from Middle East and convertible bonds. Key detractors from active returns in credit were our underweight in A-rated China SOEs and overweight in BBB-rated China SOEs; underweight in IG markets including Indonesia. Within local markets allocation, both our local bond and unhedged FX positions in Indonesia, China and India outperformed amidst the countries' accommodative monetary policies.

### Market Outlook and Investment Strategy ^

A vibrant global economic recovery is underway, and while the Covid-19 pandemic-related social and economic stresses remain, we believe Asian risk assets are well-positioned to benefit. Amidst depressed global yields, Asia continues to be attractive for income-seeking investors.

While we see reasons to expect a higher inflation regime in the medium term, we also think US rates rise will be more gradual/muted than the volatility we have seen in recent months. Nonetheless, Asian credit's short duration and HY relative to global counterparts should be instrumental in mitigating US interest rate risk. The fund is further managing interest rate risk by being overweight in bank capital, which would benefit from higher lending rates, and underweight in corporate perpetuals and USD IG duration.

Following the recent underperformance, we prefer HY over IG as the dislocation of prices are more severe in HY, specifically in single B and China. We are employing a barbell strategy with Single B credit and High Quality single A credits. Within HY, we see that corporate fundamentals are resilient, spreads differentials are at wide levels vs US HY and there is more room for alpha generation given greater credit dispersion. While we do see a potential pickup in idiosyncratic issues this year, we do not think it is sufficient to pose systematic risk to the credit market but rather allow active investors like us to uncover opportunities.

^ Source: BlackRock (Singapore) Limited

## FUND FACTS

Underlying Fund	Blackrock Global Funds - Asian Tiger Bond Fund	
Fund Manager	BlackRock (Luxembourg) S.A.	
Launch Date	06 Oct 2008	
CPFIS/SRS	SRS	
CPFIS Risk Classification	N.A.	
As at 30 June 2021		
Offer Price	S\$	2.06473
Bid Price	S\$	1.96149
Fund Size	S\$	15.12 mil
Units in Issue		7.71 mil

Note: With effect from 14 June 2021, the underlying sub-fund of HSBC Insurance Asian Bond Fund, Legg Mason Western Asset Asian Bond Trust was replaced with Blackrock Global Funds -Asian Tiger Bond Fund.

## A) Fund Performance

### I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception <sup>A</sup>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Asian Bond Fund	0.28	(1.39)	1.18	7.86	9.22	29.56	106.47
Benchmark*	1.11	1.58	0.07	18.70	23.12	82.49	73.93

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>A</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Asian Bond Fund	2.55	1.78	2.62	5.88
Benchmark*	5.88	4.25	6.20	4.46

\*Benchmark Details:

Inception to Aug 2020 – US\$ 3-month LIBOR (hedged to S\$)

With effect from Aug 2020, the benchmark was changed to JPMACI Investment Grade (CH)(SGD) - Blend(SGD).

<sup>A</sup>Inception Date: 28 Oct 2008

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021
	% of NAV
Blackrock Global Funds - Blackrock Asian Tiger Bond Fund	100.00
<b>Total</b>	<b>100.00</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	1,817,681
Redemption	5,065,638

## C) Underlying Fund Disclosure (Blackrock Asian Tiger Bond Fund)

### I Allocation by Country

Country	As at 30 Jun 2021
	% of NAV
China	43.10
Indonesia	12.11
India	8.73
Korea (South), Republic of	5.53
Hong Kong	5.49
Thailand	3.18
United Arab Emirates	2.79
Philippines	2.14
Others*	14.83
Cash and Derivatives	2.10
<b>Total</b>	<b>100.00</b>

\*Includes other countries

### II Allocation by Industry

Industry	As at 30 Jun 2021
	% of NAV
Industrials	32.06
Financials	25.83
Government Related	22.20
Government	10.40
Property	7.41
Cash and Derivatives	2.10
<b>Total</b>	<b>100.00</b>

### III Allocation of Debt Securities by Credit Ratings

Rating	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
AA	3.44	193.57
A	13.63	766.96
BBB	46.99	2,644.14
BB	15.37	864.88
B	15.67	881.76
CCC	1.23	69.21
CC	0.03	1.69
C	0.34	19.13
D	0.10	5.63
Unrated	1.10	61.90
Cash and Derivatives	2.10	118.17
<b>Total</b>	<b>100.00</b>	<b>5,627.04</b>

### IV Top Ten Holdings of Underlying Fund

	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Indonesia (Republic Of) 7 09/15/2030	1.07	60.21
China Peoples Republic Of (Governm 1.99 04/09/2025	1.07	60.21
Lenovo Group Ltd Regs 3.421 11/02/2030	0.73	41.08
Pertamina Persero Pt Mtn Regs 3.1 01/21/2030	0.73	41.08
Tencent Holdings Ltd Mtn Regs 3.975 04/11/2029	0.73	41.08
Periama Holdings Llc Regs 5.95 04/19/2026	0.61	34.32
Star Energy Geothermal Darajat li Regs 4.85 10/14/2038	0.60	33.76
Jmh Company Limited Regs 2.5 04/09/2031	0.60	33.76
Sk Battery America Inc Regs 2.125 01/26/2026	0.59	33.20
Dua Capital Ltd Regs 2.78 05/11/2031	0.59	33.20

#### Top Ten Holdings of Underlying Fund

	As at 30 Jun 2020	
	% of NAV	MV S\$ mil
Indonesia Eximbank Ser OB 7.6% 15/08/2020	4.44	1.26
CHN Aoyuan Property GRP (Reg) (Reg S) 7.95% 07/09/2021	4.02	1.14
Yuzhou Properties Co Ltd (Reg S) (Reg) 7.9% 11/05/2021	4.02	1.14
China Sce Grp Hldgs Ltd (Reg S) (Reg) 8.75% 15/01/2021	3.99	1.13
QUE CT Treasury Pte Ltd (Reg S)(Br) 3.03% 05/09/2020	3.53	1.00
Commonwealth Bank Aust (Reg S) (Br) Ser Emtn 4.2% 26/10/2020	3.53	1.00
DBS Group Holdings Ltd Ser Regs (Reg) Var 11/12/2028	3.21	0.91
Sun Hung Kai Prop (Cap) (Reg S) (Reg) 4.45% Perp	2.93	0.83
Logan Property Holdings (Reg S) 6.125% 16/04/2021	2.68	0.76
Ausnet Services Holdings Pty Ltd (Reg S) (Reg) Var 17/03/2076	2.54	0.72

### V Exposure to Derivatives

	As at 30 Jun 2021
N.A.	

### VI Borrowings of Net Asset Value

	As at 30 Jun 2021
N.A.	

### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Asian Bond Fund		Underlying Fund	
	As at 30-Jun-21	As at 30-Jun-20	As at 31-Mar-21*	As at 31-Mar-20**
Expense Ratio	1.25%	1.33%	1.21%	1.28%
Turnover Ratio	97.33%	8.71%	88.30%	17.83%

\*Based on unaudited figure as at 31 Mar 2021 as the expense ratio of Blackrock Asian Tiger Bond Fund for the financial year ended 30 Jun 2021 is not available.

\*\*Based on audited figures as at 31 Mar 2020 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.

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## 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 <sup>^</sup>

The fund posted a positive return and outperformed the benchmark during the period. Stock selection was a key positive factor at the sector level. It was notably strong in consumer discretionary and industrial sectors. Sector allocation also had a positive impact, due to the overweight in materials, technology and communication services. At the regional level,

selection was strong in China. At stock level, the underweight position in Alibaba was a key contributor. The pullback in the Chinese e-commerce stocks, after new anti-monopoly regulations were announced in November last year, weakened the share price. The abrupt halting of the Ant (an affiliate of Alibaba) initial public offering has also knocked the stock. BYD also performed well, owing to a strong recovery in new energy vehicle sales in China; better-than-expected performance of its new Han model; and investors' positive expectations regarding external expansion of its battery business. Sportswear company Li Ning rallied on the back of strong operating results during the period.

Conversely, no exposure to electric vehicle company Nio Inc. detracted from returns. The continued optimism about global EV demand, with Nio viewed as well placed within the Chinese market, drove the share price higher. Chinese insurer China Life went lower due to continued weakness in demand recovery and continued correction after the very sharp rally from November lows. Shares of e-cigarette maker RLX Technology corrected in March as regulator signalled that the company's controversial products would be treated like tobacco cigarettes and subject to the same set of law.

### Market Outlook and Investment Strategy <sup>^</sup>

The China market continued to experience significant volatility in 2021, driven by the reflation expectation, regulation tightening as well as the expectation of sequential slowdown in the economy due to policy normalisation.

Economic growth in the remainder of 2021 could be challenging due to higher base effects. Consumption growth has also moderated, possibly due to Covid resurgence. Such moderating growth and the RMB strength against the USD since mid-2020 have prompted the government to fine-tune its policy in early July. Dramatic economic slowdown due to over-tightening does not seem to be a key risk for 2H this year now.

Regulatory changes remain a key area to watch out for in 2H. These changes will affect the existing business model and we may continue to see headwinds on the affected sectors. However, as in the past, policies change could seem abrupt in the beginning, but investors would eventually digest and focus back on the fundamentals of China.

Looking ahead, we expect the economic recovery in China to continue and remain broad-based as sectors exposed to structural growth themes should continue to outperform riding on the structural. At the same time, the broad global economic recovery, on the back of the fading Covid impact, should support cyclical sectors. We believe maintaining exposure to both elements of the ongoing cyclical upswing and longer-term structural growth themes within the country is the right strategy going forward.

<sup>^</sup> 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 2021

Offer Price	S\$ 4.53603
Bid Price	S\$ 4.30923
Fund Size	S\$ 92.64 mil
Units in Issue	21.50 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 <sup>A</sup>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance China Equity Fund	5.96	7.55	33.99	50.85	135.75	166.96	353.60
Benchmark*	2.31	3.57	22.75	32.51	115.14	N.A.	N.A.**

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>A</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance China Equity Fund	14.69	18.71	10.32	8.99
Benchmark*	9.84	16.56	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

With effect from April 2013, the benchmark was changed to '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.

<sup>A</sup>Inception Date: 08 Dec 2003

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Schroder International Opportunities Portfolio - Schroder China Opportunities Fund	100.02	92.66
Other assets	0.13	0.12
Other liabilities	(0.15)	(0.14)
<b>Total</b>	<b>100.00</b>	<b>92.64</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	3,897,589
Redemption	19,256,357

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

### I Allocation by Country

Country	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Luxembourg	98.85	187.27
Other net assets/(liabilities)	1.15	2.17
<b>Total</b>	<b>100.00</b>	<b>189.44</b>

\*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 2021

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

### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2021

N.A.

### IV Top Ten Holdings of Underlying Sub-Fund\*

	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Schroder International Selection Fund – China Opportunities C Accumulation Share Class	98.85	187.27

## Top Ten Holdings of Underlying Sub-Fund\*

	As at 30 Jun 2020	
	% of NAV	MV S\$ mil
Schroder International Selection Fund – China Opportunities C Accumulation Share Class	99.89	115.33

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

## V Exposure to Derivatives

As at 30 Jun 2021

% of NAV	-
Market value (S\$)	-
Realised Gains / (Losses) (S\$)	(73,252)
Unrealised Gains / (Losses) (S\$)	-

## VI Borrowings of Net Asset Value

As at 30 Jun 2021

N.A.

## D) Other Disclosure Items

### I Expense/Turnover Ratios

#### HSBC Insurance China Equity Fund

#### Underlying Sub-fund

	As at 30-Jun-21	As at 30-Jun-20	As at 31-Mar-21*	As at 31-Mar-20**
Expense Ratio	1.76%	1.78%	1.67%	1.68%
Turnover Ratio	2.36%	3.62%	As at 30-Jun-21 10.40%	As at 30-Jun-20 6.23%

\*Based on unaudited figure as at 31 Mar 2021 as the expense ratio of Schroder International Opportunities Portfolio - Schroder China Opportunities Fund for the financial year ended 30 Jun 2021 is not available.

\*\*Based on unaudited figure as at 31 Mar 2020 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 enter into soft dollar commission arrangements only where there is a direct and identifiable benefit to their clients, and where the manager is satisfied that the transactions generating the soft dollar commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the underlying fund on terms that commensurate with best market practice.

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 173.

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## 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.

### Investment and Market Review <sup>^</sup>

The Chinese Equity Fund rose by 25.81% over the year as of Jun 30 2020 (SGD terms), while its benchmark, MSCI China 10/14 Net Total Return Index gained 26.78% (SGD terms) over the same period. Chinese equities rallied in the second half of the year 2020 with expectation of a more accommodative US-China trade relationship compared to the Trump administration after Biden victory US election and a vaccine-driven global economic recovery. The unexpected suspended listing of the largest Fintech company in mainland China, Ant Group, and antitrust guidelines against the monopolistic practices in the Internet industry brought short term correction to the market in November. Vaccine development that herald an accelerating economic recovery triggered a notable Value rotation in November.

Chinese equities started the year 2021 off strong amidst a rally in growth and momentum stocks. However, performance reversed in the second half of February due to concern in rising yields and markets rotating from growth to value. China has been a very volatile market in the first half of the year since mid-February on signs of policy normalization and regulatory headwinds in sectors such as internet. Ahead of the CCP's 100th anniversary on July 1, the market sentiment held up well with CNY appreciation and rebound in growth stocks with solid earnings. The fund performance was mainly driven by favourable stock selection in Health Care, Industrials and Financials. Our underweight positions in Financials and Real Estate also helped.

### Market Outlook and Investment Strategy <sup>^</sup>

Regulatory risk and uncertainty around internet industry remain with the authorities' overarching objectives of promoting efficient and fair growth while containing systemic risk. However, downside is protected by solid earnings growth. The perceived risk of investing in China internet names may rise for some investors, which needs more detail around policy implementation in the coming months to justify. PBOC implies additional monetary supports should challenges arise in second half of the year. Balancing policy normalization and "no sharp policy turn" is a challenging task while keeping policy tightening in the property market. Pace of credit slowdown in the coming months would be a good indicator.

China's PPI inflation rate has likely peaked led by metals-related segments after the government expressed increasing concerns and rolled out various measures to curb a commodity price spike, though margin pressures lingered. We are not particularly worried about the inflation pressure as consumer spending and services demand continue to be only a gradual recovery. We continue to overweight Information Technology sector, especially in semiconductors and technology hardware & equipment. Semiconductors shortage has broadened to downstream, causing tight supply/demand conditions in automotive, consumer electronics and industrials and pricing power of manufacturers will continue to increase. The sector also has less regulatory risk and is more resilient during Growth stocks de-rating or increasing risk-premium in internet stocks. We have also maintained higher cash level of the fund amid increasing volatility in the market. We seek to add Growth stocks at a lower level.

<sup>^</sup> Source: HSBC Global Asset Management (HK) Limited

## 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 2021		
Offer Price	S\$	2.23214
Bid Price	S\$	2.12053
Fund Size	S\$	44.16 mil
Units in Issue		20.83 mil

## 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	2.93	(0.03)	25.69	36.65	109.30	N.A.	112.05
Benchmark*	3.12	3.91	26.78	34.33	110.82	N.A.	117.77

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance Chinese Equity Fund	10.97	15.92	N.A.	14.84
Benchmark*	10.34	16.09	N.A.	15.40

\*MSCI China (10/40) Capped Net Index

^Inception Date: 25 Jan 2016

## B) Fund Disclosure

### I Allocation by Asset Class

	As at 30 Jun 2021	
Asset Class	% of NAV	MV S\$ mil
HSBC Global Investment Funds – Chinese Equity Fund	99.89	44.11
Other assets	0.23	0.10
Other liabilities	(0.12)	(0.05)
<b>Total</b>	<b>100.00</b>	<b>44.16</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	13,882,278
Redemption	6,309,381

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

### I Allocation by Country

	As at 30 Jun 2021	
Country	% of NAV	MV S\$ mil
P Chips (Hong Kong & China)	35.51	628.62
A Shares (Shanghai)	16.36	289.69
H Shares (Hong Kong)	14.48	256.29
Red Chips (Hong Kong)	5.03	89.01
Others*	21.58	381.93
Cash	7.04	124.68
<b>Total</b>	<b>100.00</b>	<b>1,770.22</b>

\*Includes other countries

### II Allocation by Industry

	As at 30 Jun 2021	
Industry	% of NAV	MV S\$ mil
Consumer Discretionary	26.17	463.16
Communication Services	15.09	267.18
Information Technology	12.97	229.52
Financials	11.46	202.82
Health Care	7.49	132.64
Consumer Staples	6.08	107.62
Industrials	5.93	104.94
Energy	3.50	61.93
Utilities	1.88	33.34
Real Estate	1.80	31.92
Materials	0.59	10.47
Cash	7.04	124.68
<b>Total</b>	<b>100.00</b>	<b>1,770.22</b>

### III Allocation of Debt Securities by Credit Ratings

N.A.

As at 30 Jun 2021

### IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Tencent Holdings Ltd	9.37	165.74
Alibaba Group Holding Ltd	8.72	154.37
Meituan	4.80	85.05
China Construction Bank-H	3.61	63.92
Wuxi Biologics Cayman Inc	3.59	63.54
NetEase Inc	3.36	59.54
Luxshare Precision Industr-A	3.22	57.05
China Merchants Bank-H	3.20	56.65
Yum China Holdings Inc	2.68	47.37
SINOPEC CORP	2.61	46.22

### Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2020	
	% of NAV	MV S\$ mil
Tencent Holdings Ltd-Uns Adr	10.11	156.32
Alibaba Group Holding Ltd	9.33	144.44
Meituan Dianping-Class B	5.99	92.76
Kweichow Moutai Co Ltd-A	4.82	74.63
Ping An Ins Grp Co Of China Ltd	4.49	69.50
New Oriental Education & Tec	4.28	66.28
China Resources Enterprise Ltd	3.89	60.23
Sino Biopharmaceutical	2.88	44.51
China Merchants Bank	2.77	42.86
China Resources Land Ltd	2.39	37.01

### V Exposure to Derivatives

N.A.

As at 30 Jun 2021

### VI Borrowings of Net Asset Value

N.A.

As at 30 Jun 2021

### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Chinese Equity Fund		Underlying Sub-Fund	
	As at 30-Jun-21	As at 30-Jun-20	As at 31-Mar-21*	As at 31-Mar-20**
Expense Ratio	1.94%	1.95%	1.90%	1.90%
Turnover Ratio	11.65%	7.47%	1.25%	1.07%

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Global Investment Funds – Chinese Equity Fund for the financial year ended 30 Jun 2021 is not available.

\*\*Based on audited figure as at 31 Mar 2020 for comparative purposes

### II Related-Party Transactions

HSBC Insurance Chinese Equity Fund invests S\$44.11 million, equivalent to 99.89% 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 2020 to 30 June 2021 amounts to S\$294.918.

### 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.

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or visit our web site at [www.insurance.hsbc.com.sg](http://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 <sup>^</sup>

Emerging market (EM) equities registered significant gains in US dollar terms for the 12 months to 30 June 2021. News came in November 2020 that successful vaccines had been developed against Covid-19. The period thereafter was dominated by expectations of economic recovery from the pandemic as activity resumed. However, there were further waves of the virus and many EM were unable to vaccinate their

populations as rapidly as some developed markets. Central banks and governments continued to provide substantial monetary and fiscal stimulus. The sharp global economic recovery, combined with ongoing stimulus, prompted some concerns over rising inflation towards the end of the period. Taiwan and South Korea were two of the strongest index markets, supported by strong demand for technology stocks, notably semiconductor makers. India outperformed the broader index, despite suffering a surge in Covid-19 cases, while Brazil also saw strong gains. China registered a strong advance but failed to keep pace with the index. The Chinese authorities launched an anti-trust investigation into tech giant Alibaba in late 2020 and broadened their regulatory clampdown to other companies and industries in 2021. Turkey was one of just two index countries to register negative returns for the period amid high inflation and political intervention in central bank policy. Egypt also saw negative returns.

### Market Outlook and Investment Strategy <sup>^</sup>

There has been a resurgence in daily new cases of Covid-19 globally, driven by the more infectious Delta strain. In response, societal caution is rising, and activity restrictions are being extended or re-imposed in some countries, interrupting economic normalisation. Vaccine supply and distribution is now improving but vaccine penetration remains relatively low in many EM countries. China's credit impulse peaked in Q4 of last year and has turned negative. This has typically been a precursor to weaker activity, and a headwind to metals prices and EM earnings, typically with a nine-month lag. Meanwhile, we expect the Fed to begin to taper QE from the start of next year. This could support the US dollar and act as a headwind for EM currencies and growth. Inventory rebuild may provide ongoing support for EM manufacturing through H2, but this may fade going into 2022. Regulatory activity in China, influenced in part by tensions with the US, has increased uncertainty and driven a marked increase in risk premiums for affected stocks. This uncertainty may persist for some time, meaning risk premiums could stay elevated.

There are some uncertainties in the market at present and our conviction is diminished. As a result, cash level has drifted up somewhat in the past few months. We maintain a relatively neutral style factor positioning on growth vs value, with a bias to quality. We are also likely to remain cautious on China due to the elevated uncertainty, which may well take time to resolve. Other risks to consider include the emergence of further Covid-19 variants, geopolitical risk notably US-China strategic competition, and domestic policy uncertainty in various EM.

<sup>^</sup> 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 2021

Offer Price	S\$ 1.87334
Bid Price	S\$ 1.77967
Fund Size	S\$ 30.60 mil
Units in Issue	17.19 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 <sup>^</sup>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Emerging Markets Equity Fund	3.52	7.96	38.46	38.51	92.02	71.21	87.33
Benchmark*	5.09	9.28	35.77	35.82	84.24	66.57	97.96

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Emerging Markets Equity Fund	11.47	13.94	5.52	4.39
Benchmark*	10.75	13.00	5.23	4.78

\*MSCI Emerging Markets Index

<sup>^</sup>Inception Date: 21 Nov 2006

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Schroder International Choice Portfolio - Schroder Emerging Markets Fund	99.97	30.59
Other assets	0.20	0.06
Other liabilities	(0.17)	(0.05)
<b>Total</b>	<b>100.00</b>	<b>30.60</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	1,510,832
Redemption	5,544,000

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

### I Allocation by Country

Country	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Luxembourg	98.98	176.68
Other net assets/(liabilities)	1.02	1.82
<b>Total</b>	<b>100.00</b>	<b>178.50</b>

\*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 2021

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

### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2021

N.A.

### IV Top Ten Holdings of Underlying Sub-Fund\*

	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Schroder International Selection Fund - Emerging Markets A Accumulation Share Class	98.98	176.68

### Top Ten Holdings of Underlying Sub-Fund\*

	As at 30 Jun 2020	
	% of NAV	MV S\$ mil
Schroder International Selection Fund - Emerging Markets A Accumulation Share Class	99.04	133.76

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

<b>V Exposure to Derivatives</b>	<b>As at 30 Jun 2021</b>
% of NAV	-
Market value (S\$)	-
Realised Gains / (Losses) (S\$)	(6,277)
Unrealised Gains / (Losses) (S\$)	-

<b>VI Borrowings of Net Asset Value</b>	<b>As at 30 Jun 2021</b>
N.A.	

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance Emerging Markets Equity Fund</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20**</b>
Expense Ratio	1.96%	1.97%	1.92%	1.92%
Turnover Ratio	4.34%	6.07%	As at 30-Jun-21	As of 30-Jun-20
			0.42%	79.32%

\*Based on unaudited figure as at 31 Mar 2021 as the expense ratio of Schroder International Choice Portfolio - Schroder Emerging Markets Fund for the financial year ended 30 Jun 2021 is not available.

\*\*Based on unaudited figure as at 31 Mar 2020 for comparative purposes.

<b>II Related-Party Transactions</b>
N.A.

<b>III Material Information that will adversely impact the valuation of the ILP sub-fund</b>
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 enter into soft dollar commission arrangements only where there is a direct and identifiable benefit to their clients, and where the manager is satisfied that the transactions generating the soft dollar commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the underlying fund on terms that commensurate with best market practice.

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

<b>E) Financial Statements</b>
Refer to page 173.

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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 <sup>^</sup>

Global equities, as measured by the MSCI ACWI Index, advanced strongly during the 1-year period ending June 30, 2021. Despite declines in September and October 2020 due to geopolitical tensions and rising COVID-19 infection rates, markets rebounded in November and December as positive sentiment about successful trials of COVID-19 vaccines, the beginning of vaccination programs in some countries

and apparent resolution of political uncertainty supported markets. Entering 2021 global equity markets advanced in the first half of the year as economic recovery and reopening progressed in many parts of the world. Tailwinds for equities included abundant central bank liquidity, fiscal stimulus, vaccine progress, reopening momentum, corporate earnings strength and robust equity inflows.

The Templeton Shariah Global Equity Fund outperformed its benchmark during the period. Primary contributors to relative performance were stock selection in information technology, notably semiconductors, an overweight allocation and stock selection in materials, and an underweight allocation in consumer staples. Primary detractors were stock selection in health care and communication services, and an overweight allocation and stock selection in consumer discretionary. Regionally, an overweight allocation and stock selection in Asia, and an underweight allocation and stock selection in the United States helped relative performance, while stock selection in Europe hurt.

### Market Outlook and Investment Strategy <sup>^</sup>

We believe the best opportunities going forward will not fall as neatly into the traditional factor labels (i.e., growth, value, quality) that have dominated the narrative this past cycle. Our “compound value” approach combines price discipline with forward-looking fundamental analysis to find opportunities across a range of different types of value. We think the goldilocks environment of good economic growth with moderately elevated inflation and rising interest rates is an unlikely scenario. And in any other scenario value indices are not likely to perform well over the coming years. That is because the “cheapest” half of the market today as defined by value indices comprises many low-quality companies that have taken on excessive debt. Currently, credit markets appear to be acting under the belief they are underwritten by governments. We believe the key to investing today is to avoid the “double bubble” of over-indebted “value” and hugely over-priced “growth.” In our lifetimes we have not seen a situation like today in which both the value and growth indices appear to be in a bubble. Against this backdrop we have built a framework for thinking about stocks and building portfolios that leverages the benefits of Templeton’s proven valuation discipline while also considering other factors that can influence share prices. This is how we build dynamic portfolios with genuine diversification across different types of value.

<sup>^</sup> Source: Templeton Asset Management Ltd.

## FUND FACTS

Underlying Sub-Fund	Franklin Templeton Shariah Funds - Templeton Shariah Global Equity Fund Templeton Asset Management Ltd.	
Fund Manager	CPFIS/SRS	
Launch Date	29 Sep 1995	
CPFIS/SRS	OA/SRS	
CPFIS Risk Classification	Higher Risk – Broadly Diversified	
As at 30 June 2021		
Offer Price	S\$	1.70222
Bid Price	S\$	1.61711
Fund Size	S\$	43.94 mil
Units in Issue		27.17 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 <sup>A</sup>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Ethical Global Equity Fund	1.58	10.11	30.15	13.73	46.76	58.44	70.22
Benchmark*	5.92	13.22	30.10	34.72	70.01	122.23	N.A.**

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>A</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Ethical Global Equity Fund	4.38	7.97	4.71	2.09
Benchmark*	10.45	11.20	8.31	N.A.**

\*MSCI AC World Islamic Index - NR. 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.

<sup>A</sup>Inception Date: 04 Oct 1995

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Franklin Templeton Shariah Funds - Templeton Shariah Global Equity Fund	99.93	43.91
Other assets	0.34	0.15
Other liabilities	(0.27)	(0.12)
<b>Total</b>	<b>100.00</b>	<b>43.94</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	815,934
Redemption	7,133,153

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

### I Allocation by Country

Country	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
United States	23.95	29.45
Japan	14.01	17.22
United Kingdom	10.48	12.89
South Korea	8.37	10.29
China	7.19	8.84
Hong Kong	5.56	6.84
Taiwan	3.61	4.44
France	3.54	4.35
Others*	18.07	22.21
Cash & Cash Equivalents	5.22	6.42
<b>Total</b>	<b>100.00</b>	<b>122.95</b>

\*Includes other countries

<b>II Allocation by Industry</b>			<b>As at 30 Jun 2021</b>	
<b>Industry</b>	<b>% of NAV</b>	<b>MV S\$ mil</b>		
Information Technology	19.93	24.49		
Health Care	17.06	20.98		
Consumer Discretionary	14.59	17.94		
Energy	14.39	17.69		
Industrials	11.41	14.03		
Materials	11.38	13.99		
Consumer Staples	3.38	4.16		
Communication Services	1.05	1.29		
Utilities	0.98	1.21		
Real Estate	0.61	0.75		
Cash & Cash Equivalents	5.22	6.42		
<b>Total</b>	<b>100.00</b>	<b>122.95</b>		
<b>III Allocation of Debt Securities by Credit Ratings</b>			<b>As at 30 Jun 2021</b>	
N.A.				
<b>IV Top Ten Holdings of Underlying Sub-Fund</b>			<b>As at 30 Jun 2021</b>	
	<b>% of NAV</b>	<b>MV S\$ mil</b>		
Samsung Electronics Co Ltd	4.89	6.00		
Taiwan Semiconductor Manufacturing Co Ltd	3.61	4.44		
Alibaba Group Holding Ltd	3.21	3.95		
BP Plc	3.18	3.91		
CK HUTCHISON HOLDINGS LTD	2.81	3.45		
Totalenergies Se	2.57	3.16		
Johnson & Johnson	2.53	3.11		
Sumitomo Metal Mining Co Ltd	2.52	3.10		
Applied Materials Inc	2.50	3.07		
Hitachi Ltd	2.42	2.98		
<b>Top Ten Holdings of Underlying Sub-Fund</b>			<b>As at 30 June 2020</b>	
	<b>% of NAV</b>	<b>MV S\$ mil</b>		
Samsung Electronics Co Ltd	4.32	4.07		
Wheaton Precious Metals Corp	3.29	3.09		
Roche Holding Ag	3.12	2.93		
Johnson & Johnson	2.92	2.75		
Sanofi	2.64	2.48		
Matsumotokiyoshi Holdings Co Ltd	2.60	2.44		
BP Plc	2.55	2.40		
Novartis Ag	2.52	2.37		
E.On Se	2.49	2.34		
Total Sa	2.43	2.28		
<b>V Exposure to Derivatives</b>			<b>As at 30 Jun 2021</b>	
N.A.				
<b>VI Borrowings of Net Asset Value</b>			<b>As at 30 Jun 2021</b>	
N.A.				

#### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Ethical Global Equity Fund		Underlying Sub-Fund	
	As at 30-Jun-21	As at 30-Jun-20	As at 31-Mar-21*	As at 31-Mar-20***
Expense Ratio	1.73%	1.74%	1.75%	1.75%
			As at 30-Apr-21**	As at 30-Apr-20****
Turnover Ratio	1.49%	2.18%	98.24%	43.37%

\*Based on unaudited figure as at 31 Mar 2021 as the expense ratio of Franklin Templeton Shariah Funds - Templeton Shariah Global Equity Fund for the financial year ended 30 Jun 2021 is not available.

\*\*Based on unaudited figure as at 30 Apr 2021 as the turnover ratio of Franklin Templeton Shariah Funds - Templeton Shariah Global Equity Fund for the financial year ended 30 Jun 2021 is not available. Turnover ratio calculation is based on Luxembourg GAAP.

\*\*\*Based on unaudited figure as at 31 Mar 2020 for comparative purposes.

\*\*\*\*Based on unaudited figure as at 30 Apr 2020 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 2020 to 30 June 2021, the Franklin Templeton Shariah Fund - Templeton Shariah Global Equity Fund paid US\$29,099 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 174.

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or visit our web site at [www.insurance.hsbc.com.sg](http://www.insurance.hsbc.com.sg).**

## 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 ^

The global Sukuk market moved higher over the 12-month review period. Tightening spreads over the first half of the period outweighed the negative impact of higher benchmark yields, which stepped notably higher in the first quarter of 2021 before falling back somewhat into period-end.

Investor sentiment was generally buoyant at the start of the period on expectations of an ongoing economic rebound. This came against a backdrop of substantial monetary and fiscal support for economies globally, as well as an easing of COVID-19 pandemic-related lockdown restrictions. Towards the end of 2020, news

of several vaccines that showed efficacy against

COVID-19 and Joe Biden's victory in the US presidential election, despite the reluctance of President Donald Trump to concede, helped to lift markets. Over the first months of 2021, vaccination programme rollouts, economic optimism and the approval of a US stimulus package were key positive factors. However, the Sukuk market weakened in February and March against a backdrop of a steep rise in US Treasury yields. Despite this, the US Federal Reserve continued to signal that rates would most likely remain on hold until 2024 at the earliest, regardless of an improved outlook and heightened expectations for inflation to rise. US Treasury yields then declined somewhat in the final quarter of the review period, while inflation concerns lingered as economic growth expectations continued to improve, amid vaccination programme rollouts. In commodity markets, crude oil prices advanced strongly overall, in part on optimism over the global economic outlook, as well as supply restraint from key producers.

As at 30 June 2021

Offer Price	S\$ 1.34904
Bid Price	S\$ 1.28159
Fund Size	S\$ 14.05 mil
Units in Issue	10.96 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.

### Market Outlook and Investment Strategy ^

We believe that the global economy is still in the midst of a cyclical recovery that we expect to continue over the remainder of 2021 and into 2022. The rise in benchmark rates that caused a lacklustre start to the year for many fixed income markets was an important reflection of this recovery, in our view. However, we believe that this spike is now substantially behind us, and the second quarter saw the 10-year US Treasury yield fall back, providing much needed relief to fixed income markets.

The vaccine rollout is continuing to help countries emerge from the COVID-19 pandemic, and this remains the single most impactful development, from our perspective. The GCC has executed a very successful vaccine rollout, with the UAE, for instance, leading vaccinations on a global level. This success, coupled with a return of global travel, should benefit the region as events like the Expo in Dubai and the World Cup in Qatar take place over the next 18 months.

The possibility that some inflation prints or growth estimates surprise to the upside certainly exists, but our conviction is increasing that a lot of inflation—and a degree of Fed tapering of its bond-purchase programme—is already priced into US Treasury markets. Meanwhile, higher oil prices, structural reform trends and a reduction in geopolitical risks support our credit allocations, particularly to GCC sovereigns. It is these healthier fundamentals, coupled with increasing demand for our markets, that markedly improve our total return outlook for second half of the year.

^ 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	(0.16)	1.49	1.51	16.41	17.43	54.84	34.90
Benchmark*	1.79	2.40	1.41	20.58	25.49	70.83	N.A.**

### II Average Annual Compounded Returns

	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception^ (%)
HSBC Insurance Ethical Global Sukuk Fund	5.19	3.27	4.47	1.59
Benchmark*	6.44	4.65	5.50	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 are 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 2021 % of NAV	MV S\$ mil
Franklin Templeton Shariah Funds - Franklin Global Sukuk Fund	100.00	14.05
<b>Total</b>	<b>100.00</b>	<b>14.05</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	112,388
Redemption	998,650

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

### I Allocation by Country

Country	As at 30 Jun 2021 % of NAV	MV S\$ mil
United Arab Emirates	27.54	123.46
Saudi Arabia	24.41	109.43
Indonesia	13.81	61.91
Kuwait	6.65	29.81
Malaysia	5.05	22.64
Qatar	4.24	19.01
Supranational	4.16	18.65
Pakistan	2.25	10.09
Others*	8.45	37.90
Cash & Cash Equivalents	3.44	15.40
<b>Total</b>	<b>100.00</b>	<b>448.30</b>

\*Includes other countries

### II Allocation by Industry

Industry	As at 30 Jun 2021 % of NAV	MV S\$ mil
Government-Related Sovereign	34.54	154.87
Corporate Financial Institutions	28.21	126.48
Government-Related Agencies	25.87	115.98
Corporate Industrials	4.35	19.49

Government-Related Supranational	3.59	16.08
Cash & Cash Equivalents	3.44	15.40
<b>Total</b>	<b>100.00</b>	<b>448.30</b>

### III Allocation of Debt Securities by Credit Ratings

Rating	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
AAA	0.72	3.24
AA	0.54	2.40
AA-	2.43	10.90
A+	2.52	11.30
A	18.96	85.00
A-	14.54	65.17
BBB+	1.56	6.99
BBB	19.09	85.57
BBB-	9.83	44.06
BB+	0.81	3.65
BB	2.32	10.41
BB-	1.87	8.38
Unrated	12.51	56.09
Others*	8.86	39.74
Cash & Cash Equivalents	3.44	15.40
<b>Total</b>	<b>100.00</b>	<b>448.30</b>

\*Includes lower rated debt securities

### IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
KSA Sukuk Ltd., senior bond, Reg S, 4.303%, 1/19/29	3.42	15.31
KSA Sukuk Ltd., senior note, Reg S, 3.628%, 4/20/27	3.17	14.19
SA Global Sukuk Ltd., 2.694%, 6/17/31	3.09	13.86
Perusahaan Penerbit SBSN Indonesia III, senior note, Reg S, 4.40%, 3/01/28	2.96	13.29
DAE Funding LLC, 3.00%, 11/16/25	2.82	12.63
Saudi Electricity Global Sukuk Co. 2, senior bond, Reg S, 5.06%, 4/08/43	2.63	11.81
National Commercial Bank, 3.50% to 1/26/27, FRN thereafter, Perpetual	2.57	11.54
ARAB National Bank, sub. bond, 3.00% to 10/19/25, Reg S, FRN thereafter, 10/28/30	2.50	11.19
Perusahaan Penerbit SBSN Indonesia III, senior note, Reg S, 2.80%, 6/23/30	2.38	10.68
DP World Salaam, Perpetual Reg S, junior sub. bond, 6.00% to 1/01/26, FRN thereafter,	2.32	10.41

### Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2020	
	% of NAV	MV S\$ mil
Perusahaan Penerbit SBSN Indonesia III, senior note, Reg S, 4.40%, 3/01/28	5.05	13.46
DP World Salaam, Perpetual Reg S, junior sub. bond, 6.00% to 1/01/26, FRN thereafter,	3.89	10.34
Perusahaan Penerbit SBSN Indonesia III, Reg S, 4.55%, 3/29/26	3.00	7.99
CBB International Sukuk Co. SPC, senior note, Reg S, 6.25%, 11/14/24	2.93	7.79
Nile Delta Sukuk Ltd., first lien, Reg S, 4.00%, 10/31/20	2.89	7.70
Equate Sukuk SPC Ltd., senior note, Reg S, 3.944%, 2/21/24	2.89	7.69
KSA Sukuk Ltd., senior bond, Reg S, 4.303%, 1/19/29	2.87	7.63
Perusahaan Penerbit SBSN Indonesia III, senior note, Reg S, 4.325%, 5/28/25	2.72	7.23
KSA Sukuk Ltd., senior note, Reg S, 2.969%, 10/29/29	2.69	7.15
QIB Sukuk Ltd., senior note, Reg S, 3.982%, 3/26/24	2.61	6.93

### V Exposure to Derivatives

N.A.

As at 30 Jun 2021

### VI Borrowings of Net Asset Value

N.A.

As at 30 Jun 2021

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance Ethical Global Sukuk Fund</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20***</b>
Expense Ratio	1.54%	1.55%	1.50%	1.50%
Turnover Ratio	4.62%	5.00%	16.31	(4.12%)

\*Based on unaudited figure as at 31 Mar 2021 as the expense ratio of Franklin Templeton Shariah Funds - Franklin Global Sukuk Fund for the financial year ended 30 Jun 2021 is not available.

\*\*Based on unaudited figure as at 30 Apr 2021 as the turnover ratio of Franklin Templeton Shariah Funds - Franklin Global Sukuk Fund for the financial year ended 30 Jun 2021 is not available. Turnover Calculation is based on Luxembourg GAAP.

\*\*\*Based on unaudited figure as at 31 Mar 2020 for comparative purposes.

\*\*\*\*Based on unaudited figure as at 30 Apr 2020 for comparative purposes. Turnover 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**

N.A.

**E) Financial Statements**

Refer to page 174.

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call our Customer Service Hotline on 6225 6111,  
or visit our web site at [www.insurance.hsbc.com.sg](http://www.insurance.hsbc.com.sg).**

## HSBC Insurance Europe Dynamic Equity Fund

### Fund Objective

HSBC Insurance Europe Dynamic Equity Fund 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 ^

The stock rallied after the US Food and Drug Administration approved the company's once-weekly obesity treatment Wegovy™ following positive clinical trials. We are currently most overweight in capital goods and retailing. The largest underweight positions are in Household & Personal Products and Pharmaceuticals Biotechnology & Life Sciences.

The largest increase at the sector level was in the healthcare equipment & services sector. We added a new position in German-listed medical technology company Eckert and Ziegler. Novartis and other major pharma companies have committed to huge investment in radiopharmaceuticals, a key area to which the fund is exposed. Positive news flow is expected to persist on the back of upcoming drug approvals from Telix, Sirtex and Novartis, which should translate into strong earnings growth. The favourable sales mix shift towards radio pharmaceuticals products should also help improve margins.

The largest decrease at the sector level was in the semiconductor & semiconductor equipment sector. With the stock trading above long-term average multiples and concerns over the impact of chip shortages, we felt it was the right time to sell.

### Market Outlook and Investment Strategy ^

Earnings growth should be substantial over the next five years, but could slow as profit margins come under pressure next year from higher wages, rising commodity prices and increasing corporate taxes.

The reaction from central banks on potential further upside surprises on inflation and economic growth will be a key development to watch out for in the coming months.

It is crucial to differentiate cyclical from structural headwinds and tailwinds as the recovery takes shape in 2021.

Although valuations in aggregate are high, the gap between the cheapest and most expensive stocks remains very wide – suggesting plenty of opportunities for stock selection.

^ 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 2021	
Offer Price	S\$ 1.66824
Bid Price	S\$ 1.58483
Fund Size	S\$ 31.67 mil
Units in Issue	19.98 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	5.99	16.36	33.80	24.83	56.85	N.A.	58.48
Benchmark*	6.68	14.16	27.58	29.53	67.11	N.A.	73.89

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance Europe Dynamic Equity Fund	7.67	9.42	N.A.	8.85
Benchmark*	9.01	10.82	N.A.	10.72

\*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 2021	
	% of NAV	MV S\$ mil
JPMorgan Funds – Europe Dynamic Fund	100.13	31.71
Other assets	0.19	0.06
Other liabilities	(0.32)	(0.10)
<b>Total</b>	<b>100.00</b>	<b>31.67</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	4,176,060
Redemption	8,608,745

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

### I Allocation by Country

Country	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Germany	19.30	241.94
United Kingdom	19.20	240.68
Switzerland	18.80	235.67
France	14.60	183.02
Netherlands	5.80	72.71
Italy	4.90	61.42
Ireland	3.10	38.86
Spain	2.90	36.35
Others*	8.40	105.29
Cash	3.00	37.61
<b>Total</b>	<b>100.00</b>	<b>1,253.55</b>

\*Includes other countries

## II Allocation by Industry

Industry	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Capital Goods	14.70	184.27
Banks	9.10	114.07
Pharmaceuticals Biotechnology & Life Sci	8.20	102.79
Consumer Durables & Apparel	8.10	101.54
Materials	6.70	83.99
Food Beverage & Tobacco	6.10	76.47
Retailing	5.40	67.69
Insurance	5.00	62.68
Others*	33.70	422.44
Cash	3.00	37.61
<b>Total</b>	<b>100.00</b>	<b>1,253.55</b>

\*Includes other industries

## III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2021

N.A.

## IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Nestle	5.00	62.67
Roche	4.40	55.16
LVMH	2.70	33.85
Allianz	2.40	30.09
Schneider Electric	2.30	28.83
Novartis	2.10	26.32
Koninklijke Ahold	2.00	25.07
Deutsche Post	1.90	23.82
Lloyds Banking	1.70	21.31
Siemens	1.70	21.31

## Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2020	
	% of NAV	MV S\$ mil
Roche	3.60	33.93
ASM International	3.20	30.16
Novartis	3.10	29.22
Sanofi	2.60	24.50
Nestle	2.30	21.68
Enel	2.20	20.73
Allianz	2.00	18.85
Zurich Insurance	1.90	17.91
Koninklijke Ahold	1.90	17.91
Safran	1.70	16.02

## V Exposure to Derivatives

	As at 31 Dec 2020*
% of NAV	(0.35%)
Market value (S\$)	(3,483,167)
Realised Gains / (Losses) (S\$)	-
Unrealised Gains / (Losses) (S\$)	(3,483,167)

\*Based on unaudited figures as at 31 Dec 2020 as the unaudited figures as at 30 Jun 2021 are not available.

## VI Borrowings of Net Asset Value

As at 30 Jun 2021

N.A.

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance Europe Dynamic Equity Fund</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Dec-20*</b>	<b>As at 31-Dec-19**</b>
Expense Ratio	1.84%	1.85%	1.80%	1.80%
Turnover Ratio	11.66%	14.81%	<b>As at 30-Jun-21</b> 137.63%	<b>As at 30-Jun-20</b> 133.35%

\*Based on unaudited figure as at 31 Dec 2020 as the expense ratio of JPMorgan Funds - Europe Dynamic Fund for the financial year ended 30 Jun 2021 is not available.

\*\*Based on unaudited figure as at 31 Dec 2019 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 Investment Managers may enter into commission sharing arrangements only where there is a direct and identifiable benefit to the clients of the Investment Managers, including the SICAV, and where the Investment Managers are satisfied that the transactions generating the shared commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the SICAV and the Shareholders. Any such arrangements must be made by the Investment Manager on terms commensurate with best market practice. Due to their local regulatory rights, certain Investment Managers may make use of soft commission to pay for research or execution services. Other jurisdictions may have other arrangements in place to pay for such services in accordance with local regulatory obligations.

**E) Financial Statements**

Refer to page 174.

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## HSBC Insurance Global Bond Fund

### Fund Objective

HSBC Insurance Global Bond Fund seeks to maximise 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 <sup>^</sup>

Despite fears over a new COVID-19 variant derailing global economic growth progress, the focus in June was very much on central bank policy and inflation. In the US, CPI inflation data surpassed expectations for the second month in a row while in a hawkish move, the Federal Open Market Committee (FOMC) median members pulled forward their forecast for the first interest rate hike, and now expects two increases in 2023. As a consequence, the US yield curve flattened sharply over the month as markets brought forward their expectations of policy normalization. Concerns surrounding growth and the labor market still persist, however, with surprisingly weak employment data helping to push longer-dated US yields lower. In Europe, the European Central Bank (ECB) pledged to keep asset purchases at a significantly higher pace, while the Bank of Japan announced a continuation to its COVID support scheme until March 2022. In the UK, despite consumer price inflation data surpassing the Bank of England's target, Monetary Policy Committee members reiterated the view of many policymakers globally that the upward pressure on inflation is likely to be transitory as the economy re-adjusts to a post-Covid world. While oil prices continued to rise, longer-term inflation expectations and breakeven inflation spreads fell over the month. Credit sectors continued to outperform in June, led by strong technicals and as economies continued to reopen following lockdown restrictions. The US dollar strengthened over the month, driven by strong gains following the FOMC meeting.

### Market Outlook and Investment Strategy <sup>^</sup>

We expect that the second half of the year should see very strong growth in global GDP as the world economy reopens. That stated, we are cautious about extrapolating short-term cyclical boosts into a presumption of a higher secular trend rate of growth or inflation. The secular challenges that have kept US and global growth to a moderate pace at best over the last several decades persist. These include the stagnation of Western societies' middle-class wages, aging demographics and rising global debt burdens. Moreover, the small and medium-sized business destruction in many countries not seen since the Great Depression may take years to repair. Given this backdrop, Western Asset expects central banks to remain extraordinarily accommodative for the foreseeable future. Global portfolios remain positioned to benefit from Western Asset's base case outlook, but also to withstand further market volatility, while remaining flexible enough to capture value opportunities as they emerge.

<sup>^</sup> Source: Legg Mason Asset Management Singapore Pte. Limited

## FUND FACTS

Underlying Fund	Legg Mason Western Asset Global Bond Trust
Fund Manager	Legg Mason Asset Management Singapore Pte. Limited
Launch Date	06 Oct 2008
CPFIS/SRS	OA/SA/SRS
CPFIS Risk Classification	Low to Medium Risk – Broadly Diversified
As at 30 June 2021	
Offer Price	S\$ 1.36186
Bid Price	S\$ 1.29377
Fund Size	S\$ 6.95 mil
Units in Issue	5.37 mil

## A) Fund Performance

### I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Global Bond Fund	0.92	(3.05)	(0.98)	12.27	8.33	38.83	36.19
Benchmark*	0.85	(2.81)	(1.76)	14.04	13.25	50.21	47.53

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Global Bond Fund	1.61	1.61	3.33	2.46
Benchmark*	4.48	2.52	4.15	3.10

\*FTSE WGBI EX JAPAN (CH) (SGD) - BLEND (SGD)

<sup>^</sup>Inception Date: 09 Oct 2008

## B) Fund Disclosure

### I Allocation by Asset Class

	As at 30 Jun 2021	
Asset Class	% of NAV	MV S\$ mil
Legg Mason Western Asset Global Bond Trust	99.86	6.94
Other assets	0.14	0.01
<b>Total</b>	<b>100.00</b>	<b>6.95</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	486,086
Redemption	844,910

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

### I Allocation by Country

	As at 30 Jun 2021	
Country	% of NAV	MV S\$ mil
USA	47.06	156.78
Germany	11.20	37.31
Spain	7.53	25.09
Mexico	5.25	17.49
Great Britain	5.06	16.86
France	4.15	13.83
U Arab Emirates	2.89	9.63
Italy	2.73	9.09
Others*	6.83	22.74
Cash	7.30	24.32
<b>Total</b>	<b>100.00</b>	<b>333.14</b>

\*Includes other countries

### II Allocation by Industry

	As at 30 Jun 2021	
Industry	% of NAV	MV S\$ mil
Financials	91.47	304.73
Government	1.29	4.30
Others*	(0.06)	(0.21)
Cash	7.30	24.32
<b>Total</b>	<b>100.00</b>	<b>333.14</b>

\*Includes other industries and 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

Rating	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
AAA	57.06	190.09
AA+	1.62	5.40
AA	7.04	23.45
AA-	4.61	15.36
A+	0.58	1.93
A	1.42	4.73
BBB+	1.62	5.40
BBB-	7.95	26.48
Unrated	10.80	35.98
Cash	7.30	24.32
<b>Total</b>	<b>100.00</b>	<b>333.14</b>

### IV Top Ten Holdings of Underlying Fund

	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
US Treasury N/B 2.125% 29 Feb 2024 United States	7.33	24.41
US Treasury N/B 1.625% 15 Nov 2022 United States	7.14	23.79
Bundesrepub. Deutschland (Br) 1.75% 15 Feb 2024 Germany	6.49	21.62
US Treasury N/B 2.250% 15 Nov 2024 United States	4.73	15.76
US Treasury N/B 2% 31 Oct 2022 United States	3.73	12.43
Mex Bonds Desarr Fix Rt Ser M 7.75% 13/11/2042 Mexico	3.10	10.33
Bundesrepublik Deutschland Bundesanleihe (Reg S) (Br) 0.25% 15/02/2029 Germany	3.08	10.26
US Treasury 2.875% 15/05/2049 United States	2.96	9.86
US Treasury 0.375% 30/04/2025 United States	2.89	9.63
US Treasury N/B 1.750% 31/03/2022 United States	2.73	9.09

#### Top Ten Holdings of Underlying Fund

	As at 30 Jun 2020	
	% of NAV	MV S\$ mil
US Treasury N/B 2.125% 29/02/2024	7.83	25.95
US Treasury N/B 1.625% 15/11/2022	7.56	25.04
Bundesrepub. Deutschland (Br) 1.75% 15/02/2024	6.57	21.76
US Treasury N/B 2% 31/10/2022	3.96	13.12
US Treasury N/B 2.250% 15/11/2024	3.01	9.96
US Treasury 2.875% 15/05/2049	2.81	9.32
UK Treasury 4.25% 07/12/2040	2.78	9.23
Bonos Y Oblig Del Estado (Reg S) 5.9% 30/07/2026	2.65	8.77
US Treasury Bond 2.875% 15/05/2043	2.63	8.73
US Treasury 0.5% 15/04/2024	2.57	8.53

### V Exposure to Derivatives

	As at 30 Jun 2021
% of NAV	(0.07%)
Market value (S\$)	(235,468)
Realised Gains / (Losses) (S\$)	-
Unrealised Gains / (Losses) (S\$)	(235,468)

### VI Borrowings of Net Asset Value

	As at 30 Jun 2021
N.A.	

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance Global Bond Fund</b>		<b>Underlying Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20***</b>
Expense Ratio	0.93%	0.95%	0.88%	0.88%
			<b>As at 31-Dec-20**</b>	
Turnover Ratio	5.65%	11.95%	19.46%	42.94%

\*Based on audited figure as at 31 Mar 2021 expense ratio of Legg Mason Western Asset Global Bond Trust for the financial year ended 30 Jun 2021 is not available.

\*\*Based on unaudited figure as at 31 Dec 2020 turnover ratio of Legg Mason Western Asset Global Bond Trust for the financial year ended 30 Jun 2021 is not available.

\*\*\*Based on audited figures as at 31 Mar 2020 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 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 PIMCO Emerging Markets Bond Fund.

### Investment and Market Review ^

Global economic data continued to improve across most regions. Within developed countries, consumer sentiment rose further and an uptick in demand helped drive a resurgence in COVID-sensitive sectors. Vaccinations continued to advance globally and case counts generally moved lower, although the spread of a new variant with higher infectiousness underscored a key risk for the economic recovery. Inflation ticked up globally. U.S. inflation in particular experienced a faster-than-expected acceleration over the Q2 2021, driven mainly by higher prices of used autos and COVID-sensitive services. Although the Federal Reserve continued to emphasize the transitory nature of inflation, it also surprised markets by turning more hawkish, in which the median dot anticipated two rate hikes in 2023, in contrast to the prior SEP that indicated no hikes in 2023.

In the U.S., yields rose in response to the Fed's more hawkish tone, while the 10-year Treasury yield fell 27 bps to 1.47% – its lowest level since early March 2021. Global equities rallied – with the S&P 500 rising 8.5% as strong momentum in economic growth data supported risk sentiment. Credit spreads continued to tighten – with IG spreads reaching their tightest level in 14 years – and commodity prices continued to rally. Geopolitical developments were numerous. G7 leaders met for the first time since the start of the pandemic and affirmed support for continued fiscal stimulus and a global minimum corporate tax rate of 15%. Meanwhile, President Biden and a bipartisan group of senators announced an agreement on a \$1.2 trillion infrastructure plan.

### Market Outlook and Investment Strategy ^

PIMCO remains constructive on EM beta and expects that EM economies will follow the rest of the globe into a new expansion phase, and thus be supported by a variety of macro push factors (such as global liquidity, weaker dollar, higher commodity prices, vaccine deployment, and return of overseas tourism) as well as pull factors (such as attractive valuations and high real yield differentials between developing and developed economies).

This reflects a combination of the forecast for ongoing global expansion (with the currencies of small, open economies poised to benefit from the ongoing cyclical upswing), valuations, and the Fed's very patient approach compared with its history and the potential for somewhat faster policy tightening elsewhere. As an expected wave of re-openings sweeps the developing world, an unexpected set of external dynamics could fuel the post-pandemic recovery in the EM asset class. Also, real short-term U.S. interest rates have recently fallen to 50-year lows, a situation likely to support EM investments by fueling capital flows to the developing world as investors search for yield, and the global economic cycle appears to have firmly moved into an expansionary phase –which should be accompanied by declines in risk aversion, a weakening U.S. dollar, and capital flows into EM.

As always, there are risks and uncertainties to our forecasts, which our global team monitors closely. But we believe these risks aren't as severe as headlines would suggest and, in fact, are somewhat transitory.

## FUND FACTS

Underlying Sub-Fund PIMCO Emerging Markets Bond Fund

Fund Manager PIMCO Global Advisors (Ireland) Limited

Launch Date 28 Jan 2013

CPFIS/SRS SRS

CPFIS Risk N.A.

Classification

As at 30 June 2021

Offer Price S\$ 1.14313

Bid Price S\$ 1.08597

Fund Size S\$ 1.67 mil

Units in Issue 1.53 mil

Note: With effect from 20 July 2020, the underlying sub-fund of HSBC Insurance Global Emerging Markets Bond Fund, HSBC Global Investment Funds – Global Emerging Markets Bond was replaced with PIMCO Emerging Markets Bond Fund.



^ Source: PIMCO Global Advisors (Ireland) 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	4.01	(1.15)	8.11	10.61	7.93	N.A.	14.31
Benchmark*	3.96	(1.00)	6.65	18.75	21.15	N.A.	N.A.

### II Average Annual Compounded Returns

	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception^ (%)
HSBC Insurance Global Emerging Markets Bond Fund	3.42	1.54	N.A.	1.61
Benchmark*	5.90	3.91	N.A.	N.A.

\*Since inception figures are not available due to the change in underlying fund. Performance figures are based on the new benchmark JPMorgan Emerging Markets Bond Index (EMBI) Global with effect from July 2020.

^Inception Date: 06 Feb 2013

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021 % of NAV	MV S\$ mil
PIMCO Emerging Markets Bond Fund	100.00	1.67
<b>Total</b>	<b>100.00</b>	<b>1.67</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	367,433
Redemption	956,062

## C) Underlying Sub-Fund Disclosure (PIMCO Emerging Markets Bond Fund)

### I Allocation by Country

Country	As at 30 Jun 2021 % of NAV	MV S\$ mil
Mexico	8.20	569.51
Brazil	7.72	536.20
Indonesia	7.58	526.08
South Africa	6.52	452.70
Saudi Arabia	6.32	438.84
Ireland	5.75	399.43
Egypt	4.53	314.63
Turkey	4.43	307.71
China	4.22	292.92
Others*	44.73	3,106.80
<b>Total</b>	<b>100.00</b>	<b>6,944.82</b>

\*Includes other countries

### II Allocation by Industry

Industry	As at 30 Jun 2021 % of NAV	MV S\$ mil
Emerging Market External Sovereigns	55.04	3,822.54
Emerging Market External Quasi-Sovereigns	23.14	1,606.93
Emerging Market External Corporates	12.93	897.97
Emerging Market Local Sovereigns	5.93	411.53
Emerging Market Local Corporates	2.24	155.72

Emerging Market External Short Duration Instruments	0.72	50.13
<b>Total</b>	<b>100.00</b>	<b>6,944.82</b>

### III Allocation of Debt Securities by Credit Ratings

	As at 30 Jun 2021	
Ratings	% of NAV	MV S\$ mil
AAA	13.86	961.85
AA	7.28	505.51
A	10.52	730.91
BBB	26.28	1,825.33
BB	22.74	1,579.46
B	14.69	1,020.44
CCC	4.63	321.32
<b>Total</b>	<b>100.00</b>	<b>6,944.82</b>

### IV Top Ten Holdings of Underlying Sub-Fund

	As at 31 Mar 2021*	
	% of NAV	MV S\$ mil
South Africa (Rep) Bd Ser R186	1.66	115.75
Pemex Sr Unsec	1.18	81.73
Pemex Sr Unsec	1.18	81.73
Mexico Govt (Ums) Gbl Sr Nt	0.98	68.11
Saudi International Bond Regs	0.98	68.11
Republic Of Turkey Sr Unsec	0.78	54.49
Southern Gas Corridor Gov Gtd Unsec Reg	0.78	54.49
Pemex Sr Unsec	0.69	47.68
Republic Of Argentina	0.69	47.68
Saudi Arabian Oil Co Sr Unsec Regs	0.69	47.68

\*Based on audited figures as at 31 Mar 2021 as the unaudited figures as at 30 Jun 2021 are not available.

### Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2020	
	% of NAV	MV S\$ mil
Petroleos Mexica 5.350 12/02/28	1.76	58.59
Saudi Int Bond 5.000 17/04/49	1.74	57.62
Qatar State Of 4.817 14/03/49	1.69	55.83
Abu Dhabi Govt 3.125 16/04/30	1.63	53.97
Abu Dhabi Govt 3.125 30/09/49	1.42	46.99
United Mexican 5.000 27/04/51	1.27	42.15
Rep Of Nigeria 7.143 23/02/30	1.20	39.73
Argentina 5.875 11/01/28	1.20	39.60
Petroleos Mexica 6.625 15/06/35	1.19	39.39
Petrobras Glob 5.093 15/01/30	1.14	37.71

### V Exposure to Derivatives

	As at 30 Jun 2021	
% of NAV	22.50%	
Market value (S\$)	1,562,585,224	
Realised Gains / (Losses) (S\$)	-	
Unrealised Gains / (Losses) (S\$)	-	

### VI Borrowings of Net Asset Value

	As at 30 Jun 2021
N.A.	

**D) Other Disclosure Items**

<b>I) Expense/Turnover Ratios</b>	<b>HSBC Insurance Global Emerging Markets Bond Fund</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20***</b>
Expense Ratio	1.72%	1.68%	1.69%	1.63%
			<b>As at 31-Dec-20**</b>	<b>As at 30-Jun-20</b>
Turnover Ratio	124.85%	28.14%	110.00%	1.48%

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of PIMCO Emerging Markets Bond Fund for the financial year ended 30 Jun 2021 is not available.

\*\*Based on audited figure as at 31 Dec 2020 as the turnover ratio of PIMCO Emerging Markets Bond Fund for the financial year ended 30 Jun 2021 is not available.

\*\*\*Based on audited figure as at 31 Mar 2020 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](http://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 <sup>^</sup>

Stock selection in Argentina aided performance in the month. An overweight in MercadoLibre (MELI), which is based in Argentina and Latin America's leading e-

commerce company, was a top contributor to relative returns. MELI's stock price rebounded following a weak May, with little stock specific news. MELI is meaningfully outpacing market growth in the region - the business grew revenue 73% year-over-year in 2020 while e-commerce in Latin America grew at roughly half that rate.

Stock selection in China aided performance in the month. The position in WuXi Biologics, a global biologics service provider based in China, outperformed again. The company raised revenue and profit guidance as Wuxi continues to diversify its revenue sources due to increasing demand from global pharmaceutical outsourcing. Additionally, CATL, an electric vehicle (EV) battery manufacturer, was also among the top contributors, benefiting from strong sentiment and business momentum in EV space as the company continues to expand production capacity and successfully extended its supply contract with Tesla.

Stock selection in the financials sector was the largest detractor. Ping An Bank and Prudential were among the larger detractors on the back of slower growth in Asian markets. Additionally, Prudential announced a mark down on available capital due to hedging losses incurred on equity derivatives, which negatively impacted the stock.

Stock selection in India detracted this month, with HDFC Bank and Housing Development Finance Corp. among the most notable laggards. Concerns over the impact of COVID on asset quality and localized restrictions continue to subdue economic activity weighed on these stocks.

### Market Outlook and Investment Strategy <sup>^</sup>

How long COVID and its variants persist as a health risk is crucial for economies. Some EMs are struggling to control the spread of the disease and keep up momentum in vaccinations.

A strong US growth trajectory due to large fiscal stimulus should be helpful for EM economies and industries that cater to US demand. EM domestic growth may be slower to rebound due to persistent COVID variants.

The path of the US Dollar will be crucial for EM equities. The USD has strengthened against EM currencies but weakened against other DM currencies. EM equity valuations are above average, but earnings revisions are positive across a broader range of sectors.

<sup>^</sup> 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 2021	
Offer Price	S\$ 2.57120
Bid Price	S\$ 2.44264
Fund Size	S\$ 22.37 mil
Units in Issue	9.16 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	6.18	5.25	38.61	58.29	114.78	N.A.	144.26
Benchmark*	5.09	9.28	35.77	35.82	84.24	N.A.	103.75

### II Average Annual Compounded Returns

	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception^ (%)
HSBC Insurance Global Emerging Markets Equity Fund	16.54	16.52	N.A.	18.08
Benchmark*	10.75	13.00	N.A.	14.16

\*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 2021	
	% of NAV	MV S\$ mil
JPMorgan Funds – Emerging Markets Equity Fund	100.00	22.37
<b>Total</b>	<b>100.00</b>	<b>22.37</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	5,409,292
Redemption	2,804,035

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

### I Allocation by Country

Country	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
China	49.50	8,716.42
India	13.90	2,447.64
Taiwan	7.90	1,391.10
South Korea	6.70	1,179.80
Brazil	3.50	616.31
Singapore	3.40	598.70
Belarus	3.00	528.27
Argentina	2.40	422.61
Others*	9.40	1,655.24
Cash	0.30	52.83
<b>Total</b>	<b>100.00</b>	<b>17,608.92</b>

\*Includes other countries

<b>II Allocation by Industry</b>		<b>As at 30 Jun 2021</b>	
<b>Industry</b>	<b>% of NAV</b>	<b>MV S\$ mil</b>	
Information Technology	23.30	4,102.88	
Consumer Discretionary	20.40	3,592.22	
Financials	17.50	3,081.56	
Communication Services	11.30	1,989.81	
Consumer Staples	8.90	1,567.19	
Industrials	6.40	1,126.97	
Health Care	5.40	950.88	
Materials	2.80	493.05	
Others*	3.70	651.53	
Cash	0.30	52.83	
<b>Total</b>	<b>100.00</b>	<b>17,608.92</b>	

\*Includes other industries

<b>III Allocation of Debt Securities by Credit Ratings</b>	<b>As at 30 Jun 2021</b>
N.A.	

<b>IV Top Ten Holdings of Underlying Sub-Fund</b>		<b>As at 30 Jun 2021</b>	
	<b>% of NAV</b>	<b>MV S\$ mil</b>	
Taiwan Semiconductor	6.60	1,162.18	
Samsung Electronics	4.90	862.84	
Tencent	3.60	633.92	
Sea	3.40	598.70	
Meituan	3.30	581.09	
HDFC Bank	3.20	563.49	
Alibaba	3.20	563.49	
EPAM Systems	3.00	528.27	
WuXi Biologics	2.90	510.66	
HDFC	2.70	475.44	

<b>Top Ten Holdings of Underlying Sub-Fund</b>		<b>As at 30 Jun 2020</b>	
	<b>% of NAV</b>	<b>MV S\$ mil</b>	
AIA Group Limited	6.00	709.15	
Tencent Holdings Ltd.	5.00	590.96	
Alibaba Group Holding Ltd. Sponsored ADR	4.10	484.59	
Ping An Insurance (Group) Company of China, Ltd. Class H	3.60	425.49	
Housing Development Finance Corporation Limited	3.20	378.22	
HDFC Bank Limited Sponsored ADR	3.00	354.58	
Taiwan Semiconductor Manufacturing Co., Ltd.	3.00	354.58	
Sberbank Russia OJSC	2.80	330.94	
Samsung Electronics Co., Ltd.	2.70	319.12	
MercadoLibre, Inc.	2.60	307.30	

<b>V Exposure to Derivatives</b>		<b>As at 31 Dec 2020*</b>
% of NAV		0.03%
Market value (S\$)		4,866,233
Realised Gains / (Losses) (S\$)		-
Unrealised Gains / (Losses) (S\$)		4,866,233

\*Based on unaudited figures as at 31 Dec 2020 as the unaudited figures as at 30 Jun 2021 are not available.

<b>VI Borrowings of Net Asset Value</b>	<b>As at 30 Jun 2021</b>
N.A.	

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance Global Emerging Markets Equity Fund</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Dec-20*</b>	<b>As at 31-Dec-19**</b>
Expense Ratio	1.84%	1.85%	1.80%	1.80%
Turnover Ratio	13.57%	10.34%	<b>As at 30-Jun-21</b> 23.11%	<b>As at 30-Jun-20</b> 30.66%

\*Based on unaudited figure as at 31 Dec 2020 as the expense ratio of JPMorgan Funds - Emerging Markets Equity Fund for the financial year ended 30 Jun 2021 is not available.

\*\*Based on unaudited figure as at 31 Dec 2019 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 Investment Managers may enter into commission sharing arrangements only where there is a direct and identifiable benefit to the clients of the Investment Managers, including the SICAV, and where the Investment Managers are satisfied that the transactions generating the shared commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the SICAV and the Shareholders. Any such arrangements must be made by the Investment Manager on terms commensurate with best market practice. Due to their local regulatory rights, certain Investment Managers may make use of soft commission to pay for research or execution services. Other jurisdictions may have other arrangements in place to pay for such services in accordance with local regulatory obligations.

**E) Financial Statements**

Refer to page 175.

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## 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.

### Investment and Market Review <sup>^</sup>

Global equity markets, as measured by the MSCI\* World Index, rose 13.1% in US-dollar terms for the six-month period ended June 30, 2021. Accelerating vaccination rates and the continued reopening of economies drove rapid increases in output and strong company earnings growth. Markets became more

volatile as inflationary fears precipitated a rise in longer-term interest rates, which pressured the valuations of many market-leading growth stocks and boosted a rotation into value-oriented shares. Global monetary policy remained very dovish, with central banks emphasizing the transitory nature of higher current inflation and their commitment to avoid withdrawing support prematurely. Somewhat more hawkish comments from the US Federal Reserve sparked a brief market reversal, but inflationary fears calmed significantly as economic data continued to reflect higher prices, yet suggested a moderating pace of recovery. Small-cap stocks outperformed large-cap stocks on a relative basis, and intervals of market rotation led value-style stocks to substantially outperform their growth-style peers.

### Market Outlook and Investment Strategy <sup>^</sup>

Class S1 shares of the Portfolio rose in absolute terms but underperformed the MSCI World for the six-month period, net of fees. An underweight to energy detracted, while an underweight to consumer staples contributed. Security selection in healthcare contributed, while selection in real estate detracted. SVB Financial contributed, as the stock continues to see very strong momentum in lending and deposit growth as the innovation economy experiences increased activity.

Investors are optimistic that the pandemic has passed a tipping point. During the first quarter, vaccine campaigns accelerated, deaths and infection rates receded from peaks in many countries, and some economies began to reopen. Our outlook still projects a three-phase recovery, with each phase presenting investment challenges. In early 2021, the first phase began to unfold, with COVID-19 vaccinations picking up and governments cautiously weighing reopening efforts. The second phase began in late February, amid the first successful efforts to contain the pandemic. Israel, the global leader in vaccines per capita, showed that immunized populations could allow economies to rapidly reopen without a COVID-19 relapse. As this prospect becomes more likely worldwide, we expect companies to report strong earnings growth, especially given the low comparable profits in 2020. Such rapid growth will be hard to repeat next year. In the third phase, as the world begins to normalize, economic growth will probably face many of the same challenges that prevailed before the pandemic.

For now, the recovery trajectory provides plenty of room for stocks to advance, in our view. However, it is important to be mindful of risks due to rising interest rates and inflation, which could result in continued style volatility. Our balanced style approach helps our Portfolio perform well across a variety of economic environments and provides a more consistent premium. Not only do we continue to hold high-quality growth companies that should perform well in this low-growth environment, but we also are able to find companies trading at extremely attractive valuations. 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 increases in the short term.

<sup>^</sup> Source: AllianceBernstein (Luxembourg) S.à r.l.

## FUND FACTS

Underlying Fund

AllianceBernstein- Global  
Equity Blend Portfolio  
AllianceBernstein  
(Luxembourg) S.à r.l.

Fund Manager

Launch Date

06 Oct 2008

CPFIS/SRS\*

SRS

CPFIS Risk

N.A.

Classification

As at 30 June 2021

Offer Price

S\$ 2.56695

Bid Price

S\$ 2.43860

Fund Size

S\$ 83.17 mil

Units in Issue

34.10 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 <sup>^</sup>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Global Equity Fund	6.48	14.51	37.09	47.68	96.40	154.04	156.69
Benchmark*	7.79	14.98	33.98	49.90	99.39	201.29	268.03**

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Global Equity Fund	13.88	14.45	9.77	7.70
Benchmark*	14.45	14.80	11.66	10.83**

\*MSCI World Net Index (in S\$)

\*\*Performance of the benchmark is measured from closest month-end after inception through 31 May 2021.

<sup>^</sup>Inception Date: 16 Oct 2008

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
AllianceBernstein - Global Equity Blend Portfolio	100.11	83.26
Other assets	0.16	0.13
Other liabilities	(0.26)	(0.22)
<b>Total</b>	<b>100.01</b>	<b>83.17</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	1,267,441
Redemption	9,905,914

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

### I Allocation by Country

Country	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
United States	57.09	98.79
Netherlands	4.99	8.64
Japan	4.23	7.32
France	3.59	6.22
United Kingdom	3.42	5.92
Switzerland	2.75	4.76
Denmark	2.68	4.64
Germany	2.58	4.47
Hong Kong	2.16	3.74
Others*	16.51	28.55
<b>Total</b>	<b>100.00</b>	<b>173.05</b>

\*Includes other countries and other assets less liabilities

## II Allocation by Industry

Industry	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Information Technology	22.98	39.78
Industrials	16.24	28.11
Health Care	13.71	23.72
Financials	12.98	22.46
Consumer Discretionary	9.93	17.19
Communication Services	4.84	8.37
Utilities	4.43	7.67
Consumer Staples	4.36	7.54
Materials	3.76	6.50
Real Estate	2.14	3.70
Energy	1.28	2.21
Others*	3.35	5.80
<b>Total</b>	<b>100.00</b>	<b>173.05</b>

\*Includes other assets less liabilities

## III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2021

N.A.

## IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Microsoft Corp.	2.55	4.41
Apple, Inc.	2.13	3.68
Laboratory Corp. of America Holdings	1.45	2.51
NXP Semiconductors NV	1.37	2.37
SVB Financial Group	1.31	2.26
Oracle Corp.	1.21	2.10
Waste Management, Inc.	1.19	2.06
MSCI, Inc. - Class A	1.16	2.01
Flex Ltd.	1.14	1.98
Danaher Corp.	1.12	1.93

## Top Ten Holdings of Underlying Sub-Fund

	As at 30 June 2020	
	% of NAV	MV S\$ mil
Microsoft Corp.	2.52	3.45
Apple, Inc.	2.08	2.85
NXP Semiconductors NV	1.62	2.21
Adyen NV	1.52	2.08
UnitedHealth Group, Inc.	1.45	1.98
MSCI, Inc. - Class A	1.42	1.94
Chr Hansen Holding A/S	1.42	1.94
Bio-Rad Laboratories, Inc. - Class A	1.37	1.88
Gerresheimer AG	1.36	1.86
Koninklijke Philips NV	1.24	1.70

## V Exposure to Derivatives

As at 30 Jun 2021

% of NAV	0.16%
Market value (S\$)	282,114
Realised Gains / (Losses) (S\$)	-
Unrealised Gains / (Losses) (S\$)	282,114

## VI Borrowings of Net Asset Value

As at 30 Jun 2021

Use of borrowing in % of Fund Total Net Asset	0.62%
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#### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Global Equity Fund		Underlying Sub-Fund	
	As at 30-Jun-21	As at 30-Jun-20	As at 28-Feb-21*	As at 29-Feb-20**
Expense Ratio	1.74%	1.75%	0.80%	0.80%
Turnover Ratio	2.06%	2.93%	49.86%	49.74%

\*Based on audited figures as at 28 Feb 2021 as the expense and turnover ratios of AllianceBernstein - Global Equity Blend Portfolio for the financial year ended 30 Jun 2021 are not available.

\*\*Based on unaudited figures as at 29 Feb 2020 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 2021, 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 176.

**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](http://www.insurance.hsbc.com.sg).**

## HSBC Insurance Global Sustainable Equity Portfolio Fund

### Fund Objective

HSBC Insurance Global Sustainable Equity Portfolio Fund (the "ILP Sub-Fund") seeks to achieve long-term capital growth. The ILP Sub-Fund pursues opportunistic growth by investing in a global universe of companies in multiple industries that are positively exposed to environmentally- or socially-oriented sustainable investment themes. A combination of "top-down" and "bottom-up" investment processes identifies sustainable investment themes that are broadly consistent with achieving the United Nations Sustainable Development Goals. ILP Sub-Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the AB Sustainable Global Thematic Portfolio (the "Underlying Sub-Fund").

### Investment and Market Review ^

Growth stocks reasserted their leadership in 2Q21 as global equities ended the period at record highs. The strength of the economic recovery and potential changes to central bank policy will determine whether this was a head fake or a more permanent change in trend. The global economic recovery over the past year has been nothing short of dramatic, due largely to unprecedented fiscal and monetary stimulus and the successful worldwide rollout of COVID-19 vaccines. After falling 4.3% in 2020, real GDP in developed economies is set to expand by 5.3% in 2021. GDP is expected to increase by more than 10% in 2Q21, marking the one-year anniversary of the worst of the global COVID-19 lockdowns. This sharp recovery in economic growth provided the fuel for the outperformance of cyclical value stocks earlier in the year. (Source: Bloomberg Finance). As growth has recovered, though, so too have prices for most goods and services. The risk of sustained higher prices could force central banks to remove the ultra-accommodative policy stances that have helped support economic growth and equity markets throughout the crisis. The risk is perhaps greatest in the US, where the most stimulus was applied and where prices have been rising the fastest. US Federal Reserve Chair Jerome Powell has consistently signaled that higher inflation readings would be temporary and that Fed policy would remain supportive of growth, but the June Fed meeting proved to be a hawkish surprise for the market. Chair Powell acknowledged that the recent price increases have been larger than expected and may prove more lasting. Accordingly, Fed officials signaled the possibility of tightening policy sooner than previously thought, which called into question the durability of the recent cyclical rotation trade.

### Market Outlook and Investment Strategy ^

As we enter the 2H21, investors will increasingly shift their focus to 2022 and beyond. We think it is likely that the post-recovery narrative will shift from historic stimulus, reopening economies and pent-up demand to rising inflation, rising taxes and peaking growth. Rather than trying to time macro shifts, which is historically very difficult to do, we think investors can benefit by focusing on companies associated with our three sustainable investment themes—Climate, Health and Empowerment—which are supported by powerful, long-term secular tailwinds that are less dependent on where we are in the economic cycle. Forecasting short-term twists and turns in the economic cycle with any accuracy or consistency has always been challenging. It has been even tougher to consistently predict how market participants will react—or overreact—to changes in the real economy. One advantage of sustainable investing is that we don't have to call those short-term twists and turns correctly to create value over time. Sustainable themes have obvious longer-term tailwinds, many of which have only strengthened during the COVID-19 crisis.

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

## FUND FACTS

Underlying Sub-Fund	AB Sustainable Global Thematic Fund
Fund Manager	AllianceBernstein (Luxembourg) S.à r.l.
Launch Date	18 Jan 2016
CPFIS/SRS	SRS
CPFIS Risk Classification	N.A.
As at 30 June 2021	
Offer Price	S\$ 1.79857
Bid Price	S\$ 1.70864
Fund Size	S\$ 14.91 mil
Units in Issue	8.73 mil

Note: With effect from 7 April 2021: the underlying sub-fund of HSBC Insurance Global Sustainable Equity Portfolio Fund, HSBC Global Investment Funds – Economic Scale Global Equity Fund was replaced with AB Sustainable Global Thematic Fund.

## A) Fund Performance

### I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Global Sustainable Equity Portfolio Fund	5.13	16.79	38.10	29.14	70.25	N.A.	70.86
Benchmark*	7.44	14.22	34.19	48.24	97.53	N.A.	105.03**

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Global Sustainable Equity Portfolio Fund	8.90	11.23	N.A.	10.48
Benchmark*	14.02	14.58	N.A.	14.40**

\*Benchmark Details:

Inception to October 2017 - HSBC Economic Scale Index World

With effect from October 2017, the benchmark was changed to 'MSCI World Net'.

\*\*Performance of the benchmark is measured from closest month-end after inception through 31 May 2021.

<sup>^</sup>Inception Date: 02 Feb 2016

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
AB Sustainable Global Thematic Fund	100.07	14.92
Other liabilities	(0.07)	(0.01)
<b>Total</b>	<b>100.00</b>	<b>14.91</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)  
S\$

Subscription	2,934,162
Redemption	4,855,274

## C) Underlying Sub-Fund Disclosure (AB Sustainable Global Thematic Fund)

### I Allocation by Country

Country	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
United States	57.84	2,539.66
Netherlands	7.23	317.42
Denmark	4.21	184.73
India	3.92	172.19
Switzerland	3.46	152.13
France	3.31	145.37
Japan	3.27	143.74
Germany	2.90	127.49
Austria	2.09	91.70
Others*	11.77	516.18
<b>Total</b>	<b>100.00</b>	<b>4,390.61</b>

\*Includes other countries

<b>II Allocation by Industry</b>	<b>As at 30 Jun 2021</b>	
	<b>% of NAV</b>	<b>MV S\$ mil</b>
Information Technology	29.93	1,314.22
Industrials	20.01	878.73
Health Care	18.37	806.60
Financials	12.85	564.07
Consumer Discretionary	6.72	295.11
Materials	3.41	149.73
Utilities	3.29	144.48
Consumer Staples	1.05	46.01
Others*	4.37	191.66
<b>Total</b>	<b>100.00</b>	<b>4,390.61</b>

<b>III Allocation of Debt Securities by Credit Ratings</b>	<b>As at 30 Jun 2021</b>
N.A.	

<b>IV Top Ten Holdings of Underlying Sub- Fund</b>	<b>As at 30 Jun 2021</b>	
	<b>% of NAV</b>	<b>MV S\$ mil</b>
Laboratory Corp. of America Holdings	2.87	125.85
SVB Financial Group	2.58	113.26
Waste Management, Inc.	2.35	103.31
MSCI, Inc. - Class A	2.29	100.59
Flex Ltd.	2.26	99.08
Danaher Corp.	2.21	97.05
Lumentum Holdings, Inc.	2.16	94.90
Apollo Hospitals Enterprise Ltd.	2.13	93.61
Trex Co., Inc.	2.12	93.28
Aptiv PLC	2.11	92.58

<b>Top Ten Holdings of Underlying Sub-Fund</b>	<b>As at 30 Jun 2020</b>	
	<b>% of NAV</b>	<b>MV S\$ mil</b>
Walmart Inc	1.84	2.55
Apple Inc	1.15	1.60
AT&T Inc	0.83	1.15
General Electric Co	0.76	1.05
Volkswagen AG	0.74	1.03
Royal Dutch Shell Plc	0.74	1.02
JP Morgan Chase & Co	0.72	1.00
Wells Fargo & Co	0.65	0.90
Verizon Communications Inc	0.65	0.90
Bank of America Corp	0.64	0.88

<b>V Exposure to Derivatives</b>	<b>As at 30 Jun 2021</b>
% of NAV	0.19%
Market value (S\$)	8,233,051
Realised Gains / (Losses) (S\$)	0
Unrealised Gains / (Losses) (S\$)	8,233,051

<b>VI Borrowings of Net Asset Value</b>	<b>As at 30 Jun 2021</b>
Use of borrowing in % of Fund Total Net Asset	0.64%

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance Global Sustainable Equity Portfolio Fund</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 30-Nov-20*</b>	<b>As at 31-Mar-20**</b>
Expense Ratio	1.11%	0.99%	1.95%	0.95%
Turnover Ratio	128.27%	7.92%	52.56%	0.24%

\*Based on the unaudited figures as at 30 Nov 2020 as the expense and turnover ratios of AB Sustainable Global Thematic Fund for the financial year ended 30 Jun 2021 are not available.

\*\*Based on audited figure as at 31 Mar 2020 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 2021, the Investment Manager and any Affiliated Sub-Investment Manager, if applicable, 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.

Additionally, due to the nature of the investment strategy of certain Portfolios, including where the Investment Manager delegates investment management services to AllianceBernstein Limited and CPH Capital Fondsmæglerelskab A/S, all costs associated with soft commission arrangements may be “unbundled,” if required by applicable law, and borne by the Investment Manager or its Affiliated Sub-Investment Manager with the exception of Arya European Alpha Portfolio, which is charged a separate expense for costs associated with soft commission arrangements. 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 Financial Reports of the Underlying Fund.

**E) Financial Statements**

Refer to page 176.

**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](http://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  
HSBC Global Asset Management (Singapore) Limited

Fund Manager

Launch Date

18 Jan 2016

CPFIS/SRS

SRS

CPFIS Risk

N.A.

Classification

As at 30 June 2021

Offer Price

S\$ 1.66475

Bid Price

S\$ 1.58151

Fund Size

S\$ 5.45 mil

Units in Issue

3.45 mil

### Investment and Market Review ^

During the period markets continue to rebound, as governments committed huge sums of money to support businesses and individuals that lost income due to Covid-19 restrictions. The market was further buoyed by US election results and hopes of a return to normal as the vaccine rollout gathered traction.

During the period the fund underperformed the benchmark, however, it delivered strong absolute returns.

Detractors from relative performance included Guangdong Investment, a Hong Kong based infrastructure company, which fell after the company reported earnings that came in shy of expectations driven by new water plants that are currently loss making, R&D costs and increased taxes. Furthermore, Clorox Company, a US based consumer products manufacturer, fell on concerns that higher manufacturing, logistics and commodity costs could impact gross margins.

Contributors included HCA Healthcare, a US based provider of health care services, which buoyed relative returns after gaining sharply on delivering stronger than expected earnings as the impact of Covid-19 on patient volumes was far less than expected.

Sector and country allocation effects are residual to the stock selection process. Sector allocation was negative given an underweight exposure to Consumer Discretionary and overweight Utilities. Country allocation was also negative given an overweight exposure to the UK and Germany.

### Market Outlook and Investment Strategy ^

Global economic recovery prospects are boosted by the rollout of vaccines. Markets exposed to cyclical sectors can continue to perform well even as bond yields rise. Value stocks can also do well in this environment

However, investors should be aware of the risks. There is still uncertainty about the timeline around vaccine rollouts in some countries and thus the speed of the recovery. There is scope for an inflation scare to trigger higher bond yields, hitting risk asset performance. Expected returns have fallen.

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*	3.99	6.18	30.42	31.78	53.02	N.A.	58.15

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance Global Equity Volatility Focused Fund *	9.64	8.88	N.A.	8.84

\*This fund has no benchmark.

^Inception Date: 01 Feb 2016

## B) Fund Disclosure

### I Allocation by Asset Class

	As at 30 Jun 2021	
Asset Class	% of NAV	MV S\$ mil
HSBC Global Investment Funds – Global Equity Volatility Focused	100.00	5.45
<b>Total</b>	<b>100.00</b>	<b>5.45</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	548,050
Redemption	1,527,063

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

### I Allocation by Country

	As at 30 Jun 2021	
Country	% of NAV	MV S\$ mil
United States	54.84	99.96
Mainland China	6.70	12.21
Japan	6.27	11.43
Switzerland	5.23	9.54
United Kingdom	4.35	7.93
Australia	2.81	5.12
Canada	2.28	4.16
Hong Kong (Sar)	1.67	3.05
Others*	15.96	29.06
Cash^	(0.11)	(0.20)
<b>Total</b>	<b>100.00</b>	<b>182.26</b>

\*Includes other countries

### II Allocation by Industry

	As at 30 Jun 2021	
Industry	% of NAV	MV S\$ mil
Information Technology	16.89	30.77
Health Care	16.59	30.24
Consumer Discretionary	13.03	23.75
Consumer Staples	11.91	21.70
Communication Services	10.40	18.96
Industrials	9.44	17.21
Financials	9.07	16.53
Utilities	7.38	13.45
Materials	5.00	9.12
Real Estate	0.40	0.73
Cash^	(0.11)	(0.20)
<b>Total</b>	<b>100.00</b>	<b>182.26</b>

^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**  
N.A.

**As at 30 Jun 2021**

**IV Top Ten Holdings of Underlying Sub-Fund**

	<b>As at 30 Jun 2021</b>	
	<b>% of NAV</b>	<b>MV S\$ mil</b>
Apple Inc	3.54	6.44
Microsoft Corp	2.98	5.44
Amazon.com, Inc	1.42	2.58
Alphabet Inc	1.33	2.42
Roche Holding AG	1.32	2.41
Facebook Inc	1.28	2.34
Thermo Fisher Scientific Inc	1.20	2.19
Unilever PLC	1.12	2.04
AT&T Inc	1.10	2.00
Costco Wholesale Corp	1.09	1.99

**Top Ten Holdings of Underlying Sub-Fund**

	<b>As at 30 Jun 2020</b>	
	<b>% of NAV</b>	<b>MV S\$ mil</b>
Apple Inc	2.71	6.28
Home Depot Inc	2.60	6.04
Microsoft Corp	2.57	5.96
Nestle SA-Reg	2.38	5.52
Accenture Plc-CI A	2.36	5.49
Cap Gemini SA	2.26	5.25
IQVIA Holdings Inc	2.26	5.25
Unitedhealth Group Inc	2.21	5.13
Walt Disney Co	2.20	5.12
Rentokil Initial Plc	2.17	5.04

**V Exposure to Derivatives**

**As at 30 Jun 2021**

% of NAV	0.00%*
Market value (S\$)	6,169
Realised Gains / (Losses) (S\$)	5,174,240
Unrealised Gains / (Losses) (S\$)	(91,231)
* Less than 0.01%	

**VI Borrowings of Net Asset Value**

**As at 30 Jun 2021**

N.A.

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance Global Equity Volatility Focused Fund</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20**</b>
Expense Ratio	1.91%	1.93%	1.87%	1.88%
Turnover Ratio	10.59%	8.78%	As at 30-Jun-21 1.29%	As at 30-Jun-20 0.61%

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Global Investment Funds – Global Equity Volatility Focused for the financial year ended 30 Jun 2021 is not available.

\*\*Based on audited figure as at 31 Mar 2020 for comparative purposes.

**II Related-Party Transactions**

HSBC Insurance Global Equity Volatility Focused Fund invests S\$5.45 million, equivalent to 100% 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 2020 to 30 June 2021 amounts to S\$40,204.

**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.

**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](http://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 2021

Offer Price

S\$ 1.35958

Bid Price

S\$ 1.29160

Fund Size

S\$ 5.42 mil

Units in Issue

4.19 mil

### Investment and Market Review ^

The strategy delivered positive absolute performance over the period gross of fees. Overall the fund saw positive contribution to return across all asset classes. From an asset class US IG Credit and EMD lagged somewhat. All segment except EUR credit had strong outperformance vs their respective investment universes.

Following on from a strong risk asset recover in 2020 credit spreads continued to tighten in Q1 2021 with the continued economic recovery. Long end rates moved higher over investor concerns around rising inflation with the yield curve steepening. With rates volatility dissipating in Q2 as investors reconciled a continued dovish Federal Reserve on the one hand and strong inflation data on the other rates fell back by the end of June while credit spreads continued to grind tighter approaching cyclical tights. The US treasury yields rose in the first half of 2021 with the curve steepening at the long end. The 2, 5, 10 and 30 year saw yields move higher by 0.13%, 0.53%, 0.55% and 0.44% respectively to finish June at 0.25%, 0.89%, 1.47% and 2.09%.

### Market Outlook and Investment Strategy ^

Now halfway through 2021 we see a shift in the economy, away from a restoration phase which has characterized the post COVID economic recovery to an expansionary phase of the economic cycle. As a result, we see investors now more focused on central bank policy and comments around the start of tapering and policy normalization. While we believe policy moves could be sooner than had initially been expected earlier in the year we don't anticipate the Fed lifting off before mid-2023. Credit fundamentals are solid and are expected to remain so through the course of the year as economic growth continues to be strong but spreads are at or close to historically tight levels offering less potential for tightening and a smaller cushion should we see additional volatility as markets react to further details regarding the path to policy normalization.

The fund remains predominantly invested in corporate BBB and BB credit with an allocation to sovereigns at 12% and securitized credit at 13%. The fund has an average credit rating of BBB-/BB+ with 50% investment grade, 46% below investment grade and 4% cash. Regionally, the strategy has exposure to US Investment Grade 11%, US HY 18%, EUR Credit 20%, EM 27% and Structured Credit 13%. The main industry sector exposure is financials, consumer cyclicals and energy. The current portfolio duration is 5.54 years on an option adjusted basis, with an overweight to the short end of the curve and an underweight to the longer end vs the investment universe.

^ 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*	2.05	0.19	7.34	17.20	20.87	N.A.	29.16

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance Global High Income Bond Fund*	5.43	3.86	N.A.	4.82

\*This fund has no benchmark.

^Inception Date: 25 Jan 2016

## B) Fund Disclosure

### I Allocation by Asset Class

	As at 30 Jun 2021	
Asset Class	% of NAV	MV S\$ mil
HSBC Global Investment Funds – Global High Income Bond Fund	100.00	5.42
<b>Total</b>	<b>100.00</b>	<b>5.42</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)  
S\$

Subscription	1,107,651
Redemption	1,665,662

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

### I Allocation by Country

	As at 30 Jun 2021	
Country	% of NAV	MV S\$ mil
United States	35.90	725.05
France	6.34	128.12
Germany	5.26	106.18
Mainland China	4.28	86.41
United Kingdom	3.40	68.65
Cayman Islands	3.36	67.86
Brazil	2.80	56.49
Spain	2.44	49.34
Others*	31.75	640.98
Cash	4.47	90.37
<b>Total</b>	<b>100.00</b>	<b>2,019.45</b>

\*Includes other countries

## II Allocation by Industry

Industry	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Financial	19.81	400.06
Energy	12.71	256.60
Government	11.80	238.37
Consumer Cyclical	10.73	216.62
Communications	7.11	143.60
Consumer Non cyclical	6.67	134.68
Mortgage Securities	5.96	120.31
Asset Backed Securities	5.73	115.70
Utilities	5.00	101.04
Basic Materials	4.13	83.45
Others*	5.88	118.65
Cash	4.47	90.37
<b>Total</b>	<b>100.00</b>	<b>2,019.45</b>

\*Includes other industries

## III Allocation of Debt Securities by Credit Ratings

Rating	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
AAA	2.29	46.40
AA	2.76	55.81
A	8.02	161.90
BBB	36.45	736.09
BB	26.78	540.86
B	15.63	315.65
CCC	3.19	64.39
CC	0.00	0.00
D	0.09	1.80
Unrated	0.31	6.18
Cash	4.48	90.37
<b>Total</b>	<b>100.00</b>	<b>2,019.45</b>

## IV Top Ten Holdings of Underlying Fund

	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
BWAY HOLDING CO 4.750 15/04/24	0.95	19.17
CHARTER COMM OPT 6.384 23/10/35	0.90	18.14
MICHAELS COS INC 5.250 01/05/28	0.83	16.68
AT&T INC 3.300 01/02/52	0.78	15.84
DELTA/SKYMILES 4.750 20/10/28	0.78	15.81
CONTINENTAL RESO 5.750 15/01/31	0.74	14.92
VEOLIA ENVRNMT 2.250	0.73	14.81
EG GLOBAL 6.250 30/10/25	0.72	14.50
DIVERSIFIED HLTH 4.375 01/03/31	0.71	14.29
QUATRIM 5.875 15/01/24	0.68	13.72

## Top Ten Holdings of Underlying Fund

	As at 30 Jun 2020	
	% of NAV	MV S\$ mil
Saudi Int Bond 4.500 26/10/46	0.89	24.10
Carnival Corp 11.500 01/04/23	0.59	16.30
Quatrim 5.875 15/01/24	0.59	16.23
Arab Rep Egypt 7.625 29/05/32	0.53	14.70
Philippines(Rep) 3.700 02/02/42	0.50	13.78
Costa Rica Govt 7.000 04/04/44	0.49	13.52
Abu Dhabi Govt 4.125 11/10/47	0.47	12.80
Rep Of Nigeria 7.696 23/02/38	0.45	12.29
Kenya Rep Of 7.000 22/05/27	0.44	12.12
Argentina 5.875 11/01/28	0.43	11.94

<b>V Exposure to Derivatives</b>	<b>As at 30 Jun 2021</b>
% of NAV	0.65%
Market value (S\$)	13,223,050
Realised Gains / (Losses) (S\$)	(30,060,605)
Unrealised Gains / (Losses) (S\$)	(3,622,267)

<b>VI Borrowings of Net Asset Value</b>	<b>As at 30 Jun 2021</b>
N.A.	

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance Global High Income Bond Fund</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20**</b>
Expense Ratio	1.56%	1.57%	1.52%	1.52%
Turnover Ratio	18.18%	13.16%	1.43%	0.89%

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Global Investment Funds – Global High Income Bond Fund for the financial year ended 30 Jun 2021 is not available.

\*\*Based on audited figure as at 31 Mar 2020 for comparative purposes.

**II Related-Party Transactions**

HSBC Insurance Global High Income Bond Fund invests S\$5.42 million, equivalent to 100% 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 2020 to 30 June 2021 amounts to S\$35,462.

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

<b>IV Soft Dollar Commission Arrangement</b>
N.A.

<b>E) Financial Statements</b>
Refer to page 177.

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## HSBC Insurance Global Multi-Asset Fund

### Fund Objective

HSBC Insurance Global Multi-Asset Fund 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 markets 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 <sup>^</sup>

The period under review was a positive one for global markets and the fund generated a positive return driven by all areas of the portfolio. We started the

period by adding selectively to attractively valued areas, rotating from US to European HY credit, adding high-quality REITs in Asia and shifting some US exposure from large into small caps. We added tactically to US financials and energy in October, helping increase the portfolio's sensitivity to the recovery.

November marked an inflection point in the covid-19 battle, with three vaccines producing phase-3 results exceeding even the most optimistic of forecasts. We continued to shift credit exposure from the US to higher-yielding corporates in Europe. We also reduced equity hedges following the US election and improvement in sentiment.

Despite a strong run in markets, in the new year we concluded that a pro-cyclical bias remained appropriate. We continued to increase our sensitivity to the recovery, by adding to emerging market equities. Simultaneously, we cut duration close to its since inception low of 2.3 years in March.

As we entered the second quarter of 2021, our models continue to point to a "recovery" phase. As a consequence, we increased equities above 40%, the highest on record, as we believed that even if the US 10-year Treasury yield were to rise toward 2%, valuations were supported by an improving earnings picture. This was funded by a material reduction in investment grade bonds, which following a strong run had far less scope for positive returns.

### Market Outlook and Investment Strategy <sup>^</sup>

We maintain the pro-cyclical stance of our portfolio, with a bias for equities. We believe the medium-term backdrop should be conducive for income portfolios, given the ongoing economic recovery. Meanwhile the latest commentary from the Federal Reserve reduces what had been one of our major concerns around short term inflation, suggesting this benign environment can remain in place over the next few months.

Within equities we continue to shift away from the US. It has been our preferred market for a number of years, initially because, in a world where growth was scarce it offered a superior corporate earnings stream and, more recently, because of the swifter post-COVID recovery in the US. From a tactical perspective however, we see the opportunity for equity markets and currencies outside of the US to catch up over the summer as vaccination rates increase and the economic recovery continues, while central bank liquidity is still plentiful. As a result, we are seeing more opportunities in Europe in particular.

On a relative basis we see less opportunity in developed market credit given very expensive valuations. However, we see some attractive opportunities in emerging market credit, supported by improving earnings and much more attractive valuations.

We maintain significantly lower duration with our portfolio, and maintain our negative view on investment grade credit.

<sup>^</sup> 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 2021	
Offer Price	S\$ 1.28834
Bid Price	S\$ 1.22392
Fund Size	S\$ 1.72 mil
Units in Issue	1.41 mil



## A) Fund Performance

### I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Global Multi-Asset Fund*	3.21	3.79	15.79	13.40	20.30	N.A.	22.39

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Global Multi-Asset Fund*	4.28	3.77	N.A.	3.90

\*This fund has no benchmark.

<sup>^</sup>Inception Date: 21 Mar 2016

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Schroder International Selection Fund - Global Multi-Asset Income	100.00	1.72
<b>Total</b>	<b>100.00</b>	<b>1.72</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	423,606
Redemption	848,426

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

### I Allocation by Country

Country	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
North America	49.11	1,351.03
Europe ex UK	17.69	486.66
Emerging Markets	15.69	431.64
UK	6.18	170.01
Asia Pacific ex Japan	2.52	69.33
Japan	0.19	5.23
Cash	8.62	237.14
<b>Total</b>	<b>100.00</b>	<b>2,751.04</b>

### II Allocation by Industry

Industry	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Financials	17.92	492.99
Information Technology	10.72	294.91
Consumer Discretionary	10.29	283.08
Communication Services	10.16	279.51
Consumer Staples	6.68	183.77
Real Estate	6.52	179.37
Energy	6.25	171.94
Health Care	5.17	142.23
Industrials	4.99	137.27
Utilities	4.07	111.97
Others*	8.61	236.86
Cash	8.62	237.14
<b>Total</b>	<b>100.00</b>	<b>2,751.04</b>

\*Includes other industries

### III Allocation of Debt Securities by Credit Ratings

#### Rating

(For Debt securities portfolio only)

	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
AAA	0.17	4.90
AA	0.22	6.01
A	4.99	137.16
BBB	12.93	355.67
BB	19.53	537.19
B	7.91	217.69
CCC	1.61	44.22
Unrated	2.25	61.96
<b>Total</b>	<b>49.61</b>	<b>1,364.80</b>

### IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Taiwan Semiconductor Manufacturing	1.23	33.84
Microsoft Corp	0.93	25.58
Bunge Ltd Perp 4.875 31-Dec-2049	0.90	24.76
Samsung Electronics Non Voting Pre Pref	0.90	24.76
Alphabet Inc Class A A	0.75	20.63
Facebook Class A Inc A	0.71	19.53
Bank Of America Corp Perp 7.25 31-Dec-2049	0.56	15.41
Amazon.com, Inc	0.55	15.13
Apple Inc	0.53	14.58
AIA Group Ltd	0.51	14.03

#### Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2020	
	% of NAV	MV S\$ mil
Bank Of America Corp Perp 7.25 31-Dec-2049	1.04	26.17
Microsoft Corp	0.78	19.64
Bunge Ltd Perp 4.875 31-Dec-2049	0.76	19.14
Hong Kong Exchanges And Clearing L	0.62	15.61
Facebook Class A Inc A	0.61	15.36
Taiwan Semiconductor Manufacturing	0.60	15.11
Alphabet Inc Class A A	0.59	14.86
Allianz	0.54	13.60
Macquarie Group Ltd Def	0.54	13.60
Amazon.com, Inc	0.53	13.34

### V Exposure to Derivatives

	As at 30 Jun 2021
% of NAV	(0.31%)
Market value (S\$)	(8,486,865)
Realised Gains / (Losses) (S\$)	(54,394,302)
Unrealised Gains / (Losses) (S\$)	(8,486,865)

### VI Borrowings of Net Asset Value

	As at 30 Jun 2021
N.A.	

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance Global Multi-Asset Fund</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20**</b>
Expense Ratio	1.61%	1.62%	1.57%	1.57%
Turnover Ratio	28.89%	15.10%	66.17%	95.37%

\*Based on unaudited figure as at 31 Mar 2021 as the expense ratio of Schroder International Selection Fund - Global Multi-Asset Income for the financial year ended 30 Jun 2021 is not available.

\*\*Based on unaudited figure as at 31 Mar 2020 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 and Sub-Investment Manager may enter into soft commission arrangements only where there is a direct and identifiable benefit to the clients of the Investment Manager or Sub-Investment Manager (as the case may be), including the relevant Sub-Fund, and where the Investment Manager or the Sub-Investment Manager (as the case may be) 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 or the Sub-Investment Manager on terms commensurate with best market practice.

**E) Financial Statements**

Refer to page 177.

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## 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 <sup>^</sup>

The S&P IFCI/India Gross Index gained 64.05% over the 1y horizon and outperformed the broader MSCI Asia Pacific ex Japan market (39.60%). In terms of sectors, Materials (+64.05%) is the top performing one while Communication Services underperformed (+12.50%).

The economic recovery is uneven and potential downside risks stemming from the second Covid wave still persists. Macro data is improving with GDP growing at 1.6% in the first three months of 2021. Unemployment rate fell to 7.3% (week ended April 25) from 8.0% at the start of the year (week ended Jan 03). The manufacturing IHS Markit PMI fell to 48.1 in June 2021 from 57.7 in Jan 2021. Core inflation increased from 4.03% in Jan 2021 to 6.3% in May 2021 due to transitory cost-push pressures.

The fund underperformed the benchmark on a 1-year basis. Positive stock selection effect in Financials, Health care and Real Estate positively contributed to performance, offset by the unfavourable stock selection effect in the Consumer Discretionary and Industrials space.

The largest relative contributors over the year is Infosys Ltd. We have an overweight exposure to the Information Technology name which has gained significantly in the past year due to strong earnings and pandemic-driven demand for digital offerings. The largest relative detractors over the year is Tata Steel Ltd. We have underweight Tata Steel and the stock has rebounded significantly in 3Q 2020 with the broader steel industry. This is attributed to strong demand in export markets and lower input costs.

In terms of sector positioning, we are most overweight to Real Estate and Financials and most underweight to Utilities and Consumer Staples.

### Market Outlook and Investment Strategy <sup>^</sup>

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.

Full year GDP growth for the current fiscal year is expected to remain robust due to low base effects and a strong economic rebound. The IMF has decided in early April to revise India's output growth forecast next year from 11.5% to 12.5%.

Valuations are currently elevated and higher global yields add to near term headwinds. An increase in oil prices may further weigh on corporate fundamentals. It is expected that there will be short term disturbances in the economy but the fundamental factors bolstering the long- term growth trend remain in-tact. Over the past 1 year, we have been increasing our weight in Materials, Health Care and Information Technology.

<sup>^</sup> 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 2021	
Offer Price	S\$ 3.32766
Bid Price	S\$ 3.16128
Fund Size	S\$ 57.82 mil
Units in Issue	18.29 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 <sup>^</sup>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance India Equity Fund	5.84	14.26	50.74	23.33	59.55	44.61	232.77
Benchmark*	8.74	18.48	58.01	42.26	91.68	124.67	545.42

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance India Equity Fund	7.24	9.79	3.76	7.27
Benchmark*	12.47	13.90	8.43	11.49

\*S&P/IFCI India Gross

<sup>^</sup>Inception Date: 14 May 2004

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021	
	% of NAV	MV \$ mil
HSBC Global Investment Fund - Indian Equity Fund	100.02	57.83
Other assets	0.29	0.17
Other liabilities	(0.31)	(0.18)
<b>Total</b>	<b>100.00</b>	<b>57.82</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	\$
Subscription	6,579,492
Redemption	13,549,867

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

### I Allocation by Country

Country	As at 30 Jun 2021	
	% of NAV	MV \$ mil
India	99.22	1,715.56
Cash	0.78	13.51
<b>Total</b>	<b>100.00</b>	<b>1,729.07</b>

### II Allocation by Industry

Industry	As at 30 Jun 2021	
	% of NAV	MV \$ mil
Financials	28.04	484.81
Information Technology	16.32	282.20
Materials	9.93	171.69
Energy	9.09	157.21
Consumer Discretionary	8.79	152.03
Health Care	6.94	119.98
Industrials	5.54	95.74
Consumer Staples	5.45	94.29
Communication Services	4.06	70.20
Real Estate	3.44	59.44
Utilities	1.62	27.97
Cash	0.78	13.51
<b>Total</b>	<b>100.00</b>	<b>1,729.07</b>

### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2021

N.A.

#### IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Infosys Ltd	9.91	171.16
Reliance Industries Ltd	8.08	139.70
ICICI Bank Ltd	7.58	131.11
Axis Bank Ltd	5.76	99.67
HCL Technologies Ltd	4.61	79.68
Housing Development Finance Co	3.84	66.44
HDFC Bank Ltd	3.78	65.33
Grasim Industries Ltd	3.49	60.40
Larsen & Toubro Ltd	3.29	56.88
Hindustan Unilever Ltd	3.15	54.53

#### Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2020	
	% of NAV	MV S\$ mil
Reliance Industries Ltd	9.31	122.80
Infosys Ltd 10170616	9.08	119.85
HDFC Bank Ltd	8.68	114.54
ICICI Bank Ltd	5.45	71.91
Housing Development Finance Corp	4.52	59.63
HCL Technologies Ltd	4.22	55.67
Maruti Suzuki India Ltd	3.65	48.21
Bharti Airtel Ltd	3.35	44.28
Axis Bank Ltd	3.25	42.94
ITC Ltd	3.16	41.73

#### V Exposure to Derivatives

N.A.

As at 30 Jun 2021

#### VI Borrowings of Net Asset Value

N.A.

As at 30 Jun 2021

#### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance India Equity Fund		Underlying Sub-Fund	
	As at 30-Jun-21	As at 30-Jun-20	As at 31-Mar-21*	As at 31-Mar-20**
Expense Ratio	1.94%	1.95%	1.90%	1.90%
Turnover Ratio	7.83%	10.50%	0.41%	0.37%

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Global Investment Fund - Indian Equity Fund for the financial year ended 30 Jun 2021 is not available.

\*\*Based on audited figure as at 31 Mar 2020 for comparative purposes.

#### II Related-Party Transactions

HSBC Insurance India Equity Fund invests S\$57.83 million, equivalent to 100.02% 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 2020 to 30 June 2021 amounts to S\$265,337.

#### 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 177.

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## 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 <sup>^</sup>

The fund underperformed the benchmark, mainly due to stock picks in India and South Korea. Detracting

from performance were our holdings in India. Investors looked past the country's second Covid-19 wave on expectation of a quick rebound, which favoured more cyclical stocks and those tied to the reopening theme. However, it disadvantaged high-quality, prudent lenders, such as our holdings Housing Development Finance Corp (HDFC) and Kotak Mahindra Bank. As expected, both weathered the turmoil well and remain high-conviction positions within the portfolio.

In South Korea, our holding in Samsung Electronics underperformed despite firm fundamentals. This weakness was more than offset by the strength of our core holding in contract chipmaker Taiwan Semiconductor Manufacturing Co and our non-benchmark exposure to semiconductor equipment maker ASML. The Dutch company remains a beneficiary of rising capital investments, particularly in the regionalisation of the semiconductor manufacturing supply chain.

China was key to the fund's returns, as it has been in recent quarters. Although the market lagged the broader region, our stock picks there boosted relative returns significantly, thanks to the solid performance of our green-economy and healthcare holdings, such as Longi Green Energy Technology, Yunnan Energy and Wuxi Biologics. These mitigated the poor showing of other mainland holdings, such as New Oriental Education and Technology, which was plagued by regulatory concerns. We believe New Oriental is better-positioned than its peers to adapt. Shanghai International Airport declined as well on the back of revisions in its duty-free contract.

### Market Outlook and Investment Strategy <sup>^</sup>

Asian markets treaded water through much of the second quarter. They were also tricky to navigate amid renewed Covid-19 outbreaks, regulatory pressures, particularly in China, and concerns about inflation and rising rates. Looking ahead to the third quarter and second-half of the year, we see reasons to be optimistic.

Firstly, despite pandemic-related disruptions, corporate earnings growth remains set to rebound strongly this year, led in particular by the robust tech hardware sector. Vaccination rates are now accelerating across the region and should gradually lead to easing restrictions and further economic reopening. This would help mitigate inflationary pressures tied to near-term supply chain disruptions. As stock-pickers, we remain focused on companies with pricing power and the ability to pass through cost pressures. Secondly, while regulatory tightening in China remains a focus for investors, we believe that regulators will strike a good balance between promoting innovation and achieving their regulatory purpose. Companies with solid competitive advantages will be best placed to navigate the changing environment. Thirdly, US-China geopolitical tensions will continue to drive China's push for self-sufficiency, which in turn presents investment opportunities, whether in the domestic consumption sector, tech or green energy. We continue to position our portfolio around structural growth themes such as these that will weather near-term uncertainties.

<sup>^</sup> 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 2021		
Offer Price	S\$	2.08207
Bid Price	S\$	1.97797
Fund Size	S\$	155.42 mil
Units in Issue		78.58 mil



## A) Fund Performance

### I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Pacific Equity Fund	3.22	5.28	35.93	43.39	84.14	95.01	108.21
Benchmark*	4.12	8.77	34.60	39.12	93.95	115.25	118.17

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Pacific Equity Fund	12.76	12.99	6.91	6.74
Benchmark*	11.63	14.17	7.97	7.19

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

<sup>^</sup>Inception Date: 06 Apr 2010

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund	100.01	155.43
Other assets	0.30	0.46
Other liabilities	(0.31)	(0.47)
<b>Total</b>	<b>100.00</b>	<b>155.42</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	21,028,784
Redemption	52,919,455

## C) Underlying Sub-fund Disclosure (Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund)

### I Allocation by Country

Country	As at 31 Mar 2021†	
	% of NAV	MV S\$ mil
China	30.31	522.30
South Korea	12.47	214.93
India	9.58	165.18
Australia	9.57	164.87
Hong Kong	9.21	158.68
Taiwan	9.04	155.77
Singapore	4.55	78.41
United Kingdom	3.71	63.99
Netherlands	2.36	40.69
Others*	9.20	158.53
<b>Total</b>	<b>100.00</b>	<b>1,723.35</b>

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

† Based on audited figures as at 31 Mar 2021 as the unaudited figures as at 30 Jun 2021 are not available.

<b>II Allocation by Industry</b>	<b>As at 31 Mar 2021†</b>	
	<b>% of NAV</b>	<b>MV S\$ mil</b>
Information Technology	25.98	447.72
Financials	18.73	322.72
Health Care	8.95	154.25
Consumer Discretionary	8.84	152.33
Communication Services	8.46	145.77
Materials	7.87	135.66
Unit Trusts	7.13	122.91
Consumer Staples	4.68	80.71
Real Estate	4.55	78.47
Industrials	3.28	56.55
Utilities	0.59	10.16
Others*	0.94	16.10
<b>Total</b>	<b>100.00</b>	<b>1,723.35</b>

\*Includes cash and other payable/receivable

<b>III Allocation of Debt Securities by Credit Ratings</b>	<b>As at 31 Mar 2021†</b>
N.A.	

<b>IV Top Ten Holdings of Underlying Sub-Fund</b>	<b>As at 31 Mar 2021†</b>	
	<b>% of NAV</b>	<b>MV S\$ mil</b>
Taiwan Semiconductor Manufacturing Company	9.03	155.76
Samsung Electronics (Preference Shares)	8.71	150.03
Tencent	8.02	138.21
AIA Group	4.32	74.41
CSL	3.08	53.10
Alibaba Group Holding	3.04	52.37
Aberdeen Standard China Opportunities Fund	2.86	49.37
HDFC	2.82	48.56
New India Investment Trust Public Listed Company	2.57	44.21
BHP Group	2.47	42.60

<b>Top Ten Holdings of Underlying Sub-Fund</b>	<b>As at 31 Mar 2020&amp;</b>	
	<b>% of NAV</b>	<b>MV S\$ mil</b>
Tencent	9.66	114.46
Samsung Electronics (Preference Shares)	7.73	91.67
Taiwan Semiconductor Manufacturing Company	7.18	85.25
Aberdeen Standard China Opportunities Fund	4.35	51.67
Ping An Insurance	3.93	46.67
CSL	3.38	40.13
China Resources Land	3.13	37.19
AIA Group	3.08	36.55
Aberdeen Standard Singapore Equity Fund	2.63	31.26
HDFC	2.36	27.95

<b>V Exposure to Derivatives</b>	<b>As at 31 Mar 2021†</b>
N.A.	

<b>VI Borrowings of Net Asset Value</b>	<b>As at 31 Mar 2021†</b>
N.A.	

† Based on audited figures as at 31 Mar 2021 as the unaudited figures as at 30 Jun 2021 are not available.

& Based on audited figures as at 31 Mar 2020 as the unaudited figures as at 30 Jun 2020 are not available.

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance Pacific Equity Fund</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20**</b>
Expense Ratio	1.68%	1.68%	1.64%	1.63%
Turnover Ratio	11.04%	16.12%	20.26%	18.64%

\*Based on unaudited figures as at 31 Mar 2021 as the expense and turnover ratios of Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund for the financial year ended 30 Jun 2021 are not available.

\*\*Based on unaudited figures as at 31 Mar 2020 for comparative purposes.

**II Related-Party Transactions**

Cash balances maintained with HSBC Bank as at 30 June 2021 amounts to S\$53,377.

**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 178.

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or visit our web site at [www.insurance.hsbc.com.sg](http://www.insurance.hsbc.com.sg).**

## 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 <sup>^</sup>

In 1Q21, market was pricing a reflation trade as economy activities were expected to recover with the gradual rollout of vaccines and a potential larger US fiscal package. 10Y-UST increased to 1.74% in end of March from 0.91% in end of 2020. In 2Q21, market

sentiment was affected by the resurgence of COVID-19 in Asia especially in India and full/ partial lockdown measures were re-implemented in some countries as new cases flared up. In mid-June, the US Federal Open Market Committee's statement was more hawkish than expected and two hikes are now expected in 2023, up from none in the last projection in March. The Fed has also indicated they have started discussing on when tapering will begin.

In 1H21, the Singapore Government yield curve steepened and shifted up 14-75 bps with the far end of the curve up ~67bps to 75 bps. US Treasury curve steepened with the front end of the curve up by ~13 to 53 bps and the far end of the curve shifted up by ~44 to 58 bps. The USD rebounded from its weakness and appreciated against SGD by ~1.9% in 1H21.

### Market Outlook and Investment Strategy <sup>^</sup>

The Fund outperformed the benchmark in 1H21, mainly due to our duration positioning and foreign exchange exposure. Given the general scarcity value of Singapore Dollar bonds, we continue to prefer quality credit exposure with spreads that is 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.

<sup>^</sup> Source: DWS Investments Singapore Limited

## FUND FACTS

Underlying Fund  
Fund Manager

DWS Premier Select Trust  
DWS Investments Singapore Limited

Launch Date

02 Jan 2001

CPFIS/SRS\*

SRS

CPFIS Risk

N.A

Classification

As at 30 June 2021

Offer Price

S\$ 2.10368

Bid Price

S\$ 1.99850

Fund Size

S\$ 126.12 mil

Units in Issue

63.11 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 <sup>^</sup>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Premium Balanced Fund*	3.15	0.93	5.63	19.05	39.76	59.69	110.37

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Premium Balanced Fund*	5.99	6.92	4.79	3.71

\*This fund has no benchmark.

<sup>^</sup>Inception Date: 13 Feb 2001

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
DWS Premier Select Trust	100.06	126.19
Other assets	0.24	0.30
Other liabilities	(0.30)	(0.37)
<b>Total</b>	<b>100.00</b>	<b>126.12</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	4,952,424
Redemption	10,811,202

## C) Underlying Fund Disclosure (DWS Premier Select Trust)

### I Allocation by Country

Country	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Luxembourg	70.51	122.57
Ireland	29.30	50.94
Other net assets	0.19	0.33
<b>Total</b>	<b>100.00</b>	<b>173.84</b>

### II Allocation by Industry

Industry	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Exchange Traded Funds	99.81	173.51
Other net assets	0.19	0.33
<b>Total</b>	<b>100.00</b>	<b>173.84</b>

### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2021

N.A.

### IV Top Ten Holdings of Underlying Fund ^

	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Xtrackers II Singapore Government Bond UCITS ETF	70.51	122.57
Xtrackers MSCI World UCITS ETF	29.30	50.94

### Top Ten Holdings of Underlying Fund ^

	As at 30 Jun 2020	
	% of NAV	MV S\$ mil
Xtrackers II Singapore Government Bond UCITS ETF	72.72	128.85
Xtrackers MSCI World UCITS ETF	26.94	47.74

^Less than Ten Holdings in the Underlying Fund.

### V Exposure to Derivatives

As at 30 Jun 2021

% of NAV	-
Market value (S\$)	-
Realised Gains / (Losses) (S\$)	(2,975)
Unrealised Gains / (Losses) (S\$)	-

### VI Borrowings of Net Asset Value

As at 30 Jun 2021

N.A.

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance Premium Balanced Fund</b>		<b>Underlying Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20**</b>
Expense Ratio	1.09%	1.06%	0.95%	0.92%
Turnover Ratio	4.11%	4.88%	2.94%	1.94%

\*Based on unaudited figure as at 31 Mar 2021 as the expense ratio of DWS Premier Select Trust for the financial year ended 30 Jun 2021 is not available.

\*\* Based on unaudited figure as at 31 Mar 2020 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 178.

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## HSBC Insurance Singapore Bond Fund

### Fund Objective

HSBC Insurance Singapore Bond Fund seek to achieve long-term capital growth by investing in a portfolio of bonds denominated in or hedged into SGD. Fund investments are made by way of a feeder fund, which invests substantially all or all of its assets in the HSBC Global Investment Funds - Singapore Dollar Income Bond.

### FUND FACTS

#### Underlying Fund

HSBC Global Investment Funds - Singapore Dollar Income Bond  
HSBC Global Asset Management (Singapore) Limited  
02 May 2002  
SRS  
N.A

#### Fund Manager

#### Launch Date

CPFIS/SRS

CPFIS Risk

Classification

### Investment and Market Review <sup>^</sup>

The Singapore dollar bond market completed 1H21 lower amid higher bond yields while credit spread compressed, with government bonds trailing non-government bonds. Singapore sovereign yield curve tracked the US treasury curve closely to swing higher. The short-end of the curve remained largely stable given the ample deposits in the system, but upward pressure prevailed on the back of MAS bill issuance as well as increased loan demand towards 2Q21. The long-end of the curve stayed closely linked with that

of the US treasury curve to grind higher given the optimism on growth outlook, and further fueled this part of the curve higher was the anticipation for increased bond supply to fund the infrastructure projects. To further support growth, the government unveiled targeted fiscal support for vulnerable sectors that will be funded by reallocating development spending without adding onto bond supply. Asian credit market finished the review period lower on the back of higher bond yields while credit spreads compressed, meaning investment grade bonds underperformed HY bonds. Among markets, India and Indonesia cyclical sectors outperformed thanks to a surge in commodity prices as well as global recovery. Elsewhere, Sri Lankan bonds were heavily sought after amid their attractive valuations and eased refinancing pressure. On the other hand, Chinese bonds were lackluster, with financials and property sectors being weighed down by idiosyncratic headlines.

As at 30 June 2021

Offer Price

S\$ 1.58132

Bid Price

S\$ 1.50225

Fund Size

S\$ 23.82 mil

Units in Issue

15.86 mil

Note: With effect from 20 July 2020, the underlying sub-fund of HSBC Insurance Singapore Bond Fund, DWS Lion Bond Fund was replaced with HSBC Global Investment Funds - Singapore Dollar Income Bond.

### Market Outlook and Investment Strategy <sup>^</sup>

We believe Singapore could see a robust recovery on the back of high vaccination rate, solid external demand and reopening of the economy. As such, we see the risk of higher inflation due to possible stronger pass-through of supply-side cost increases as well as pent up demand-pull pressures driven by reopening. We expect the MAS to begin policy normalisation in the April 2022 meeting, with the SGD NEER reverting to a path consistent with policy neutrality and based on the prediction of a 2%-pt GST hike being implemented in 2022. That said, we see the risk of an earlier October 2021 normalisation should economic growth and/or core inflation rise faster than expected. Meanwhile, global liquidity remains strong and a key supportive factor for Asia credit. With the current policy direction to manage risk in the China property market, volatility may persist, particularly with the weaker property names. But when the HY of the market is factored in the recent volatile performance of the market may be providing a good entry point for long term investors. The fund's positioning has remained stable with duration being managed at around three years. It continues to hold a meaningful size of SGD denominated investment grade bonds. At the same time, it also diversifies into the US dollar Asian credit market which offers a wider selection of bonds across the credit rating spectrum than the SGD bond market. From a sectoral standpoint, the fund continues to prefer agencies and corporates over sovereign bonds.

<sup>^</sup> 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 <sup>^</sup>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Singapore Bond Fund*	0.54	(0.17)	3.62	8.60	11.10	21.28	53.29

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Singapore Bond Fund*	2.79	2.13	1.95	2.26

\*This fund has no benchmark.

<sup>^</sup>Inception Date: 04 Jun 2002

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
HSBC GIF Singapore Dollar Bond Fund	100.00	23.82
<b>Total</b>	<b>100.00</b>	<b>23.82</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	1,448,445
Redemption	4,152,177

## C) Underlying Fund Disclosure (HSBC GIF Singapore Dollar Bond Fund)

### I Allocation by Country

Country	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Singapore	46.54	161.16
Mainland China	21.15	73.25
Hong Kong SAR	6.87	23.79
India	6.19	21.45
Australia	6.08	21.05
South Korea	3.79	13.13
Indonesia	3.71	12.85
Thailand	3.23	11.18
Others*	3.05	10.52
Cash <sup>^</sup>	(0.61)	(2.11)
<b>Total</b>	<b>100.00</b>	<b>346.27</b>

\*Includes other countries and net assets

<sup>^</sup>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

Industry	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Banks	27.78	96.19
Reits	16.59	57.45
Real Estate	15.30	52.98
Industrial	6.68	23.13
Diversified Finan serv	6.33	21.91
Consumer Cyclical	5.79	20.04
Communications	4.79	16.57
Energy	4.66	16.14
Utilities	4.18	14.48
Government	3.63	12.56
Others*	4.88	16.93
Cash^	(0.61)	(2.11)
<b>Total</b>	<b>100.00</b>	<b>346.27</b>

\*Includes other industries

^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

Rating	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
AAA	4.95	17.15
AA	4.66	16.14
A	32.49	112.49
BBB	33.37	115.54
BB	14.91	51.63
B	7.20	24.94
Unrated	3.03	10.49
Cash^	(0.61)	(2.11)
<b>Total</b>	<b>100.00</b>	<b>346.27</b>

^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 2021	
	% of NAV	MV S\$ mil
DBS Group Hldgs 3.800 20/01/28	2.00	6.87
Mapletree Commer 3.110 24/08/26	1.94	6.72
Ascendas Reit 3.140 02/03/25	1.93	6.67
Cct Mtn Pte Ltd 3.170 05/03/24	1.91	6.63
Boc Aviation 3.930 11/05/25	1.88	6.51
United Overseas 2.550	1.87	6.49
Optus Finance 3.240 29/09/22	1.87	6.49
Changi Airport G 1.880 12/05/31	1.75	6.06
AIA Group 2.900	1.73	6.00
Aust & NZ Bank 3.750 23/03/27	1.63	5.64

## Top Ten Holdings of Underlying Fund

	As at 30 Jun 2020	
	% of NAV	MV S\$ mil
DBS Group Hldgs	2.05	5.29
United Overseas	2.06	5.28
Ascendas Reit	2.04	5.23
Optus Finance	2.01	5.17
Aust & Nz Bank	2.00	5.14
Singtel Group Tr	1.99	5.12
Sun Hung Kai Pro	1.99	5.11
Aoyuan Property	1.83	4.70
Natl Australiabk	1.82	4.67
Logan Group Co	1.79	4.59

<b>V Exposure to Derivatives</b>	<b>As at 30 Jun 2021</b>
% of NAV	(0.60%)
Market value (\$)	(2,077,634)
Realised Gains / (Losses) (\$)	5,351,234
Unrealised Gains / (Losses) (\$)	(2,032,079)

<b>VI Borrowings of Net Asset Value</b>	<b>As at 30 Jun 2021</b>
N.A.	

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance Singapore Bond Fund</b>		<b>Underlying Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20**</b>
Expense Ratio	1.04%	0.85%	1.00%	1.00%
			<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>
Turnover Ratio	4.99%	4.11%	0.50%	0.38%

\*Based on audited figure at 31 Mar 2021 as the expense ratio of HSBC GIF Singapore Dollar Bond Fund for the financial year ended 30 Jun 2021 is not available.

\*\*Based on audited figure at 31 Mar 2020 for comparative purposes.

**II Related-Party Transactions**

HSBC Insurance Singapore Bond Fund invests S\$23.82 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Fund - Singapore 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 2020 to 30 June 2021 amounts to S\$99,286.

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

<b>IV Soft Dollar Commission Arrangement</b>
N.A.

<b>E) Financial Statements</b>
Refer to page 178.

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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.

### 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 2021

Offer Price

S\$ 1.34505

Bid Price

S\$ 1.27780

Fund Size

S\$ 19.32 mil

Units in Issue

15.12 mil

### Investment and Market Review <sup>^</sup>

Over the period, risk sentiment was supported by investor optimism for a return to economic normality globally given the ongoing global roll-out of Covid-19 vaccines.

The Fund posted strong returns of 20.07% (SGD, A Dis share class) but finished behind the benchmark which posted 23.99%. Negative allocation to banks (underweight) and cash drag was the main detractor to performance while strong stock selection in Diversified Financials contributed positively. Banks did well over the period given market optimism for return to economic normality on the back of the global roll-out of Covid-19 vaccines. In addition, rising long bond yields, supportive credit cost/asset quality guidance, and expectations of the lifting in dividend payout limits also supported performance of the sector. In terms of cash drag, the Fund held a higher amount of cash in case of potential volatility towards the year end, when market liquidity can be potentially erratic. In terms of contributors to performance, the Fund's exposure to iFAST was the top contributor as shares performed strongly on market expectations of robust earnings growth from its involvement in digitising the Hong Kong pension scheme and continued growth in its assets under management.

### Market Outlook and Investment Strategy <sup>^</sup>

The rapid mutation of the SARS-CoV-2 virus has put government policy responses as the key focus for sector and stock rotation. A smooth trajectory to the "economic re-opening trade" is being stymied by a surge in COVID-19 infections caused by the "delta" variant of the virus, and potentially, the "lambda" variant (C.37). With each variant having more or different mutations on the protein spikes, financial markets' concerns centre upon whether vaccines can effectively shield against these new mutations, whether vaccination rates for populations are sufficiently high to resume a reasonable degree of pre-COVID economic activity, and what the government policy options are.

A combination of monetary largesse, much higher fiscal spending, and cash grants to workers in affected sectors are perceived to provide a valuation cushion on the downside. Some bond markets are now being supported by perceptions of macro weakness and technical conditions around supply issuance, and these have spillover effects to Singapore bond yields and thus, relative valuations for yield-related equities. However, there is growing unease over increasingly widespread signs of inflationary impulse building up.

Recent notable corporate actions demonstrate the scope for companies to recapitalize their balance sheets or to shift the business mix. Thus, while COVID case counts might give rise to concerns over macro-economic trajectories and greater market volatility, we would look for opportunities to add across different thematic areas, as companies look to reposition their businesses in this environment.

<sup>^</sup> Source: Schroder Investment Management (Singapore) Ltd

## A) Fund Performance

### I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Singapore Equity Fund	0.61	10.38	20.04	5.68	30.15	N.A.	27.78
Benchmark*	0.51	11.25	23.99	9.36	37.36	N.A.	29.30

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Singapore Equity Fund	1.86	5.41	N.A.	4.26
Benchmark*	3.03	6.55	N.A.	4.47

\*MSCI Singapore Free Index

<sup>^</sup>Inception Date: 17 Aug 2015

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021
	% of NAV
Schroder Singapore Trust	100.00
<b>Total</b>	<b>100.00</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	4,709,589
Redemption	6,055,417

## C) Underlying Fund Disclosure (Schroder Singapore Trust)

### I Allocation by Country

Country	As at 30 Jun 2021
	% of NAV
Singapore	97.87
Other net assets/(liabilities)	2.13
<b>Total</b>	<b>100.00</b>

### II Allocation by Industry

Industry	As at 30 Jun 2021
	% of NAV
Bank	42.24
Real Estate	21.59
Telecommunications	9.22
Finance	6.24
Agriculture	5.31
Diversified Operations	4.72
Industrial And Transportation	1.92
Technology Hardware & Equipment	1.84
Computer/Software	1.46
Food & Beverage	1.38
Transportation & Logistics	1.06
Others*	3.02
<b>Total</b>	<b>100.00</b>

\*Includes other industries and net assets and liabilities

### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2021

N.A.

#### IV Top Ten Holdings of Underlying Fund

	As at 30 Jun 2021	
	% of NAV	MV \$ mil
DBS Group Hldg Ltd	17.98	159.41
Oversea-Chinese Banking Corp Ltd	12.61	111.79
United Overseas Bank Ltd	11.64	103.19
Singapore Telecommunications Ltd	7.80	69.11
Keppel Corp Ltd	4.72	41.85
Wilmar Intl Ltd	4.50	39.88
Singapore Exchange Ltd	3.93	34.82
CapitaLand Ltd	3.40	30.10
Ascendas Real Estate Investment Trust	2.36	20.95
iFAST Corp Ltd	2.31	20.50

#### Top Ten Holdings of Underlying Fund

	As at 30 Jun 2020	
	% of NAV	MV \$ mil
DBS Group Hldg Ltd	12.48	89.17
Oversea-Chinese Banking Corp Ltd	11.79	84.20
United Overseas Bank Ltd	11.08	79.12
Singapore Telecommunications Ltd	10.40	74.24
Keppel Corp Ltd	5.96	42.58
Wilmar Intl Ltd	4.27	30.47
City Developments Ltd	3.19	22.80
CapitaLand Ltd	3.14	22.41
CapitaLand Mall Trust	2.78	19.83
NetLink NBN Trust	2.61	18.65

#### V Exposure to Derivatives

	As at 30 Jun 2021
% of NAV	0.00%*
Market value (\$)	(109)
Realised Gains / (Losses) (\$)	(35,045)
Unrealised Gains / (Losses) (\$)	(109)
* Less than 0.01%	

#### VI Borrowings of Net Asset Value

	As at 30 Jun 2021
N.A.	

#### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Singapore Equity Fund		Underlying Fund	
	As at 30-Jun-21	As at 30-Jun-20	As at 31-Mar-21*	As at 31-Mar-20**
Expense Ratio	1.35%	1.37%	1.31%	1.32%
Turnover Ratio	23.24%	22.38%	5.22%	15.28%

\*Based on unaudited figure as at 31 Mar 2021 as the expense ratio of Schroder Singapore Trust for the financial year ended 30 Jun 2021 is not available.

\*\*Based on unaudited figure as at 31 Mar 2020 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 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.	
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 2021		
Offer Price	S\$	2.25445
Bid Price	S\$	2.14173
Fund Size	S\$	14.80 mil
Units in Issue		6.91 mil

### Investment and Market Review <sup>^</sup>

Global equity markets rose sharply over the review period, continuing their impressively-fast recovery after the lows seen in March 2020. In the second half of 2020, economies have continued to recover as COVID-19 containment measures were eased in light of slowing infection rates, and performance was further buoyed by positive news around COVID-19 vaccine developments. Global stock market performance continued its momentum in the first half of 2021 with investors rotating towards value, small cap and cyclical names. Successful vaccines rollouts especially in developed countries along with continued expansionary policies through both monetary and fiscal channels drove market performance.

Over the 12-months rolling to June 2021, the HGIF Economic Scale US Equity fund significantly outperformed its market cap weighted index. Both our asset allocation and stock selection contributed to performance. On a sector basis, our overweight allocations to Financials, Industrials and Energy coupled with our underweight exposures to Health Care and Utilities contributed to performance. Conversely, an overweight allocation to Consumer Staples coupled with our underweight exposures to Information Technology and Communication Services weighed on performance. On a stock level basis, our overweight allocations to AMC Entertainment Holdings (Communication Services) and General Electric Co (Industrials) coupled with an underweight exposure to Amazon.com, Inc (Consumer Discretionary) contributed to performance. Conversely, an overweight allocation to Walmart Inc (Consumer Staples) coupled with our underweight exposures to Alphabet Inc-CI A (Communication Services) and Nvidia Corp (Information Technology) weighed on performance.

### Market Outlook and Investment Strategy <sup>^</sup>

HSBC Economic Scale strategy aims to outperform the market cap index in the long run by using an alternatively weighting scheme which uses the contribution to Gross National Product (GNP). The strategy has implicit biases towards small cap and value stocks, which benefited the fund in Q4 2020 and the first half of 2021.

US Indices 'greater weight to "growth" stocks make them vulnerable to higher US bond yields. This implies some relative caution, although exposure to quality names, mega-cap tech, and the digital economy remains beneficial. A major increase in US inflation on a sustainable basis could push the US Federal Reserve to adopt a tighter monetary policy stance that results in significantly higher US bond yields. The likely tapering of Fed asset purchases in 2022 also poses risks.

<sup>^</sup> 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	6.63	24.18	51.85	47.40	93.35	N.A.	114.17
Benchmark*	8.48	17.63	35.03	62.04	116.90	N.A.	134.23

### II Average Annual Compounded Returns

	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception^ (%)
HSBC Insurance US Equity Portfolio Fund	13.81	14.10	N.A.	15.23
Benchmark*	17.46	16.75	N.A.	16.99

\*Benchmark Details:

Inception to October 2017 - HSBC Economic Scale US Net

With effect from October 2017, the benchmark was changed to 'S&P 500 Net'.

^Inception Date: 28 Jan 2016

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021 % of NAV	MV \$ mil
HSBC Global Investment Funds – Economic Scale US Equity Fund	100.00	14.80
<b>Total</b>	<b>100.00</b>	<b>14.80</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	\$
Subscription	3,002,542
Redemption	5,587,063

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

### I Allocation by Country

Country	As at 30 Jun 2021 % of NAV	MV \$ mil
United States	98.38	409.98
Cash	1.62	6.76
<b>Total</b>	<b>100.00</b>	<b>416.74</b>

### II Allocation by Industry

Industry	As at 30 Jun 2021 % of NAV	MV \$ mil
Information Technology	16.16	67.41
Industrials	14.85	61.87
Financials	14.31	59.62
Consumer Discretionary	13.78	57.43
Health Care	10.29	42.88
Consumer Staples	9.61	40.05
Communication Services	8.21	34.20
Energy	4.55	18.95
Materials	3.59	14.96
Real Estate	1.73	7.21
Utilities	1.30	5.40
Cash	1.62	6.76
<b>Total</b>	<b>100.00</b>	<b>416.74</b>

## III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2021



N.A.

#### IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Walmart Inc	3.07	12.80
Apple Inc	2.15	8.96
AT&T Inc	1.54	6.40
JPMorgan Chase & Co	1.37	5.70
Wells Fargo & Co	1.22	5.10
Amazon.com, Inc	1.22	5.09
Bank of America Corp	1.22	5.08
General Electric Co	1.21	5.06
Microsoft Corp	1.14	4.74
Berkshire Hathaway Inc	1.08	4.49

#### Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2020	
	% of NAV	MV S\$ mil
Walmart Inc	3.30	28.41
Apple Inc	2.06	17.76
AT&T Inc	1.49	12.82
General Electric Co	1.35	11.66
JP Morgan Chase & Co	1.29	11.10
Wells Fargo & Co	1.17	10.12
Verizon Communications Inc	1.15	9.94
Bank of America Corp	1.14	9.82
Microsoft Corp	1.09	9.42
Amazon.com, Inc	1.07	9.18

#### V Exposure to Derivatives

	As at 30 Jun 2021
% of NAV	0.02%
Market value (S\$)	97,990
Realised Gains / (Losses) (S\$)	3,443,787
Unrealised Gains / (Losses) (S\$)	125,949

#### VI Borrowings of Net Asset Value

	As at 30 Jun 2021
N.A.	

#### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance US Equity Portfolio Fund		Underlying Sub-Fund	
	As at 30-Jun-21	As at 30-Jun-20	As at 31-Mar-21*	As at 31-Mar-20**
Expense Ratio	0.79%	0.79%	0.75%	0.75%
Turnover Ratio	20.64%	9.14%	0.23%	0.16%

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Global Investment Funds – Economic Scale US Equity Fund for the financial year ended 30 Jun 2021 is not available.

\*\*Based on audited figure as at 31 Mar 2020 for comparative purposes.

#### II Related-Party Transactions

HSBC Insurance US Equity Portfolio Fund invests S\$14.80 million, equivalent to 100.00% 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 2020 to 30 June 2021 amounts to S\$27,040.

#### 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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call our Customer Service Hotline on 6225 6111,  
or visit our web site at [www.insurance.hsbc.com.sg](http://www.insurance.hsbc.com.sg).**

## 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

Fund Manager

Launch Date

CPFIS/SRS

CPFIS Risk

Classification

As at 30 June 2021

Offer Price

Bid Price

Fund Size

Units in Issue

Franklin US Opportunities Fund

Templeton Asset Management Ltd.

18 Jan 2016

SRS

N.A.

S\$ 2.92173

S\$ 2.77564

S\$ 18.34 mil

6.61 mil

Growth expectations for the US economy have continued to accelerate with the rollout of more fiscal stimulus and the increase in production and distribution of COVID-19 vaccines. As a result, inflation concerns and rising bond yields have led to near term volatility in financial markets. We continue to monitor financial market uncertainties but resist the temptation to trade on short-term news flow or emotions. Instead, our active, flexible investment style allows us to seek out what we consider to be high-quality, innovative companies that are leaders in their industries and operate with superior management and strong balance sheets.

Some of the biggest investment opportunities we see involve digital innovation in industries beyond technology. The communication services and consumer discretionary sectors have been direct beneficiaries of the shift to working from home and e-commerce. We also see drivers of value creation in industries including health care, fintech (financial technology), consumer retail and manufacturing, with innovative technology bringing those industries up to speed and into a more competitive position for the global landscape. Our focus is on finding what we view to be quality companies with robust competitive advantages, strong balance sheets and high free cash flows that can weather a severe economic downturn as well as increased market and economic volatility. We take a long-term view and see volatility as presenting potential opportunities to take advantage of what we consider good prices for excellent companies set to benefit from notable secular growth trends.

### Market Outlook and Investment Strategy ^

We are still positive on the US economy and the US equity market as we look ahead through 2021 and into 2022. The success of Covid vaccines late last year, and the pace of vaccination we have seen are driving business and consumer optimism as the reopening accelerates. We expect to see economic growth reach its highest level in a decade in the months ahead on the back of pent-up consumer demand, improving employment combined with unprecedented monetary and fiscal stimulus. Corporates in the US remain strong with growing profits, strong balance sheets and healthy cash flows.

Recently we have seen some shifts in market leadership toward value-oriented and cyclical names as we near the end of the pandemic and growth and inflation rates are rising. While rotations in market leadership are healthy, we remain convinced in our growth positioning as we see these companies and the future leaders of the US economy and the overall market.

We would reiterate that portfolio positioning is the result of our bottom-up stock selection process. As fundamental long-term investors, we try to look beyond short-term macro conditions to secular trends and tailwinds for growth. Thus, we are not constructing our portfolio to address any singular market dynamic. We seek to position our portfolios and investments not necessarily for today or next quarter but looking out through the next year and beyond. We believe the long-term secular growth trends we have identified can be the real drivers of equity market appreciation in the long run.

^ 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	14.94	12.05	38.07	80.68	164.52	N.A.	177.56
Benchmark*	11.34	14.76	37.98	90.35	184.67	N.A.	195.90

### II Average Annual Compounded Returns

	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception^ (%)
HSBC Insurance US Opportunities Equity Fund	21.80	21.48	N.A.	20.71
Benchmark*	23.93	23.27	N.A.	22.14

\*Russell 3000 Growth Index

^Inception Date: 28 Jan 2016

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund	99.73	18.29
Other assets	0.49	0.09
Other liabilities	(0.22)	(0.04)
<b>Total</b>	<b>100.00</b>	<b>18.34</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	7,924,926
Redemption	2,738,324

## C) Underlying Fund Disclosure

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

### I Allocation by Country

Country	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
United States	94.30	11,031.70
United Kingdom	1.73	201.85
Canada	1.20	140.42
China	0.73	85.29
Taiwan	0.50	57.96
South Korea	0.31	36.24
Germany	0.10	11.87
Uruguay	0.08	9.30
Cash & Cash Equivalents	1.05	123.32
<b>Total</b>	<b>100.00</b>	<b>11,697.95</b>

<b>II Allocation by Industry</b>		<b>As at 30 Jun 2021</b>	
<b>Industry</b>	<b>% of NAV</b>	<b>MV \$S mil</b>	
Information Technology	41.62	4,867.03	
Health Care	16.10	1,883.29	
Consumer Discretionary	15.28	1,787.83	
Communication Services	7.13	833.78	
Industrials	6.42	751.07	
Financials	5.57	652.11	
Consumer Staples	2.86	334.62	
Real Estate	2.34	273.73	
Materials	1.24	145.05	
Utilities	0.39	46.12	
Cash & Cash Equivalents	1.05	123.32	
<b>Total</b>	<b>100.00</b>	<b>11,697.95</b>	
<b>III Allocation of Debt Securities by Credit Ratings</b>		<b>As at 30 Jun 2021</b>	
N.A.			
<b>IV Top Ten Holdings of Underlying Fund</b>		<b>As at 30 Jun 2021</b>	
	<b>% of NAV</b>	<b>MV \$S mil</b>	
Amazon.com, Inc	7.77	910.31	
Mastercard Inc	3.89	455.40	
Microsoft Corp	3.88	453.69	
Apple Inc	3.54	413.55	
Visa Inc	3.23	378.23	
Alphabet Inc	2.72	317.69	
Servicenow Inc	2.50	292.52	
Nvidia Corp	2.46	287.28	
PAYPAL HOLDINGS INC	2.09	244.67	
Adobe Inc	1.99	232.72	
<b>Top Ten Holdings of Underlying Fund</b>		<b>As at 30 Jun 2020</b>	
	<b>% of NAV</b>	<b>MV \$S mil</b>	
Amazon.com, Inc	8.52	625.27	
Microsoft Corp	6.38	467.42	
Mastercard Inc	4.34	318.15	
Visa Inc	3.48	254.77	
Apple Inc	3.19	233.64	
Sba Communications Corp	3.06	224.27	
Servicenow Inc	2.93	214.56	
Alphabet Inc	2.58	189.14	
Adobe Inc	2.31	169.30	
Costar Group Inc	2.27	165.98	
<b>V Exposure to Derivatives</b>		<b>As at 30 Jun 2021</b>	
N.A.			
<b>VI Borrowings of Net Asset Value</b>		<b>As at 30 Jun 2021</b>	
N.A.			

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance US Opportunities Equity Fund</b>		<b>Underlying Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20***</b>
Expense Ratio	1.86%	1.89%	1.82%	1.84%
Turnover Ratio	14.85%	5.10%	<b>As at 31-Dec-20**</b> (74.14%)	<b>As at 31-Dec-19****</b> (38.16%)

\*Based on unaudited figure as at 31 Mar 2021 as the expense ratio of Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund for the financial year ended 30 Jun 2021 is not available.

\*\*Based on unaudited figure as at 31 Dec 2020 as the turnover ratio of Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund for the financial year ended 30 Jun 2021 is not available. Turnover ratio calculation is based on Luxembourg GAAP.

\*\*\*Based on unaudited figure as at 31 Mar 2020 for comparative purposes.

\*\*\*\*Based on unaudited figure as at 31 Dec 2019 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 2020 to 30 June 2021, the Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund paid US\$248,957 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 179.

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## HSBC Insurance World Selection Funds

<b>Fund Facts</b>	<b>HSBC Insurance World Selection 1 Fund</b>	<b>HSBC Insurance World Selection 2 Fund</b>	<b>HSBC Insurance World Selection 3 Fund</b>
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 Classification		N.A.	
As at 30 June 2021			
Offer Price	S\$ 1.42604	S\$ 1.18542	S\$ 1.75437
Bid Price	S\$ 1.35474	S\$ 1.18542	S\$ 1.66665
Fund Size	S\$ 4.67 mil	S\$ 0.30 mil	S\$ 16.28 mil
Units in Issue	3.45 mil	0.25 mil	9.77 mil

<b>Fund Facts</b>	<b>HSBC Insurance World Selection 4 Fund</b>	<b>HSBC Insurance World Selection 5 Fund</b>
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 Classification		N.A.

As at 30 June 2021		
Offer Price	S\$ 1.33477	S\$ 1.97521
Bid Price	S\$ 1.33477	S\$ 1.87645
Fund Size	S\$ 2.01 mil	S\$ 20.84 mil
Units in Issue	1.50 mil	11.11 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 <sup>^</sup>

Global equity markets were up 39% over the review period, continuing their strong recovery from the onset of the coronavirus crisis in Q1 2020.

Equity markets moved higher in Q3 2020 as coordinated fiscal and monetary policies helped to support the economic recovery from the Covid-19 pandemic. The start of the quarter saw lockdowns continue to be relaxed and economic activity pick up. At this point, some relative winners and losers were emerging. China and other parts of industrialised Asia seeming to perform well, with smaller oil exporters, EM Asia and the UK lagging.

Equity markets continued to gain in Q4, as initial Covid-19 fears gave way to positive vaccine news, Joe Biden's victory in the US presidential election, further US fiscal stimulus and the agreement of a post-Brexit trade deal between the UK and the EU.

Equity markets moved ahead in the first quarter of 2021, driven by the cyclical recovery of the global economy, continued vaccine roll-out and monetary and fiscal support. Equity returns were strong across all regions, with the UK and the US outperforming. Bond markets were weaker as rising inflation expectations caused negative returns in most bond markets.

Global investment markets had another strong second quarter as global equity markets continued to rally, while bond markets shook off concerns of higher inflation to deliver positive returns over the period.

Bond yields moved higher driven by the recovery and concerns over rising inflation. The 10-Year US Treasury yield jumped from 0.7% to 1.5% over the period.

## Market Outlook and Investment Strategy <sup>^</sup>

We are entering the expansion phase of the economic cycle and we expect activity to start exceeding pre-pandemic levels. China and the US are leading, and have already recovered to pre-pandemic levels, whilst the other DMs and EMs may follow later this year and into 2022.

The recovery in the US has been boosted by supportive fiscal policy while Europe is likely to perform well in the coming quarters as its vaccine rollout is now back on track. On the other hand, Emerging Markets have started to take control of the spread of the virus, suggesting stronger growth going forward. Lastly, China has tightened credit conditions in order to tilt their economy away from growth and towards financial stability.

In the short-term, inflation numbers in developed markets are likely to remain elevated given energy price rises, supply chain disruption, and base effects. However, the longer term inflation outlook still remains muted. Importantly, the Fed's policy framework implies a willingness to look through these short term CPI increases and delay interest rate rises. We expect further monetary policy innovation across developed markets. On the other hand, emerging market policy makers face more significant constraints, and we see some EM central banks starting to tighten monetary policy.

The key risks to the recovery are vaccine-resistant strains impacting sentiment or stimulus fatigue leading to the early withdrawal of economic support. Short term increases in inflation may trigger a bond market sell-off. We remain moderately overweight in equities and underweight across fixed income.

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<sup>^</sup> 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 <sup>A</sup> (%)
HSBC Insurance World Selection 1 Fund*	1.76	0.46	5.89	13.77	20.15	52.47	42.60
HSBC Insurance World Selection 2 Fund*	3.14	3.12	12.65	N.A.	N.A.	N.A.	18.54
HSBC Insurance World Selection 3 Fund*	4.60	6.69	22.47	25.83	47.11	86.23	75.44
HSBC Insurance World Selection 4 Fund*	5.80	9.53	29.59	N.A.	N.A.	N.A.	33.48
HSBC Insurance World Selection 5 Fund*	6.34	10.78	32.39	32.59	68.01	105.95	97.52

### II Average Annual Compounded Returns

	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception <sup>A</sup> (%)
HSBC Insurance World Selection 1 Fund*	4.39	3.74	4.31	3.24
HSBC Insurance World Selection 2 Fund*	N.A.	N.A.	N.A.	6.84
HSBC Insurance World Selection 3 Fund*	7.96	8.03	6.42	5.14
HSBC Insurance World Selection 4 Fund*	N.A.	N.A.	N.A.	12.45
HSBC Insurance World Selection 5 Fund*	9.86	10.94	7.49	6.26

\*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.

<sup>A</sup>HSBC 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 2021 % of NAV	MV S\$ mil
HSBC Portfolios - World Selection 1	100.86	4.71
Other liabilities	(0.86)	(0.04)
<b>Total</b>	<b>100.00</b>	<b>4.67</b>

#### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	2,139,652
Redemption	1,835,347

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

#### I Allocation by Country

N.A., as the fund is a fund-of-funds.

As at 30 Jun 2021

#### II Allocation by Industry

N.A., as the fund is a fund-of-funds.

As at 30 Jun 2021

#### III Allocation of Debt Securities by Credit Ratings

N.A.

As at 30 Jun 2021

#### IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
HSBC GIF Global Govt Bd ZQ1	16.21	102.03
HSBC FTSE All-World Index Instl Acc	7.08	44.56
HSBC GIF Global IG Sec Credit Bd ZC	3.78	23.79
HSBC Multi Factor Worldwide Equity ETF	3.34	21.02
STRUCT INV SI CRSS AST T-EU	2.91	18.32
HSBC GIF Multi-Asset Style Factors ZC	2.48	15.61
HSBC MSCI Canada UCITS ETF	1.99	12.53
LYXOR MSCI WORLD FINANC	1.95	12.27
HSBC GIF Global EM Local Dbt ZQ1	1.81	11.39
HSBC S&P 500 UCITS ETF	1.81	11.39

#### Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2020	
	% of NAV	MV S\$ mil
HSBC FTSE All-World Index Instl Acc	10.74	66.21
HGIF GSD Bond ZQ	8.43	51.97
HSBC GIF Global Govt Bond ZQ1	6.11	37.67
HGIF Global Asset Backed Bond ZC	5.24	32.31
HSBC Multi Factor Worldwide Equity ETF	3.24	19.98
HSBC GIF Global High Yield Bond ZQ1	3.02	18.62
HSBC GIF Global EM Local Debt ZQ1	2.94	18.13
HSBC GIF Multi-Asset Style Factors ZC	2.53	15.60
HSBC GIF Global EM Bond ZQ1	2.20	13.56
iShares Physical Gold ETC	2.08	12.82

#### V Exposure to Derivatives

	As at 30 Jun 2021
% of NAV	2.13%
Market value (S\$)	13,436,877
Realised Gains / (Losses) (S\$)	16,187,208
Unrealised Gains / (Losses) (S\$)	947,017

#### VI Borrowings of Net Asset Value

	As at 30 Jun 2021
N.A.	

#### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance World Selection 1 Fund		Underlying Sub- Fund	
	As at 30-Jun-21	As at 30-Jun-20	As at 31-Mar-21*	As at 31-Mar-20**
Expense Ratio	1.66%	1.69%	1.27%	1.29%
Turnover Ratio	35.14%	49.34%	0.94%	0.81%

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Portfolios - World Selection 1 for the financial year ended 30 Jun 2021 is not available.

\*\*Based on unaudited figure as at 31 Mar 2020 for comparative purposes.

#### II Related-Party Transactions

HSBC Insurance World Selection 1 Fund invests S\$4.71 million, equivalent to 100.86% 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 2020 to 30 June 2021 amounts to S\$13,657.

#### 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 World Selection 2 Fund

### B) Fund Disclosure

#### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
HSBC Portfolios - World Selection 2	100.00	0.30
<b>Total</b>	<b>100.00</b>	<b>0.30</b>

#### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	194,999
Redemption	13,512

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

#### I Allocation by Country

As at 30 Jun 2021

N.A., as the fund is a fund-of-funds.

#### II Allocation by Industry

As at 30 Jun 2021

N.A., as the fund is a fund-of-funds.

#### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2021

N.A.

### IV Top Ten Holdings of Underlying Sub-Fund

As at 30 Jun 2021  
% of NAV MV S\$ mil

HSBC GIF GLOBAL GOVT BD ZQ1	19.78	187.86
HSBC FTSE ALL-WORLD INDEX INSTL ACC	15.11	143.51
HSBC US DOLLAR LIQUIDITY Y	8.41	79.87
HSBC MULTI FACTOR WORLDWIDE EQUITY ETF	7.36	69.90
HSBC S&P 500 UCITS ETF	4.72	44.83
HSBC GIF GLOBAL IG SEC CREDIT BD ZC	3.96	37.61
HSBC GIF GLOBAL RE EQ ZQ1	3.73	35.43
HSBC GIF GLOBAL EM LOCAL DBT ZQ1	2.67	25.36
HSBC MSCI CANADA UCITS ETF	2.30	21.84
LYXOR MSCI WORLD FINANC	2.26	21.46

### Top Ten Holdings of Underlying Sub-Fund

As at 30 Jun 2020  
% of NAV MV S\$ mil

HSBC FTSE All-World Index Instl Acc	18.12	146.11
HSBC GIF Global Govt Bond ZQ1	8.63	69.59
HSBC US Dollar Liquidity Y	6.87	55.40
HGIF GSD Bond Zq	5.45	43.95
HGIF Global Asset Backed Bond ZC	4.91	39.59
HSBC GIF Global Em Local Debt ZQ1	4.45	35.88
HSBC Multi Factor Worldwide Equity ETF	4.37	35.24
HSBC GIF Global High Yield Bond ZQ1	3.43	27.66
HSBC GIF Global Em Bond ZQ1	3.16	25.48
HSBC GIF Global RE Eq ZQ1	2.95	23.79

### V Exposure to Derivatives

As at 30 Jun 2021

% of NAV	2.19%
Market value (\$)	20,795,113
Realised Gains / (Losses) (\$)	35,687,722
Unrealised Gains / (Losses) (\$)	(5,732,930)

### VI Borrowings of Net Asset Value

As at 30 Jun 2021

N.A.

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance World Selection 2 Fund</b>		<b>Underlying Sub- Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20**</b>
Expense Ratio	1.78%	2.11%	1.34%	1.36%
Turnover Ratio	7.04%	150.86%	0.85%	0.69%

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Portfolios - World Selection 2 for the financial year ended 30 Jun 2021 is not available.

\*\*Based on unaudited figure as at 31 Mar 2020 for comparative purposes.

**II Related-Party Transactions**

HSBC Insurance World Selection 2 Fund invests S\$0.30 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 2020 to 30 June 2021 amounts to S\$986.

**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 World Selection 3 Fund

### B) Fund Disclosure

#### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
HSBC Portfolios - World Selection 3	100.55	16.37
Other liabilities	(0.55)	(0.09)
<b>Total</b>	<b>100.00</b>	<b>16.28</b>

#### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	4,001,814
Redemption	4,200,010

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

#### I Allocation by Country

As at 30 Jun 2021

N.A., as the fund is a fund-of-funds.

#### II Allocation by Industry

As at 30 Jun 2021

N.A., as the fund is a fund-of-funds.

#### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2021

N.A.

#### IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
HSBC FTSE ALL-WORLD INDEX INSTL ACC	13.67	204.65
HSBC MULTI FACTOR WORLDWIDE EQUITY ETF	11.54	172.76
HSBC GIF GLOBAL GOVT BD ZQ1	10.89	163.03
HSBC S&P 500 UCITS ETF	8.34	124.86
HSBC GIF GLOBAL RE EQ ZQ1	5.86	87.73
HSBC AMERICAN INDEX INSTITUTIONAL ACC	4.60	68.87
HSBC GIF GLOBAL EM LOCAL DBT ZQ1	4.09	61.23
HSBC US DOLLAR LIQUIDITY Y	3.42	51.20
HSBC GIF GLOBAL EM BD ZQ1	2.53	37.88
LYXOR MSCI WORLD FINANC	2.50	37.43

#### Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2020	
	% of NAV	MV S\$ mil
HSBC FTSE All-World Index Instl Acc	16.82	197.31
HSBC Multi Factor Worldwide Equity ETF	7.90	92.67
HSBC American Index Institutional Acc	7.88	92.43
HSBC GIF Global Em Local Debt ZQ1	6.20	72.73
HSBC GIF Global High Yield Bd ZQ1	5.51	64.63
HSBC GIF Global RE Eq ZQ1	4.39	51.49
HSBC GIF Global Em Bond ZQ1	4.15	48.68
HSBC US Dollar Liquidity Y	4.03	47.27
HSBC European Index Institutional Acc	3.36	39.41
Ishares Core S&P 500 ETF USD Acc	3.26	38.24

#### V Exposure to Derivatives

As at 30 Jun 2021

% of NAV	1.74%
Market value (\$\$)	26,030,237
Realised Gains / (Losses) (\$\$)	55,325,426
Unrealised Gains / (Losses) (\$\$)	(13,914,323)

#### VI Borrowings of Net Asset Value

As at 30 Jun 2021

N.A.

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance World Selection 3 Fund</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20**</b>
Expense Ratio	1.74%	1.77%	1.45%	1.47%
Turnover Ratio	23.70%	16.88%	0.68%	0.43%

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Portfolios - World Selection 3 for the financial year ended 30 Jun 2021 is not available.

\*\*Based on unaudited figure as at 31 Mar 2020 for comparative purposes.

**II Related-Party Transactions**

HSBC Insurance World Selection 3 Fund invests S\$16.37 million, equivalent to 100.55% 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 2020 to 30 June 2021 amounts to S\$54,916.

**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 World Selection 4 Fund

### B) Fund Disclosure

#### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
HSBC Portfolios - World Selection 4	100.00	2.01
<b>Total</b>	<b>100.00</b>	<b>2.01</b>

#### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	937,380
Redemption	-

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

#### I Allocation by Country

As at 30 Jun 2021

N.A., as the fund is a fund-of-funds.

#### II Allocation by Industry

As at 30 Jun 2021

N.A., as the fund is a fund-of-funds.

#### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2021

N.A.

#### IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2021	
	% of NAV	MV S\$ mil
HSBC MULTI FACTOR WORLDWIDE EQUITY ETF	15.23	172.64
HSBC S&P 500 UCITS ETF	12.75	144.53
VANGUARD FTSE ALL-WORLD UCITS ETF	10.96	124.24
HSBC FTSE ALL-WORLD INDEX INSTL ACC	9.55	108.25
HSBC GIF GLOBAL RE EQ ZQ1	7.87	89.21
HSBC AMERICAN INDEX INSTITUTIONAL ACC	5.37	60.87
HSBC GIF GLOBAL EM LOCAL DBT ZQ1	3.98	45.11
HSBC MSCI EMERG MKTS ETF	3.94	44.66
HSBC EUROPEAN INDEX INSTITUTIONAL ACC	3.15	35.71
HSBC MSCI CANADA UCITS ETF	2.81	31.85

#### Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2020	
	% of NAV	MV S\$ mil
HSBC FTSE All-World Index Instl Acc	15.29	140.61
HSBC American Index Institutional Acc	12.59	115.77
HSBC Multi Factor Worldwide Equity ETF	11.14	102.44
Vanguard FTSE All-World UCITS ETF	10.71	98.49
HSBC GIF Global RE Eq ZQ1	5.87	53.98
HSBC GIF Global Em Local Debt ZQ1	5.75	52.88
HSBC European Index Institutional Acc	4.82	44.32
iShares Core MSCI Em IMI ETF USD Acc	4.15	38.16
iShares Core S&P 500 ETF USD Acc	3.99	36.69
HSBC GIF Global Em Bond ZQ1	3.55	32.64

#### V Exposure to Derivatives

As at 30 Jun 2021

% of NAV	1.67%
Market value (S\$)	18,960,969
Realised Gains / (Losses) (S\$)	53,571,767
Unrealised Gains / (Losses) (S\$)	(20,447,861)

#### VI Borrowings of Net Asset Value

As at 30 Jun 2021

N.A.



**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance World Selection 4 Fund</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20**</b>
Expense Ratio	1.85%	2.50%	1.51%	1.53%
Turnover Ratio	4.37%	4.09%	0.58%	0.30%

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Portfolios - World Selection 4 for the financial year ended 30 Jun 2021 is not available.

\*\*Based on unaudited figure as at 31 Mar 2020 for comparative purposes.

**II Related-Party Transactions**

HSBC Insurance World Selection 4 Fund invests S\$2.01 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 2020 to 30 June 2021 amounts to S\$8,294.

**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 5 Fund

### B) Fund Disclosure

#### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021 % of NAV	MV S\$ mil
HSBC Portfolios - World Selection 5	100.62	20.97
Other assets	0.05	0.01
Other liabilities	(0.67)	(0.14)
<b>Total</b>	<b>100.00</b>	<b>20.84</b>

#### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	S\$
Subscription	3,350,142
Redemption	5,847,529

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

#### I Allocation by Country

As at 30 Jun 2021

N.A., as the fund is a fund-of-funds.

#### II Allocation by Industry

As at 30 Jun 2021

N.A., as the fund is a fund-of-funds.

#### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2021

N.A.

#### IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2021 % of NAV	MV S\$ mil
HSBC S&P 500 UCITS ETF	17.14	90.24
HSBC MULTI FACTOR WORLDWIDE EQUITY ETF	15.68	82.56
HSBC FTSE ALL-WORLD INDEX INSTL ACC	12.24	64.45
ISHARES CORE S&P 500 ETF USD ACC	8.92	46.97
HSBC GIF GLOBAL RE EQ ZQ1	8.63	45.44
HSBC MSCI EMERG MKTS ETF	5.63	29.64
HSBC EUROPEAN INDEX INSTITUTIONAL ACC	5.16	27.17
HSBC MSCI CANADA UCITS ETF	3.03	15.95
LYXOR MSCI WORLD FINANC	2.92	15.37
HSBC JAPAN INDEX INSTL ACC	2.80	14.74

#### Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2020 % of NAV	MV S\$ mil
HSBC FTSE All-World Index Instl Acc	15.64	63.69
Ishares Core S&P 500 ETF USD Acc	15.59	63.48
HSBC Multi Factor Worldwide Equity ETF	11.93	48.58
HSBC American Index Institutional Acc	9.50	38.69
HSBC GIF Global RE Eq ZQ1	7.39	30.09
HSBC European Index Institutional Acc	7.16	29.16
iShares Core MSCI Em IMI ETF USD Acc	6.15	25.04
HSBC Japan Index Instl Acc	3.95	16.09
Struct GS Cross Asset Trend E USD Acc	2.97	12.09
HSBC FTSE 100 Index Instl Acc	2.30	9.37

#### V Exposure to Derivatives

As at 30 Jun 2021

% of NAV	1.70%
Market value (S\$)	8,950,907
Realised Gains / (Losses) (S\$)	22,913,145
Unrealised Gains / (Losses) (S\$)	(9,136,344)

#### VI Borrowings of Net Asset Value

As at 30 Jun 2021

N.A.

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance World Selection 5 Fund</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20**</b>
Expense Ratio	1.83%	1.83%	1.54%	1.53%
Turnover Ratio	15.39%	23.37%	<b>As at 30-Jun-21</b> 0.68%	<b>As at 30-Jun-20</b> 0.26%

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Portfolios - World Selection 5 for the financial year ended 30 Jun 2021 is not available.

\*\*Based on unaudited figure as at 31 Mar 2020 for comparative purposes.

**II Related-Party Transactions**

HSBC Insurance World Selection 5 Fund invests S\$20.97 million, equivalent to 100.62% 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 2020 to 30 June 2021 amounts to S\$77,900.

**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 Europe Dynamic Equity Fund (USD)

### Fund Objective

HSBC Insurance Europe Dynamic Equity Fund (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 ^

The stock rallied after the US Food and Drug Administration approved the company's once-weekly obesity treatment Wegovy™ following positive clinical trials. We are currently most overweight in capital goods and retailing. The largest underweight positions are in Household & Personal Products and Pharmaceuticals Biotechnology & Life Sciences.

The largest increase at the sector level was in the healthcare equipment & services sector. We added a new position in German-listed medical technology company Eckert and Ziegler. Novartis and other major pharma companies have committed to huge investment in radiopharmaceuticals, a key area to which the fund is exposed. Positive news flow is expected to persist on the back of upcoming drug approvals from Telix, Sirtex and Novartis, which should translate into strong earnings growth. The favourable sales mix shift towards radio pharmaceuticals products should also help improve margins.

The largest decrease at the sector level was in the semiconductor & semiconductor equipment sector. With the stock trading above long-term average multiples and concerns over the impact of chip shortages, we felt it was the right time to sell.

### Market Outlook and Investment Strategy ^

Earnings growth should be substantial over the next five years, but could slow as profit margins come under pressure next year from higher wages, rising commodity prices and increasing corporate taxes.

The reaction from central banks on potential further upside surprises on inflation and economic growth will be a key development to watch out for in the coming months.

It is crucial to differentiate cyclical from structural headwinds and tailwinds as the recovery takes shape in 2021.

Although valuations in aggregate are high, the gap between the cheapest and most expensive stocks remains very wide – suggesting plenty of opportunities for stock selection.

^ 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 2021	
Offer Price	USD 1.47923
Bid Price	USD 1.47923
Fund Size	USD 4.11 mil
Units in Issue	2.78 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)	6.06	16.27	34.03	26.85	N.A.	N.A.	47.92
Benchmark*	6.67	14.06	27.81	32.42	N.A.	N.A.	64.27

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance Europe Dynamic Equity Fund (USD)	8.25	N.A.	N.A.	8.81
Benchmark*	9.81	N.A.	N.A.	11.30

\*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 2021	
	% of NAV	MV USD mil
JPMorgan Funds – Europe Dynamic Fund (USD)	100.00	4.11
<b>Total</b>	<b>100.00</b>	<b>4.11</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	USD
Subscription	736,378
Redemption	28,526

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

### I Allocation by Country

Country	As at 30 Jun 2021	
	% of NAV	MV USD mil
Germany	19.30	179.98
United Kingdom	19.20	179.05
Switzerland	18.80	175.32
France	14.60	136.15
Netherlands	5.80	54.09
Italy	4.90	45.70
Ireland	3.10	28.91
Spain	2.90	27.04
Others*	8.40	78.34
Cash	3.00	27.98
<b>Total</b>	<b>100.00</b>	<b>932.56</b>

\*Includes other countries

### II Allocation by Industry

Industry	As at 30 Jun 2021	
	% of NAV	MV USD mil
Capital Goods	14.70	137.09
Banks	9.10	84.86
Pharmaceuticals Biotechnology & Life Sci	8.20	76.47
Consumer Durables & Apparel	8.10	75.54
Materials	6.70	62.48
Food Beverage & Tobacco	6.10	56.89
Retailing	5.40	50.36
Insurance	5.00	46.63
Others*	33.70	314.26
Cash	3.00	27.98
<b>Total</b>	<b>100.00</b>	<b>932.56</b>

\*Includes other industries

### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2021

N.A.

### IV Top Ten Holdings of Underlying Sub-Fund

As at 30 Jun 2021

	% of NAV	MV USD mil
Nestle	5.00	46.64
Roche	4.40	41.03
LVMH	2.70	25.18
Allianz	2.40	22.38
Schneider Electric	2.30	21.45
Novartis	2.10	19.58
Koninklijke Ahold	2.00	18.65
Deutsche Post	1.90	17.72
Lloyds Banking	1.70	15.85
Siemens	1.70	15.85

### Top Ten Holdings of Underlying Sub-Fund

As at 30 Jun 2020

	% of NAV	MV USD mil
Roche	3.60	24.31
ASM International	3.20	21.62
Novartis	3.10	20.94
Sanofi	2.60	17.57
Nestle	2.30	15.54
Enel	2.20	14.86
Allianz	2.00	13.51
Zurich Insurance	1.90	12.84
Koninklijke Ahold	1.90	12.84
Safran	1.70	11.49

### V Exposure to Derivatives

As at 31 Dec 2020\*

% of NAV	(0.28%)
Market value (USD)	(2,591,257)
Realised Gains / (Losses) (USD)	-
Unrealised Gains / (Losses) (USD)	(2,591,257)

\*Based on unaudited figures as at 31 Dec 2020 as the unaudited figures as at 30 Jun 2021 are not available.

### VI Borrowings of Net Asset Value

As at 30 Jun 2021

N.A.

### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Europe Dynamic Equity Fund (USD)		Underlying Sub-Fund	
	As at 30-Jun-21	As at 30-Jun-20	As at 31-Dec-20*	As at 31-Dec-19**
Expense Ratio	1.82%	1.79%	1.78%	1.74%
Turnover Ratio	1.11%	17.98%	As at 30-Jun-21 137.63%	As at 30-Jun-20 133.35%

\*Based on unaudited figure as at 31 Dec 2020 as the expense ratio of JPMorgan Funds - Europe Dynamic Fund (USD) for the financial year ended 30 Jun 2021 is not available.

\*\*Based on unaudited figure as at 31 Dec 2019 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 Investment Managers may enter into commission sharing arrangements only where there is a direct and identifiable benefit to the clients of the Investment Managers, including the SICAV, and where the Investment Managers are satisfied that the transactions generating the shared commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the SICAV and the Shareholders. Any such arrangements must be made by the Investment Manager on terms commensurate with best market practice. Due to their local regulatory rights, certain Investment Managers may make use of soft commission to pay for research or execution services. Other jurisdictions may have other arrangements in place to pay for such services in accordance with local regulatory obligations.

#### **E) Financial Statements**

Refer to page 182.

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## 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 PIMCO Emerging Markets Bond fund (USD).

### Investment and Market Review <sup>^</sup>

Global economic data continued to improve across most regions. Within developed countries, consumer sentiment rose further and an uptick in demand helped drive a resurgence in COVID-sensitive sectors. Vaccinations continued to advance globally and case counts generally moved lower, although the spread of a new variant with higher infectiousness underscored a key risk for the economic recovery. Inflation ticked up globally. U.S. inflation in particular experienced a faster-than-expected acceleration over the Q2 2021, driven mainly by higher prices of used autos and COVID-sensitive services. Although the Federal Reserve continued to emphasize the transitory nature of inflation, it also surprised markets by turning more hawkish, in which the median dot anticipated two rate hikes in 2023, in contrast to the prior SEP that indicated no hikes in 2023.

In the U.S., yields rose in response to the Fed's more hawkish tone, while the 10-year Treasury yield fell 27 bps to 1.47% – its lowest level since early March 2021. Global equities rallied – with the S&P 500 rising 8.5% as strong momentum in economic growth data supported risk sentiment. Credit spreads continued to tighten – with IG spreads reaching their tightest level in 14 years – and commodity prices continued to rally. Geopolitical developments were numerous. G7 leaders met for the first time since the start of the pandemic and affirmed support for continued fiscal stimulus and a global minimum corporate tax rate of 15%. Meanwhile, President Biden and a bipartisan group of senators announced an agreement on a \$1.2 trillion infrastructure plan

### Market Outlook and Investment Strategy <sup>^</sup>

PIMCO remains constructive on EM beta and expects that EM economies will follow the rest of the globe into a new expansion phase, and thus be supported by a variety of macro push factors (such as global liquidity, weaker dollar, higher commodity prices, vaccine deployment, and return of overseas tourism) as well as pull factors (such as attractive valuations and high real yield differentials between developing and developed economies). This reflects a combination of the forecast for ongoing global expansion (with the currencies of small, open economies poised to benefit from the ongoing cyclical upswing), valuations, and the Fed's very patient approach compared with its history and the potential for somewhat faster policy tightening elsewhere.

As an expected wave of re-openings sweeps the developing world, an unexpected set of external dynamics could fuel the post-pandemic recovery in the EM asset class. Also, real short-term U.S. interest rates have recently fallen to 50-year lows, a situation likely to support EM investments by fueling capital flows to the developing world as investors search for yield, and the global economic cycle appears to have firmly moved into an expansionary phase –which should be accompanied by declines in risk aversion, a weakening U.S. dollar, and capital flows into EM. As always, there are risks and uncertainties to our forecasts, which our global team monitors closely. But we believe these risks aren't as severe as headlines would suggest and, in fact, are somewhat transitory.

<sup>^</sup> Source: PIMCO Global Advisors (Ireland) Limited

## FUND FACTS

Underlying Sub-Fund PIMCO Emerging Markets Bond Fund (USD)

Fund Manager PIMCO Global Advisors (Ireland) Limited

Launch Date 17 Oct 2016

CPFIS/SRS Cash

CPFIS Risk N.A.

Classification

As at 30 June 2021

Offer Price USD 1.14256

Bid Price USD 1.14256

Fund Size USD 1.51 ml

Units in Issue 1.32 ml

Note: With effect from 20 July 2020, the underlying sub-fund of HSBC Insurance Global Emerging Markets Bond Fund (USD), HSBC Global Investment Funds – Global Emerging Markets Bond (USD) was replaced with PIMCO Emerging Markets Bond Fund (USD).



## A) Fund Performance

### I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Global Emerging Markets Bond Fund (USD)	4.01	(1.15)	8.26	12.95	N.A.	N.A.	14.26
Benchmark*	3.93	(1.00)	6.81	20.72	N.A.	N.A.	26.82

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Global Emerging Markets Bond Fund (USD)	4.14	N.A.	N.A.	2.93
Benchmark*	6.48	N.A.	N.A.	5.29

\*JP Morgan EMBI Global

<sup>^</sup>Inception Date: 21 Nov 2016

## B) Fund Disclosure

### I Allocation by Asset Class

	As at 30 Jun 2021	
Asset Class	% of NAV	MV USD mil
PIMCO Emerging Markets Bond Fund (USD)	100.00	1.51
<b>Total</b>	<b>100.00</b>	<b>1.51</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	USD
Subscription	242,277
Redemption	351,560

## C) Underlying Sub-Fund Disclosure (PIMCO Emerging Markets Bond Fund (USD))

### I Allocation by Country

	As at 30 Jun 2021	
Country	% of NAV	MV USD mil
Mexico	8.19	423.67
Brazil	7.72	398.90
Indonesia	7.58	391.37
South Africa	6.52	336.78
Saudi Arabia	6.32	326.47
Ireland	5.75	297.15
Egypt	4.53	234.06
Turkey	4.43	228.92
China	4.22	217.92
Others*	44.74	2,311.27
<b>Total</b>	<b>100.00</b>	<b>5,166.51</b>

\*Includes other countries

### II Allocation by Industry

	As at 30 Jun 2021	
Industry	% of NAV	MV USD mil
EM External Sovereigns	55.04	2,843.74
EM External Quasi-Sovereigns	23.14	1,195.45
EM External Corporates	12.93	668.03
EM Local Sovereigns	5.93	306.15
EM Local Corporates	2.24	115.84
EM External Short Duration Instruments	0.72	37.30
<b>Total</b>	<b>100.00</b>	<b>5,166.51</b>

### III Allocation of Debt Securities by Credit Ratings

	As at 30 Jun 2021	
	% of NAV	MV USD mil
AAA	13.86	715.56
AA	7.28	376.07
A	10.52	543.75
BBB	26.28	1,357.93
BB	22.74	1,175.02
B	14.69	759.14
CCC	4.63	239.04
<b>Total</b>	<b>100.00</b>	<b>5,166.51</b>

### IV Top Ten Holdings of Underlying Sub-Fund

	As at 31 Mar 2021*	
	% of NAV	MV USD mil
South Africa (Rep) Bd Ser R186	1.66	86.13
Pemex Sr Unsec	1.18	60.80
Pemex Sr Unsec	1.18	60.80
Mexico Govt (Ums) Gbl Sr Nt	0.98	50.67
Saudi International Bond Regs	0.98	50.67
Republic Of Turkey Sr Unsec	0.78	40.53
Southern Gas Corridor Gov Gtd Unsec Reg	0.78	40.53
Pemex Sr Unsec	0.69	35.47
Republic Of Argentina	0.69	35.47
Saudi Arabian Oil Co Sr Unsec Regs	0.69	35.47

\*Based on audited figures as at 31 Mar 2021 as the unaudited figures as at 30 Jun 2021 are not available.

### Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2021	
	% of NAV	MV USD mil
Petroleos Mexico 5.350 12/02/28	1.76	42.01
Saudi Int Bond 5.000 17/04/49	1.74	41.30
Qatar State Of 4.817 14/03/49	1.69	40.02
Abu Dhabi Govt 3.125 16/04/30	1.63	38.69
Abu Dhabi Govt 3.125 30/09/49	1.42	33.68
United Mexican 5.000 27/04/51	1.27	30.21
Rep Of Nigeria 7.143 23/02/30	1.20	28.48
Argentina 5.875 11/01/28	1.20	28.39
Petroleos Mexico 6.625 15/06/35	1.19	28.23
Petrobras Glob 5.093 15/01/30	1.14	27.03

### V Exposure to Derivatives

	As at 30 Jun 2021
% of NAV	22.50%
Market value (USD)	1,162,464,829
Realised Gains / (Losses) (USD)	-
Unrealised Gains / (Losses) (USD)	-

### VI Borrowings of Net Asset Value

	As at 30 Jun 2021
N.A.	

**D) Other Disclosure Items**

<b>I) Expense/Turnover Ratios</b>	<b>HSBC Insurance Global Emerging Markets Bond Fund (USD)</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20***</b>
Expense Ratio	1.72%	1.65%	1.69%	1.60%
Turnover Ratio	108.43%	8.10%	110%*	1.48%
			<b>As at 31-Dec-20**</b>	<b>As at 30-Jun-20</b>
*Based on audited figure as at 31 Mar 2021 as the expense ratio of PIMCO Emerging Markets Bond Fund (USD) for the financial year ended 30 Jun 2021 is not available.				
**Based on audited figure as at 31 Dec 2020 as the turnover ratio of PIMCO Emerging Markets Bond Fund (USD) for the financial year ended 30 Jun 2021 is not available.				
***Based on audited figure as at 31 Mar 2020 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 182.

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or visit our web site at [www.insurance.hsbc.com.sg](http://www.insurance.hsbc.com.sg).**

## 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 ^

Stock selection in Argentina aided performance in the month. An overweight in MercadoLibre (MELI), which is based in Argentina and Latin America's leading e-commerce company, was a top contributor to relative returns. MELI's stock price rebounded following a weak May, with little stock specific news. MELI is meaningfully outpacing market growth in the region - the business grew revenue 73% year-over-year in 2020 while e-commerce in Latin America grew at roughly half that rate.

Stock selection in China aided performance in the month. The position in WuXi Biologics, a global biologics service provider based in China, outperformed again. The company raised revenue and profit guidance as Wuxi continues to diversify its revenue sources due to increasing demand from global pharmaceutical outsourcing. Additionally, CATL, an electric vehicle (EV) battery manufacturer, was also among the top contributors, benefiting from strong sentiment and business momentum in EV space as the company continues to expand production capacity and successfully extended its supply contract with Tesla.

Stock selection in the financials sector was the largest detractor. Ping An Bank and Prudential were among the larger detractors on the back of slower growth in Asian markets. Additionally, Prudential announced a mark down on available capital due to hedging losses incurred on equity derivatives, which negatively impacted the stock.

Stock selection in India detracted this month, with HDFC Bank and Housing Development Finance Corp. among the most notable laggards. Concerns over the impact of COVID on asset quality and localized restrictions continue to subdue economic activity weighed on these stocks.

### Market Outlook and Investment Strategy ^

How long COVID and its variants persist as a health risk is crucial for economies. Some EMs are struggling to control the spread of the disease and keep up momentum in vaccinations.

A strong US growth trajectory due to large fiscal stimulus should be helpful for EM economies and industries that cater to US demand. EM domestic growth may be slower to rebound due to persistent COVID variants.

The path of the US Dollar will be crucial for EM equities. The USD has strengthened against EM currencies but weakened against other DM currencies.

EM equity valuations are above average, but earnings revisions are positive across a broader range of sectors.

^ 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 2021	
Offer Price	USD 2.11140
Bid Price	USD 2.11140
Fund Size	USD 7.64 mil
Units in Issue	3.62 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)	6.13	3.42	44.01	60.70	N.A.	N.A.	111.14
Benchmark*	5.05	7.45	40.90	37.77	N.A.	N.A.	82.04

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance Global Emerging Markets Equity Fund (USD)	17.13	N.A.	N.A.	17.53
Benchmark*	11.27	N.A.	N.A.	13.82

\*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 2021	
	% of NAV	MV USD mil
JPMorgan Funds - Emerging Markets Equity Fund (USD)	99.87	7.63
Other assets	0.39	0.03
Other liabilities	(0.26)	(0.02)
<b>Total</b>	<b>100.00</b>	<b>7.64</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)  
USD

Subscription	1,462,881
Redemption	242,786

## C) Underlying Fund Disclosure (JPMorgan Funds – Emerging Markets Equity Fund (USD))

### I Allocation by Country

Country	As at 30 Jun 2021	
	% of NAV	MV USD mil
China	49.50	6,484.46
India	13.90	1,820.89
Taiwan	7.90	1,034.89
South Korea	6.70	877.70
Brazil	3.50	458.50
Singapore	3.40	445.40
Belarus	3.00	393.00
Argentina	2.40	314.40
Others*	9.40	1,231.39
Cash	0.30	39.30
<b>Total</b>	<b>100.00</b>	<b>13,099.93</b>

\*Includes other countries

II Allocation by Industry	As at 30 Jun 2021	
	% of NAV	MV USD mil
Information Technology	23.30	3,052.28
Consumer Discretionary	20.40	2,672.39
Financials	17.50	2,292.49
Communication Services	11.30	1,480.29
Consumer Staples	8.90	1,165.89
Industrials	6.40	838.40
Health Care	5.40	707.40
Materials	2.80	366.80
Others*	3.70	484.69
Cash	0.30	39.30
<b>Total</b>	<b>100.00</b>	<b>13,099.93</b>

\*Includes other industries

III Allocation of Debt Securities by Credit Ratings	As at 30 Jun 2021
N.A.	

IV Top Ten Holdings of Underlying Sub-Fund	As at 30 Jun 2021	
	% of NAV	MV USD mil
Taiwan Semiconductor	6.60	864.57
Samsung Electronics	4.90	641.90
Tencent	3.60	471.60
Sea	3.40	445.40
Meituan	3.30	432.30
HDFC Bank	3.20	419.20
Alibaba	3.20	419.20
EPAM Systems	3.00	393.00
WuXi Biologics	2.90	379.90
HDFC	2.70	353.70

Top Ten Holdings of Underlying Sub-Fund	As at 30 Jun 2020	
	% of NAV	MV USD mil
Alibaba	6.00	508.35
Tencent	5.00	423.61
Taiwan Semiconductor	4.10	347.36
Samsung Electronics	3.60	305.00
HDFC Bank	3.20	271.11
HDFC	3.00	254.17
AIA	3.00	254.17
MercadoLibre	2.80	237.22
EPAM Systems	2.70	228.75
Sea	2.60	220.28

V Exposure to Derivatives	As at 31 Dec 2020*
% of NAV	0.03%
Market value (USD)	3,620,170
Realised Gains / (Losses) (USD)	0
Unrealised Gains / (Losses) (USD)	3,620,170

\*Based on unaudited figures as at 31 Dec 2020 as the unaudited figures as at 30 Jun 2021 are not available.

VI Borrowings of Net Asset Value	As at 30 Jun 2021
N.A.	

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance Global Emerging Markets Equity Fund (USD)</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Dec-20*</b>	<b>As at 31-Dec-19**</b>
Expense Ratio	1.76%	1.78%	1.72%	1.73%
Turnover Ratio	4.46%	14.92%	23.11%	30.66%

\*Based on audited figure as at 31 Dec 2020 as the expense ratio of JPMorgan Funds - Emerging Markets Equity Fund (USD) for the financial year ended 30 Jun 2021 is not available.

\*\*Based on audited figure as at 31 Dec 2019 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 Investment Managers may enter into commission sharing arrangements only where there is a direct and identifiable benefit to the clients of the Investment Managers, including the SICAV, and where the Investment Managers are satisfied that the transactions generating the shared commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the SICAV and the Shareholders. Any such arrangements must be made by the Investment Manager on terms commensurate with best market practice. Due to their local regulatory rights, certain Investment Managers may make use of soft commission to pay for research or execution services. Other jurisdictions may have other arrangements in place to pay for such services in accordance with local regulatory obligations.

**E) Financial Statements**

Refer to page 182.

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## HSBC Insurance Global Sustainable Equity Portfolio Fund (USD)

### Fund Objective

HSBC Insurance Global Sustainable Equity Portfolio Fund (USD) (the "ILP Sub-Fund") seeks to achieve long-term capital growth. The ILP Sub-Fund pursues opportunistic growth by investing in a global universe of companies in multiple industries that are positively exposed to environmentally- or socially-oriented sustainable investment themes. A combination of "top-down" and "bottom-up" investment processes identifies sustainable investment themes that are broadly consistent with achieving the United Nations Sustainable Development Goals. ILP Sub-Fund investments are made by way of a feeder fund, which invests substantially all or all its assets in the AB Sustainable Global Thematic Portfolio (the "Underlying Sub-Fund").

### Investment and Market Review <sup>^</sup>

Growth stocks reasserted their leadership in 2Q21 as global equities ended the period at record highs. The strength of the economic recovery and potential changes to central bank policy will determine whether this was a head fake or a more permanent change in trend. The global economic recovery over the past year has been nothing short of dramatic, due largely to unprecedented fiscal and monetary stimulus and the successful worldwide rollout of COVID-19 vaccines. After falling 4.3% in 2020, real GDP in developed economies is set to expand by 5.3% in 2021. GDP is expected to increase by more than 10% in 2Q21, marking the one-year anniversary of the worst of the global COVID-19 lockdowns. This sharp recovery in economic growth provided the fuel for the outperformance of cyclical value stocks earlier in the year. (Source: Bloomberg Finance). As growth has recovered, though, so too have prices for most goods and services. The risk of sustained higher prices could force central banks to remove the ultra-accommodative policy stances that have helped support economic growth and equity markets throughout the crisis. The risk is perhaps greatest in the US, where the most stimulus was applied and where prices have been rising the fastest. US Fed Chair Jerome Powell has consistently signaled that higher inflation readings would be temporary and that Fed policy would remain supportive of growth, but the June Fed meeting proved to be a hawkish surprise for the market. Chair Powell acknowledged that the recent price increases have been larger than expected and may prove more lasting. Accordingly, Fed officials signaled the possibility of tightening policy sooner than previously thought, which called into question the durability of the recent cyclical rotation trade.

### Market Outlook and Investment Strategy <sup>^</sup>

As we enter the 2H21, investors will increasingly shift their focus to 2022 and beyond. We think it is likely that the post-recovery narrative will shift from historic stimulus, reopening economies and pent-up demand to rising inflation, rising taxes and peaking growth. Rather than trying to time macro shifts, which is historically very difficult to do, we think investors can benefit by focusing on companies associated with our three sustainable investment themes—Climate, Health and Empowerment—which are supported by powerful, long-term secular tailwinds that are less dependent on where we are in the economic cycle. Forecasting short-term twists and turns in the economic cycle with any accuracy or consistency has always been challenging. It has been even tougher to consistently predict how market participants will react—or overreact—to changes in the real economy. One advantage of sustainable investing is that we don't have to call those short-term twists and turns correctly to create value over time. Sustainable themes have obvious longer-term tailwinds, many of which have only strengthened during the COVID-19 crisis.

<sup>^</sup> Source: AllianceBernstein (Luxembourg) S.à r.l.

## FUND FACTS

Underlying Sub-Fund	AB Sustainable Global Thematic Fund (USD)
Fund Manager	AllianceBernstein (Luxembourg) S.à r.l.
Launch Date	17 Oct 2016
CPFIS/SRS	Cash
CPFIS Risk	N.A.
Classification	
As at 30 June 2021	
Offer Price	USD 1.64051
Bid Price	USD 1.64051
Fund Size	USD 5.99 mil
Units in Issue	3.65 mil

Note: With effect from 7 April 2021: the underlying sub-fund of HSBC Insurance Global Sustainable Equity Portfolio Fund (USD), HSBC Global Investment Funds – Economic Scale Global Equity Fund (USD) was replaced with AB Sustainable Global Thematic Fund (USD).



## A) Fund Performance

### I Cumulative Total Returns

	3-Mth (%)	6-Mth (%)	1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception^ (%)
HSBC Insurance Global Sustainable Equity Portfolio Fund (USD)	5.55	15.57	44.46	31.48	N.A.	N.A.	64.05
Benchmark*	7.39	12.30	39.26	50.37	N.A.	N.A.	89.62**

### II Average Annual Compounded Returns

	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception^ (%)
HSBC Insurance Global Sustainable Equity Portfolio Fund (USD)	9.55	N.A.	N.A.	11.21
Benchmark*	14.57	N.A.	N.A.	14.98**

\*Benchmark Details:

Inception to October 2017 - HSBC Economic Scale Index World

With effect from October 2017, the benchmark was changed to 'MSCI World Net'.

\*\*Performance of the benchmark is measured from closest month-end after inception through 31 May 2021

^Inception Date: 03 Nov 2016

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021 % of NAV	MV USD mil
AB Sustainable Global Thematic Fund (USD)	99.83	5.98
Other assets	0.33	0.02
Other liabilities	(0.16)	(0.01)
<b>Total</b>	<b>100.00</b>	<b>5.99</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	USD
Subscription	1,221,644
Redemption	1,219,448

## C) Underlying Sub-Fund Disclosure (AB Sustainable Global Thematic Fund (USD))

### I Allocation by Country

Country	As at 30 Jun 2021 % of NAV	MV USD mil
United States	57.84	1,889.35
Netherlands	7.23	236.14
Denmark	4.21	137.43
India	3.92	128.10
Switzerland	3.46	113.17
France	3.31	108.14
Japan	3.27	106.93
Germany	2.90	94.85
Austria	2.09	68.22
Others*	11.77	384.01
<b>Total</b>	<b>100.00</b>	<b>3,266.34</b>

\*Includes other countries and other assets less liabilities

## II Allocation by Industry

Industry	As at 30 Jun 2021	
	% of NAV	MV USD mil
Information Technology	29.93	977.70
Industrials	20.01	653.72
Health Care	18.37	600.06
Financials	12.85	419.63
Consumer Discretionary	6.72	219.54
Materials	3.41	111.39
Utilities	3.29	107.48
Consumer Staples	1.05	34.23
Others*	4.37	142.59
<b>Total</b>	<b>100.00</b>	<b>3,266.34</b>

\*Includes other assets and liabilities

## III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2021

N.A.

## IV Top Ten Holdings of Underlying Sub- Fund

	As at 30 Jun 2021	
	% of NAV	MV USD mil
Laboratory Corp. Of America Holdings	2.87	93.62
SVB Financial Group	2.58	84.26
Waste Management, Inc.	2.35	76.86
MSCI, Inc. - Class A	2.29	74.83
Flex Ltd.	2.26	73.71
Danaher Corp.	2.21	72.20
Lumentum Holdings, Inc.	2.16	70.60
Apollo Hospitals Enterprise Ltd.	2.13	69.64
Trex Co., Inc.	2.12	69.39
Aptiv PLC	2.11	68.88

## Top Ten Holdings of Underlying Sub- Fund

	As at 30 June 2020	
	% of NAV	MV USD mil
Walmart Inc	1.83	1.83
Apple Inc	1.16	1.15
AT&T Inc	0.84	0.83
General Electric Co	0.76	0.75
Volkswagen AG	0.74	0.73
Royal Dutch Shell PLC	0.74	0.73
JP Morgan Chase & Co	0.73	0.72
Wells Fargo & Co	0.65	0.65
Verizon Communications Inc	0.64	0.64
Bank of America Corp	0.63	0.63

## V Exposure to Derivatives

As at 30 Jun 2021

% of NAV	0.19%
Market value (USD)	6,124,871
Realised Gains / (Losses) (USD)	0
Unrealised Gains / (Losses) (USD)	6,124,871

## VI Borrowings of Net Asset Value

As at 30 Jun 2021

N.A.

## D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Global Sustainable Equity Portfolio Fund (USD)		Underlying Sub-Fund	
	As at 30-Jun-21	As at 30-Jun-20	As at 30-Nov-20*	As at 31-Mar-20**
Expense Ratio	1.12%	0.99%	1.95%	0.95%
Turnover Ratio	137.46%	8.04%	52.56%	0.24%

\*Based on unaudited figures as at 30 Nov 2020 as the expense and turnover ratios of AB Sustainable Global Thematic Fund (USD) for the financial year ended 30 Jun 2021 are not available.

\*\*Based on audited figure as at 31 Mar 2020 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 2021, the Investment Manager and any Affiliated Sub-Investment Manager, if applicable, 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.

Additionally, due to the nature of the investment strategy of certain Portfolios, including where the Investment Manager delegates investment management services to AllianceBernstein Limited and CPH Capital Fondsmæglersekskab A/S, all costs associated with soft commission arrangements may be “unbundled,” if required by applicable law, and borne by the Investment Manager or its Affiliated Sub-Investment Manager with the exception of Arya European Alpha Portfolio, which is charged a separate expense for costs associated with soft commission arrangements. 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 Financial Reports of the Underlying Fund.

## E) Financial Statements

Refer to page 183.

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or visit our web site at [www.insurance.hsbc.com.sg](http://www.insurance.hsbc.com.sg).**

## 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 Classification	N.A.		
As at 30 June 2021			
Offer Price	USD	1.57154	
Bid Price	USD	1.57154	
Fund Size	USD	0.30	mil
Units in Issue		0.19	mil

### Investment and Market Review ^

During the period markets continue to rebound, as governments committed huge sums of money to support businesses and individuals that lost income due to Covid-19 restrictions. The market was further buoyed by US election results and hopes of a return to normal as the vaccine rollout gathered traction.

During the period the fund underperformed the benchmark, however, it delivered strong absolute returns.

Detractors from relative performance included Guangdong Investment, a Hong Kong based infrastructure company, which fell after the company reported earnings that came in shy of expectations driven by new water plants that are currently loss making, R&D costs and increased taxes. Furthermore, Clorox Company, a US based consumer products manufacturer, fell on concerns that higher manufacturing, logistics and commodity costs could impact gross margins.

Contributors included HCA Healthcare, a US based provider of health care services, which buoyed relative returns after gaining sharply on delivering stronger than expected earnings as the impact of Covid-19 on patient volumes was far less than expected.

Sector and country allocation effects are residual to the stock selection process. Sector allocation was negative given an underweight exposure to Consumer Discretionary and overweight Utilities. Country allocation was also negative given an overweight exposure to the UK and Germany.

### Market Outlook and Investment Strategy ^

Global economic recovery prospects are boosted by the rollout of vaccines. Markets exposed to cyclical sectors can continue to perform well even as bond yields rise. Value stocks can also do well in this environment

However, investors should be aware of the risks. There is still uncertainty about the timeline around vaccine rollouts in some countries and thus the speed of the recovery. There is scope for an inflation scare to trigger higher bond yields, hitting risk asset performance. Expected returns have fallen.

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 <sup>^</sup>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Global Equity Volatility Focused Fund (USD)	4.09	6.56	31.37	35.90	N.A.	N.A.	57.15
Benchmark*	7.39	12.48	39.26	50.37	N.A.	N.A.	83.26

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Global Equity Volatility Focused Fund (USD)	10.77	N.A.	N.A.	10.60
Benchmark*	14.57	N.A.	N.A.	14.45

\*MSCI AC World Net

<sup>^</sup>Inception Date: 04 Jan 2017

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021	
	% of NAV	MV USD mil
HSBC Global Investment Funds – Global Equity Volatility Focused (USD)	96.67	0.29
Other assets	3.33	0.01
<b>Total</b>	<b>100.00</b>	<b>0.30</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	USD
Subscription	111,633
Redemption	67,783

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

### I Allocation by Country

Country	As at 30 Jun 2021	
	% of NAV	MV USD mil
United States	54.85	74.37
Mainland China	6.70	9.08
Japan	6.27	8.50
Switzerland	5.24	7.10
United Kingdom	4.35	5.90
Australia	2.81	3.81
Canada	2.28	3.09
Hong Kong (Sar)	1.67	2.27
Others*	15.94	21.62
Cash	(0.11)	(0.15)
<b>Total</b>	<b>100.00</b>	<b>135.59</b>

\*Includes other countries

<sup>^</sup>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**

Industry	As at 30 Jun 2021	
	% of NAV	MV USD mil
Information Technology	16.90	22.91
Health Care	16.59	22.49
Consumer Discretionary	13.03	17.67
Consumer Staples	11.90	16.14
Communication Services	10.41	14.11
Industrials	9.44	12.80
Financials	9.06	12.29
Utilities	7.38	10.01
Materials	5.00	6.78
Real Estate	0.40	0.54
Cash <sup>^</sup>	(0.11)	(0.15)
<b>Total</b>	<b>100.00</b>	<b>135.59</b>

<sup>^</sup>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 2021

N.A.

**IV Top Ten Holdings of Underlying Fund**

	As at 30 Jun 2021	
	% of NAV	MV USD mil
Apple Inc	3.53	4.79
Microsoft Corp	2.99	4.05
Amazon.com, Inc	1.42	1.92
Alphabet Inc	1.33	1.80
Roche Holding AG	1.32	1.79
Facebook Inc	1.28	1.74
Thermo Fisher Scientific Inc	1.20	1.63
Unilever PLC	1.12	1.52
AT&T Inc	1.10	1.49
Costco Wholesale Corp	1.09	1.48

**Top Ten Holdings of Underlying Fund**

	As at 30 Jun 2020	
	% of NAV	MV USD mil
Apple Inc	2.71	4.50
Home Depot Inc	2.60	4.33
Microsoft Corp	2.57	4.28
Nestle SA-REG	2.38	3.96
Accenture PLC-CL A	2.37	3.94
Cap Gemini SA	2.26	3.76
IQVIA Holdings Inc	2.26	3.76
UnitedHealth Group Inc	2.20	3.67
Walt Disney Co	2.20	3.67
Rentokil Initial PLC	2.17	3.61

**V Exposure to Derivatives**

As at 30 Jun 2021

% of NAV	0.00%*
Market value (USD)	4,590
Realised Gains / (Losses) (USD)	3,849,308
Unrealised Gains / (Losses) (USD)	(67,870)
* Less than 0.01%	

**VI Borrowings of Net Asset Value**

As at 30 Jun 2021

N.A.

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance Global Equity Volatility Focused Fund (USD)</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20**</b>
Expense Ratio	1.89%	1.90%	1.85%	1.85%
Turnover Ratio	26.66%	45.43%	1.29%	0.61%

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Global Investment Funds – Global Equity Volatility Focused (USD) for the financial year ended 30 Jun 2021 is not available.

\*\*Based on audited figure as at 31 Mar 2020 for comparative purposes.

**II Related-Party Transactions**

HSBC Insurance Global Equity Volatility Focused Fund (USD) invests USD 0.29 million, equivalent to 96.67% 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 2020 to 30 June 2021 amounts to USD 1,914.

**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 183.

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or visit our web site at [www.insurance.hsbc.com.sg](http://www.insurance.hsbc.com.sg).**

## 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 2021			
Offer Price	USD	1.23299	
Bid Price	USD	1.23299	
Fund Size	USD	1.94	mil
Units in Issue		1.57	mil

### Investment and Market Review <sup>^</sup>

The strategy delivered positive absolute performance over the period gross of fees. Overall the fund saw positive contribution to return across all asset classes. From an asset class US IG Credit and EMD lagged somewhat. All segment except EUR credit had strong outperformance vs their respective investment universes.

Following on from a strong risk asset recover in 2020 credit spreads continued to tighten in Q1 2021 with the continued economic recovery. Long end rates moved higher over investor concerns around rising inflation with the yield curve steepening. With rates volatility dissipating in Q2 as investors reconciled a continued dovish Federal Reserve on the one hand and strong inflation data on the other rates fall back by the end of June while credit spreads continued to grind tighter approaching cyclical tightness. The US treasury yields rose in the first half of 2021 with the curve steepening at the long end. The 2, 5, 10 and 30 year saw yields move higher by 0.13%, 0.53%, 0.55% and 0.44% respectively to finish June at 0.25%, 0.89%, 1.47% and 2.09%.

### Market Outlook and Investment Strategy <sup>^</sup>

Now halfway through 2021 we see a shift in the economy, away from a restoration phase which has characterized the post COVID economic recovery to an expansionary phase of the economic cycle. As a result, we see investors now more focused on central bank policy and comments around the start of tapering and policy normalization. While we believe policy moves could be sooner than had initially been expected earlier in the year we don't anticipate the Fed lifting off before mid-2023. Credit fundamentals are solid and are expected to remain so through the course of the year as economic growth continues to be strong but spreads are at or close to historically tight levels offering less potential for tightening and a smaller cushion should we see additional volatility as markets react to further details regarding the path to policy normalization.

The fund remains predominantly invested in corporate BBB and BB credit with an allocation to sovereigns at 12% and securitized credit at 13%. The fund has an average credit rating of BBB-/BB+ with 50% investment grade, 46% below investment grade and 4% cash. Regionally, the strategy has exposure to US Investment Grade 11%, US HY 18%, EUR Credit 20%, EM 27% and Structured Credit 13%. The main industry sector exposure is financials, consumer cyclicals and energy. The current portfolio duration is 5.54 years on an option adjusted basis, with an overweight to the short end of the curve and an underweight to the longer end vs the investment universe.

<sup>^</sup> 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 <sup>A</sup> (%)
HSBC Insurance Global High Income Bond Fund (USD)	2.08	0.33	7.71	19.98	N.A.	N.A.	23.30
Benchmark*	2.42	(0.89)	3.71	21.44	N.A.	N.A.	26.61

### II Average Annual Compounded Returns

	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception <sup>A</sup> (%)
HSBC Insurance Global High Income Bond Fund (USD)	6.26	N.A.	N.A.	4.60
Benchmark*	6.69	N.A.	N.A.	5.19

\*Benchmark Details:

Inception to August 2019 – 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

With effect from 01 September 2019, the benchmark was changed to 'Barclays Global Aggregate Corporate USD Hedged'.

<sup>A</sup>Inception Date: 02 Nov 2016

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021 % of NAV	MV USD mil
HSBC Global Investment Funds – Global High Income Bond (USD)	99.48	1.93
Other assets	3.09	0.06
Other liabilities	(2.58)	(0.05)
<b>Total</b>	<b>100.00</b>	<b>1.94</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	USD
Subscription	360,999
Redemption	471,139

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

### I Allocation by Country

Country	As at 30 Jun 2021 % of NAV	MV USD mil
United States	35.90	539.39
France	6.34	95.32
Germany	5.26	78.99
Mainland China	4.28	64.29
United Kingdom	3.40	51.07
Cayman Islands	3.36	50.48
Brazil	2.80	42.02
Spain	2.44	36.70
Others*	31.74	476.85
Cash	4.48	67.23
<b>Total</b>	<b>100.00</b>	<b>1,502.34</b>

\*Includes other countries

## II Allocation by Industry

Industry	As at 30 Jun 2021	
	% of NAV	MV USD mil
Financial	19.81	297.62
Energy	12.71	190.90
Government	11.80	177.33
Consumer Cyclical	10.73	161.15
Communications	7.11	106.83
Consumer Non cyclical	6.67	100.20
Mortgage Securities	5.96	89.50
Asset Backed Securities	5.73	86.07
Utilities	5.00	75.17
Basic Materials	4.13	62.08
Others*	5.87	88.26
Cash	4.48	67.23
<b>Total</b>	<b>100.00</b>	<b>1,502.34</b>

\*Includes other industries

## III Allocation of Debt Securities by Credit Ratings

Rating	As at 30 Jun 2021	
	% of NAV	MV USD mil
AAA	2.29	34.53
AA	2.76	41.52
A	8.02	120.45
BBB	36.45	547.60
BB	26.78	402.36
B	15.63	234.82
CCC	3.19	47.90
D	0.09	1.34
Unrated	0.31	4.59
Cash	4.48	67.23
<b>Total</b>	<b>100.00</b>	<b>1,502.34</b>

## IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2021	
	% of NAV	MV USD mil
Bway Holding Co 4.750 15/04/24	0.95	14.27
Charter Comm Opt 6.384 23/10/35	0.90	13.50
Michaels Cos Inc 5.250 01/05/28	0.83	12.41
AT&T Inc 3.300 01/02/52	0.78	11.78
Delta/Skymiles 4.750 20/10/28	0.78	11.76
Continental Reso 5.750 15/01/31	0.74	11.10
Veolia Envrnmt 2.250	0.73	11.02
Eg Global 6.250 30/10/25	0.72	10.78
Diversified Hlth 4.375 01/03/31	0.71	10.63
Quatrim 5.875 15/01/24	0.68	10.20

## Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2020	
	% of NAV	MV USD mil
Saudi Int Bond 4.500 26/10/46	0.89	17.29
Carnival Corp 11.500 01/04/23	0.59	11.68
Quatrim 5.875 15/01/24	0.59	11.63
Arab Rep Egypt 7.625 29/05/32	0.53	10.53
Philippines(Rep) 3.700 02/02/42	0.50	9.88
Costa Rica Govt 7.000 04/04/44	0.49	9.69
Abu Dhabi Govt 4.125 11/10/47	0.47	9.17
Rep Of Nigeria 7.696 23/02/38	0.45	8.81
Kenya Rep Of 7.000 22/05/27	0.44	8.69
Argentina 5.875 11/01/28	0.43	8.56

<b>V Exposure to Derivatives</b>	<b>As at 30 Jun 2021</b>
% of NAV	0.01%
Market value (USD)	9,837,115
Realised Gains / (Losses) (USD)	(22,363,194)
Unrealised Gains / (Losses) (USD)	(2,694,738)

<b>VI Borrowings of Net Asset Value</b>	<b>As at 30 Jun 2021</b>
N.A.	

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance Global High Income Bond Fund (USD)</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20**</b>
Expense Ratio	1.54%	1.55%	1.50%	1.50%
Turnover Ratio	15.46%	36.11%	1.43%	0.89%

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Global Investment Funds – Global High Income Bond (USD) for the financial year ended 30 Jun 2021 is not available.

\*\*Based on audited figure as at 31 Mar 2020 for comparative purposes.

**II Related-Party Transactions**

HSBC Insurance Global High Income Bond Fund (USD) invests USD 1.93 million, equivalent to 99.48% 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 2020 to 30 June 2021 amounts to USD 13,120.

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

<b>IV Soft Dollar Commission Arrangement</b>
N.A.

<b>E) Financial Statements</b>
Refer to page 183.

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## 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 S&P IFCI/India Gross Index gained 64.05% over the 1y horizon and outperformed the broader MSCI Asia Pacific ex Japan market (39.60%). In terms of sectors, Materials (+64.05%) is the top performing one while Communication Services underperformed (+12.50%).

The economic recovery is uneven and potential downside risks stemming from the second Covid wave still persists. Macro data is improving with GDP growing at 1.6% in the first three months of 2021. Unemployment rate fell to 7.3% (week ended April 25) from 8.0% at the start of the year (week ended Jan 03). The manufacturing IHS Markit PMI fell to 48.1 in June 2021 from 57.7 in Jan 2021. Core inflation increased from 4.03% in Jan 2021 to 6.3% in May 2021 due to transitory cost-push pressures.

The fund underperformed the benchmark on a 1-year basis. Positive stock selection effect in Financials, Health care and Real Estate positively contributed to performance, offset by the unfavourable stock selection effect in the Consumer Discretionary and Industrials space.

The largest relative contributors over the year is Infosys Ltd. We have an overweight exposure to the Information Technology name which has gained significantly in the past year due to strong earnings and pandemic-driven demand for digital offerings. The largest relative detractors over the year is Tata Steel Ltd. We have underweight Tata Steel and the stock has rebounded significantly in 3Q 2020 with the broader steel industry. This is attributed to strong demand in export markets and lower input costs.

In terms of sector positioning, we are most overweight to Real Estate and Financials and most underweight to Utilities and Consumer Staples.

### 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.

Full year GDP growth for the current fiscal year is expected to remain robust due to low base effects and a strong economic rebound. The IMF has decided in early April to revise India's output growth forecast next year from 11.5% to 12.5%.

Valuations are currently elevated and higher global yields add to near term headwinds. An increase in oil prices may further weigh on corporate fundamentals. It is expected that there will be short term disturbances in the economy but the fundamental factors bolstering the long-term growth trend remain in-tact.

Over the past 1 year, we have been increasing our weight in Materials, Health Care and Information Technology.

^ 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 Classification	N.A.		
As at 30 June 2021			
Offer Price	USD	1.41748	
Bid Price	USD	1.41748	
Fund Size	USD	3.66	mil
Units in Issue		2.58	mil

## A) Fund Performance

### I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception <sup>A</sup>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance India Equity Fund (USD)	5.81	12.40	56.53	24.65	N.A.	N.A.	41.75
Benchmark*	8.69	16.49	63.98	44.30	N.A.	N.A.	79.60

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>A</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance India Equity Fund (USD)	7.62	N.A.	N.A.	7.77
Benchmark*	13.00	N.A.	N.A.	13.39

\* S&P / IFCI India Gross

<sup>A</sup>Inception Date: 02 Nov 2016

## B) Fund Disclosure

### I Allocation by Asset Class

	As at 30 Jun 2021	
Asset Class	% of NAV	MV USD mil
HSBC Global Investment Funds - Indian Equity Fund (USD)	100.00	3.66
<b>Total</b>	<b>100.00</b>	<b>3.66</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	USD
Subscription	623,799
Redemption	254,333

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

### I Allocation by Country

	As at 30 Jun 2021	
Country	% of NAV	MV USD mil
India	99.22	1,276.27
Cash	0.78	10.05
<b>Total</b>	<b>100.00</b>	<b>1,286.32</b>

### II Allocation by Industry

	As at 30 Jun 2021	
Industry	% of NAV	MV USD mil
Financials	28.04	360.65
Information Technology	16.32	209.94
Materials	9.93	127.73
Energy	9.09	116.96
Consumer Discretionary	8.79	113.10
Health Care	6.94	89.26
Industrials	5.54	71.22
Consumer Staples	5.45	70.15
Communication Services	4.06	52.23
Real Estate	3.44	44.22
Utilities	1.62	20.81
Cash	0.78	10.05
<b>Total</b>	<b>100.00</b>	<b>1,286.32</b>

### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2021

N.A.

#### IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2021	
	% of NAV	MV USD mil
Infosys Ltd	9.91	127.34
Reliance Industries Ltd	8.08	103.93
ICICI Bank Ltd	7.58	97.54
Axis Bank Ltd	5.76	74.15
HCL Technologies Ltd	4.61	59.27
Housing Development Finance Co	3.84	49.42
HDFC Bank Ltd	3.78	48.60
Grasim Industries Ltd	3.49	44.94
Larsen & Toubro Ltd	3.29	42.32
Hindustan Unilever Ltd	3.15	40.56

#### Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2020	
	% of NAV	MV USD mil
Reliance Industries Ltd	9.31	88.04
Infosys Ltd 10170616	9.08	85.91
HDFC Bank Ltd	8.68	82.10
ICICI Bank Ltd	5.45	51.54
Housing Development Finance Corp	4.52	42.74
HCL Technologies Ltd	4.22	39.91
Maruti Suzuki India Ltd	3.65	34.56
Bharti Airtel Ltd	3.35	31.74
Axis Bank Ltd	3.25	30.78
ITC Ltd	3.16	29.91

#### V Exposure to Derivatives

N.A. As at 30 Jun 2021

#### VI Borrowings of Net Asset Value

N.A. As at 30 Jun 2021

#### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance India Equity Fund (USD)		Underlying Sub-Fund	
	As at 30-Jun-21	As at 30-Jun-20	As at 31-Mar-21*	As at 31-Mar-20**
Expense Ratio	1.94%	1.95%	1.90%	1.90%
Turnover Ratio	9.96%	5.67%	0.41%	0.37%

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Global Investment Funds - Indian Equity Fund (USD) for the financial year ended 30 Jun 2021 is not available.

\*\*Based on audited figure as at 31 Mar 2020 for comparative purposes.

#### II Related-Party Transactions

HSBC Insurance India Equity Fund (USD) invests USD 3.66 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 2020 to 30 June 2021 amounts to USD 14,939.

#### 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 184.

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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 <sup>^</sup>

The fund underperformed the benchmark, mainly due to stock picks in India and South Korea. Detracting

from performance were our holdings in India. Investors looked past the country's second Covid-19 wave on expectation of a quick rebound, which favoured more cyclical stocks and those tied to the reopening theme. However, it disadvantaged high-quality, prudent lenders, such as our holdings Housing Development Finance Corp (HDFC) and Kotak Mahindra Bank. As expected, both weathered the turmoil well and remain high-conviction positions within the portfolio.

In South Korea, our holding in Samsung Electronics underperformed despite firm fundamentals. This weakness was more than offset by the strength of our core holding in contract chipmaker Taiwan Semiconductor Manufacturing Co and our non-benchmark exposure to semiconductor equipment maker ASML. The Dutch company remains a beneficiary of rising capital investments, particularly in the regionalisation of the semiconductor manufacturing supply chain.

China was key to the fund's returns, as it has been in recent quarters. Although the market lagged the broader region, our stock picks there boosted relative returns significantly, thanks to the solid performance of our green-economy and healthcare holdings, such as Longi Green Energy Technology, Yunnan Energy and Wuxi Biologics. These mitigated the poor showing of other mainland holdings, such as New Oriental Education and Technology, which was plagued by regulatory concerns. We believe New Oriental is better-positioned than its peers to adapt. Shanghai International Airport declined as well on the back of revisions in its duty-free contract.

### Market Outlook and Investment Strategy <sup>^</sup>

Asian markets treaded water through much of the second quarter. They were also tricky to navigate amid renewed Covid-19 outbreaks, regulatory pressures, particularly in China, and concerns about inflation and rising rates. Looking ahead to the third quarter and second-half of the year, we see reasons to be optimistic.

Firstly, despite pandemic-related disruptions, corporate earnings growth remains set to rebound strongly this year, led in particular by the robust tech hardware sector. Vaccination rates are now accelerating across the region and should gradually lead to easing restrictions and further economic reopening. This would help mitigate inflationary pressures tied to near-term supply chain disruptions. As stock-pickers, we remain focused on companies with pricing power and the ability to pass through cost pressures.

Secondly, while regulatory tightening in China remains a focus for investors, we believe that regulators will strike a good balance between promoting innovation and achieving their regulatory purpose. Companies with solid competitive advantages will be best placed to navigate the changing environment.

Thirdly, US-China geopolitical tensions will continue to drive China's push for self-sufficiency, which in turn presents investment opportunities, whether in the domestic consumption sector, tech or green energy. We continue to position our portfolio around structural growth themes such as these that will weather near-term uncertainties.

<sup>^</sup> 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 2021			
Offer Price	USD	1.72736	
Bid Price	USD	1.72736	
Fund Size	USD	20.12	mil
Units in Issue		11.65	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)	3.12	3.43	40.91	44.83	N.A.	N.A.	72.74
Benchmark*	4.07	6.95	39.69	41.12	N.A.	N.A.	81.75

### II Average Annual Compounded Returns

	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception^ (%)
HSBC Insurance Pacific Equity Fund (USD)	13.14	N.A.	N.A.	12.44
Benchmark*	12.17	N.A.	N.A.	13.68

\*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 2021	
	% of NAV	MV USD mil
Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund (USD)	99.95	20.11
Other assets	0.10	0.02
Other liabilities	(0.05)	(0.01)
<b>Total</b>	<b>100.00</b>	<b>20.12</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	USD
Subscription	3,906,986
Redemption	996,911

## C) Underlying Sub-fund Disclosure (Aberdeen Standaard Select Portfolio - Aberdeen Pacific Equity Fund (USD))

### I Allocation by Country

Country	As at 31 Mar 2021†	
	% of NAV	MV USD mil
China	30.31	388.56
South Korea	12.47	159.89
India	9.58	122.88
Australia	9.57	122.65
Hong Kong	9.21	118.05
Taiwan	9.04	115.88
Singapore	4.55	58.33
United Kingdom	3.71	47.60
Netherlands	2.36	30.27
Others*	9.20	117.95
<b>Total</b>	<b>100.00</b>	<b>1,282.06</b>

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

† Based on audited figures as at 31 Mar 2021 as the unaudited figures as at 30 Jun 2021 are not available.

<b>II Allocation by Industry</b>		<b>As at 31 Mar 2021†</b>	
<b>Industry</b>	<b>% of NAV</b>	<b>MV USD mil</b>	
Information Technology	25.98	333.07	
Financials	18.73	240.08	
Health Care	8.95	114.75	
Consumer Discretionary	8.84	113.32	
Communication Services	8.46	108.44	
Materials	7.87	100.92	
Unit Trusts	7.13	91.44	
Consumer Staples	4.68	60.04	
Real Estate	4.55	58.38	
Industrials	3.28	42.07	
Utilities	0.59	7.56	
Others*	0.94	11.99	
<b>Total</b>	<b>100.00</b>	<b>1,282.06</b>	

\*Includes cash and other payable/receivable

<b>III Allocation of Debt Securities by Credit Ratings</b>	<b>As at 31 Mar 2021†</b>
N.A.	

<b>IV Top Ten Holdings of Underlying Sub-Fund</b>		<b>As at 31 Mar 2021†</b>	
	<b>% of NAV</b>	<b>MV USD mil</b>	
Taiwan Semiconductor Manufacturing Company	9.03	115.89	
Samsung Electronics (Preference Shares)	8.71	111.61	
Tencent	8.02	102.82	
AIA Group	4.32	55.35	
CSL	3.08	39.50	
Alibaba Group Holding	3.04	38.96	
Aberdeen Standard China Opportunities Fund	2.86	36.73	
HDFC	2.82	36.12	
New India Investment Trust Public Listed Company	2.57	32.89	
BHP Group	2.47	31.69	

<b>IV Top Ten Holdings of Underlying Sub-Fund</b>		<b>As at 31 Mar 2020&amp;</b>	
	<b>% of NAV</b>	<b>MV USD mil</b>	
Tencent	9.65	80.40	
Samsung Electronics (Preference Shares)	7.73	64.38	
Taiwan Semiconductor Manufacturing Company	7.19	59.88	
Aberdeen Standard China Opportunities Fund	4.35	36.29	
Ping An Insurance	3.93	32.77	
CSL	3.38	28.18	
China Resources Land	3.13	26.12	
AIA Group	3.08	25.67	
Aberdeen Standard Singapore Equity Fund	2.63	21.95	
HDFC	2.36	19.63	

<b>V Exposure to Derivatives</b>	<b>As at 31 Mar 2021†</b>
N.A.	

<b>VI Borrowings of Net Asset Value</b>	<b>As at 31 Mar 2021†</b>
N.A.	

† Based on audited figures as at 31 Mar 2021 as the unaudited figures as at 30 Jun 2021 are not available.

& Based on audited figures as at 31 Mar 2020 as the unaudited figures as at 30 Jun 2020 are not available.

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance Pacific Equity Fund (USD)</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20**</b>
Expense Ratio	1.69%	1.68%	1.65%	1.63%
Turnover Ratio	10.35%	15.97%	20.26%	18.64%

\*Based on unaudited figures as at 31 Mar 2021 as the expense and turnover ratios of Aberdeen Standard Select Portfolio - Aberdeen Standard Pacific Equity Fund (USD) for the financial year ended 30 Jun 2021 are not available.

\*\*Based on unaudited figures as at 31 Mar 2020 for comparative purposes.

**II Related-Party Transactions**

Cash balances maintained with HSBC Bank as at 30 June 2021 amounts to USD 1,504.

**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 184.

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or visit our web site at [www.insurance.hsbc.com.sg](http://www.insurance.hsbc.com.sg).**

## 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 2021

Offer Price

USD 1.88651

Bid Price

USD 1.88651

Fund Size

USD 6.35 mil

Units in Issue

3.36 mil

### Investment and Market Review <sup>^</sup>

Global equity markets rose sharply over the review period, continuing their impressively-fast recovery after the lows seen in March 2020. In the second half of 2020, economies have continued to recover as COVID-19 containment measures were eased in light of slowing infection rates, and performance was further buoyed by positive news around COVID-19 vaccine developments. Global stock market performance continued its momentum in the first half of 2021 with investors rotating towards value, small cap and cyclical names. Successful vaccines rollouts especially in developed countries along with continued expansionary policies through both monetary and fiscal channels drove market performance.

Over the 12-months rolling to June 2021, the HGIF Economic Scale US Equity fund significantly outperformed its market cap weighted index. Both our asset allocation and stock selection contributed to performance. On a sector basis, our overweight allocations to Financials, Industrials and Energy coupled with our underweight exposures to Health Care and Utilities contributed to performance. Conversely, an overweight allocation to Consumer Staples coupled with our underweight exposures to Information Technology and Communication Services weighed on performance. On a stock level basis, our overweight allocations to AMC Entertainment Holdings (Communication Services) and General Electric Co (Industrials) coupled with an underweight exposure to Amazon.com, Inc (Consumer Discretionary) contributed to performance. Conversely, an overweight allocation to Walmart Inc (Consumer Staples) coupled with our underweight exposures to Alphabet Inc-CI A (Communication Services) and Nvidia Corp (Information Technology) weighed on performance.

### Market Outlook and Investment Strategy <sup>^</sup>

HSBC Economic Scale strategy aims to outperform the market cap index in the long run by using an alternatively weighting scheme which uses the contribution to Gross National Product (GNP). The strategy has implicit biases towards small cap and value stocks, which benefited the fund in Q4 2020 and the first half of 2021.

US Indices 'greater weight to "growth" stocks make them vulnerable to higher US bond yields. This implies some relative caution, although exposure to quality names, mega-cap tech, and the digital economy remains beneficial. A major increase in US inflation on a sustainable basis could push the US Federal Reserve to adopt a tighter monetary policy stance that results in significantly higher US bond yields. The likely tapering of Fed asset purchases in 2022 also poses risks.

<sup>^</sup> 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 <sup>A</sup> (%)
HSBC Insurance US Equity Portfolio Fund (USD)	6.64	22.29	57.98	48.96	N.A.	N.A.	88.65
Benchmark*	8.44	15.75	40.14	64.36	N.A.	N.A.	115.28

### II Average Annual Compounded Returns

	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception <sup>A</sup> (%)
HSBC Insurance US Equity Portfolio Fund (USD)	14.21	N.A.	N.A.	14.59
Benchmark*	18.01	N.A.	N.A.	17.88

\*Benchmark Details:

Inception to October 2017 - HSBC Economic Scale US Net

With effect from October 2017, the benchmark was changed to 'S&P 500 Net'.

<sup>A</sup>Inception Date: 02 Nov 2016

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021	
	% of NAV	MV USD mil
HSBC Global Investment Funds - Economic Scale US Equity Fund (USD)	99.84	6.34
Other assets	0.31	0.02
Other liabilities	(0.15)	(0.01)
<b>Total</b>	<b>100.00</b>	<b>6.35</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)  
USD

Subscription	1,410,840
Redemption	652,309

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

### I Allocation by Country

Country	As at 30 Jun 2021	
	% of NAV	MV USD mil
United States	98.38	305.00
Cash	1.62	5.03
<b>Total</b>	<b>100.00</b>	<b>310.03</b>

### II Allocation by Industry

Industry	As at 30 Jun 2021	
	% of NAV	MV USD mil
Information Technology	16.17	50.16
Industrials	14.85	46.03
Financials	14.31	44.35
Consumer Discretionary	13.78	42.72
Health Care	10.29	31.90
Consumer Staples	9.61	29.79
Communication Services	8.21	25.44
Energy	4.54	14.09
Materials	3.59	11.13
Real Estate	1.73	5.37
Utilities	1.30	4.02
Cash	1.62	5.03
<b>Total</b>	<b>100.00</b>	<b>310.03</b>

### III Allocation of Debt Securities by Credit Ratings

N.A.

As at 30 Jun 2021

### IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2021	
	% of NAV	MV USD mil
Walmart Inc	3.07	9.53
Apple Inc	2.15	6.66
AT&T Inc	1.54	4.76
JPMorgan Chase & Co	1.37	4.24
Wells Fargo & Co	1.22	3.79
Amazon.com, Inc	1.22	3.79
Bank Of America Corp	1.22	3.78
General Electric Co	1.21	3.76
Microsoft Corp	1.14	3.53
Berkshire Hathaway Inc	1.08	3.34

### Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2020	
	% of NAV	MV USD mil
Walmart Inc	3.30	20.36
Apple Inc	2.06	12.73
AT&T Inc	1.49	9.19
General Electric Co	1.35	8.36
JPMorgan Chase & Co	1.29	7.96
Wells Fargo & Co	1.17	7.25
Verizon Communications Inc	1.15	7.13
Bank Of America Corp	1.14	7.04
Microsoft Corp	1.09	6.75
Amazon.com, Inc	1.07	6.58

### V Exposure to Derivatives

	As at 30 Jun 2021
% of NAV	0.02%
Market value (USD)	72,898
Realised Gains / (Losses) (USD)	2,561,960
Unrealised Gains / (Losses) (USD)	93,698

### VI Borrowings of Net Asset Value

N.A.

As at 30 Jun 2021

### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance US Equity Portfolio Fund (USD)		Underlying Sub-Fund	
	As at 30-Jun-21	As at 30-Jun-20	As at 31-Mar-21*	As at 31-Mar-20**
Expense Ratio	0.79%	0.79%	0.75%	0.75%
Turnover Ratio	19.00%	8.17%	As at 30-Jun-21 0.23%	As at 30-Jun-20 0.16%

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Global Investment Funds - Economic Scale US Equity Fund (USD) for the financial year ended 30 Jun 2021 is not available.

\*\*Based on audited figure as at 31 Mar 2020 for comparative purposes.

### II Related-Party Transactions

HSBC Insurance US Equity Portfolio Fund (USD) invests USD 6.34 million, equivalent to 99.84% 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 2020 to 30 June 2021 amounts to USD 10,074.

### 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 184.

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### HSBC Insurance World Selection Funds (USD)

<b>Fund Facts</b>	<b>HSBC Insurance World Selection 1 Fund (USD)</b>	<b>HSBC Insurance World Selection 2 Fund (USD)</b>	<b>HSBC Insurance World Selection 3 Fund (USD)</b>
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 2021			
Offer Price	USD 1.18161	USD 0.99999	USD 1.41302
Bid Price	USD 1.18161	USD 0.99999	USD 1.41302
Fund Size	USD 0.98 mil	0.01 mil	USD 3.05 mil
Units in Issue	0.83 mil	0.01 mil	2.16 mil

<b>Fund Facts</b>	<b>HSBC Insurance World Selection 4 Fund (USD)</b>	<b>HSBC Insurance World Selection 5 Fund (USD)</b>
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 2021		
Offer Price	USD 1.34561	USD 1.58381
Bid Price	USD 1.34561	USD 1.58381
Fund Size	USD 0.23 mil	USD 3.08 mil
Units in Issue	0.17 mil	1.94 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 <sup>^</sup>

Global equity markets were up 39% over the review period, continuing their strong recovery from the onset of the coronavirus crisis in Q1 2020.

Equity markets moved higher in Q3 2020 as coordinated fiscal and monetary policies helped to support the economic recovery from the Covid-19 pandemic. The start of the quarter saw lockdowns continue to be relaxed and economic activity pick up. At this point, some relative winners and losers were emerging. China and other parts of industrialised Asia seeming to perform well, with smaller oil exporters, EM Asia and the UK lagging.

Equity markets continued to gain in Q4, as initial Covid-19 fears gave way to positive vaccine news, Joe Biden's victory in the US presidential election, further US fiscal stimulus and the agreement of a post-Brexit trade deal between the UK and the EU.

Equity markets moved ahead in the first quarter of 2021, driven by the cyclical recovery of the global economy, continued vaccine roll-out and monetary and fiscal support. Equity returns were strong across all regions, with the UK and the US outperforming. Bond markets were weaker as rising inflation expectations caused negative returns in most bond markets.

Global investment markets had another strong second quarter as global equity markets continued to rally, while bond markets shook off concerns of higher inflation to deliver positive returns over the period. Bond yields moved higher driven by the recovery and concerns over rising inflation. The 10-Year US Treasury yield jumped from 0.7% to 1.5% over the period.

## Market Outlook and Investment Strategy <sup>^</sup>

We are entering the expansion phase of the economic cycle and we expect activity to start exceeding pre-pandemic levels. China and the US are leading, and have already recovered to pre-pandemic levels, whilst the other DMs and EMs may follow later this year and into 2022.

The recovery in the US has been boosted by supportive fiscal policy while Europe is likely to perform well in the coming quarters as its vaccine rollout is now back on track. On the other hand, Emerging Markets have started to take control of the spread of the virus, suggesting stronger growth going forward. Lastly, China has tightened credit conditions in order to tilt their economy away from growth and towards financial stability.

In the short-term, inflation numbers in developed markets are likely to remain elevated given energy price rises, supply chain disruption, and base effects. However, the longer term inflation outlook still remains muted. Importantly, the Fed's policy framework implies a willingness to look through these short term CPI increases and delay interest rate rises. We expect further monetary policy innovation across developed markets. On the other hand, emerging market policy makers face more significant constraints, and we see some EM central banks starting to tighten monetary policy. The key risks to the recovery are vaccine-resistant strains impacting sentiment or stimulus fatigue leading to the early withdrawal of economic support. Short term increases in inflation may trigger a bond market sell-off.

<sup>^</sup> 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 <sup>^</sup> (%)
HSBC Insurance World Selection 1 Fund (USD)*	1.83	0.59	6.24	14.08	N.A.	N.A.	18.16
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)*	4.69	6.91	22.96	26.69	N.A.	N.A.	41.30
HSBC insurance World	5.97	9.88	30.71	N.A.	N.A.	N.A.	34.56

Selection 4 Fund (USD)*							
HSBC Insurance World Selection 5 Fund (USD)*	6.44	10.95	33.26	33.11	N.A.	N.A.	58.38

## II Average Annual Compounded Returns

	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception <sup>^</sup> (%)
HSBC Insurance World Selection 1 Fund (USD)*	4.49	N.A.	N.A.	3.84
HSBC Insurance World Selection 2 Fund (USD)*	N.A.	N.A.	N.A.	N.A.
HSBC Insurance World Selection 3 Fund (USD)*	8.20	N.A.	N.A.	7.71
HSBC Insurance World Selection 4 Fund (USD)*	N.A.	N.A.	N.A.	13.09
HSBC Insurance World Selection 5 Fund (USD)*	10.00	N.A.	N.A.	10.46

\*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.

<sup>^</sup>HSBC Insurance World Selection 1 Fund (USD) Inception Date: 27 Jan 2017  
HSBC Insurance World Selection 2 Fund (USD) Inception Date: 30 Jun 2021  
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 2021	
	% of NAV	MV USD mil
HSBC Portfolios - World Selection 1 (USD)	100.00	0.98
<b>Total</b>	<b>100.00</b>	<b>0.98</b>

#### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	USD
Subscription	125,614
Redemption	134,000

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

#### I Allocation by Country

N.A., as the fund is a fund-of-funds.

As at 30 Jun 2021

#### II Allocation by Industry

N.A., as the fund is a fund-of-funds.

As at 30 Jun 2021

#### III Allocation of Debt Securities by Credit Ratings

N.A.

As at 30 Jun 2021

### IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2021	
	% of NAV	MV USD mil
HSBC GIF Global Govt Bd ZQ1	16.21	75.89
HSBC FTSE All-World Index Instl Acc	7.08	33.15
HSBC GIF Global IG Sec Credit Bd ZC	3.78	17.70
HSBC Multi Factor Worldwide Equity ETF	3.34	15.64
STRUCT INV SI CRSS AST T-EU	2.91	13.63
HSBC GIF Multi-Asset Style Factors ZC	2.48	11.61
HSBC MSCI Canada UCITS ETF	1.99	9.32
LYXOR MSCI WORLD FINANC	1.95	9.13
HSBC GIF Global EM Local Dbt ZQ1	1.81	8.48
HSBC S&P 500 UCITS ETF	1.81	8.48

### Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2020	
	% of NAV	MV USD mil
HSBC FTSE All-World Index Instl Acc	10.74	47.47
HGIF GSD Bond ZQ	8.43	37.25
HSBC GIF Global Govt Bd ZQ1	6.11	27.00
HGIF Global Asset Backed Bond ZC	5.24	23.16
HSBC Multi Factor Worldwide Equity ETF	3.24	14.32
HSBC GIF Global Hi Yld Bd ZQ1	3.02	13.35
HSBC GIF Global EM Local Dbt ZQ1	2.94	12.99
HSBC GIF Multi-Asset Style Factors ZC	2.53	11.18
HSBC GIF Global EM Bd ZQ1	2.20	9.72
iShares Physical Gold ETC	2.08	9.19

### V Exposure to Derivatives

	As at 30 Jun 2021
% of NAV	2.13%
Market value (USD)	9,996,189
Realised Gains / (Losses) (USD)	12,042,261
Unrealised Gains / (Losses) (USD)	704,521

### VI Borrowings of Net Asset Value

	As at 30 Jun 2021
N.A.	

### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance World Selection 1 Fund (USD)		Underlying Sub-Fund	
	As at 30-Jun-21	As at 30-Jun-20	As at 31-Mar-21*	As at 31-Mar-20**
Expense Ratio	1.57%	1.63%	1.18%	1.22%
			As at 30-Jun-21	As at 30-Jun-20
Turnover Ratio	12.09%	54.82%	0.94%	0.81%

\*Based on unaudited figure as at 31 Mar 2021 as the expense ratio of HSBC Portfolios - World Selection 1 (USD) for the financial year ended 30 Jun 2021 is not available.

\*\*Based on unaudited figure as at 31 Mar 2020 for comparative purposes.

### II Related-Party Transactions

HSBC Insurance World Selection 1 Fund (USD) invests USD 0.98 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 2020 to 30 June 2021 amounts to USD 3,057.

### 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 185.

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## HSBC Insurance World Selection 2 Fund (USD)

### B) Fund Disclosure\*

#### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021	
% of NAV	MV	USD mil
HSBC Portfolios - World Selection 2 (USD)	100.00	0.01
<b>Total</b>	<b>100.00</b>	<b>0.01</b>

#### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	USD
Subscription	11,977
Redemption	-

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

##### I Allocation by Country

As at 30 Jun 2021

N.A., as the fund is a fund-of-funds.

##### II Allocation by Industry

As at 30 Jun 2021

N.A., as the fund is a fund-of-funds.

##### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2021

N.A.

#### IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2021	
% of NAV	MV	USD mil
HSBC GIF GLOBAL GOVT BD ZQ1	19.78	139.76
HSBC FTSE ALL-WORLD INDEX INSTL ACC	15.11	106.76
HSBC US DOLLAR LIQUIDITY Y	8.41	59.42
HSBC MULTI FACTOR WORLDWIDE EQUITY ETF	7.36	52.00
HSBC S&P 500 UCITS ETF	4.72	33.35
HSBC GIF GLOBAL IG SEC CREDIT BD ZC	3.96	27.98
HSBC GIF GLOBAL RE EQ ZQ1	3.73	26.35
HSBC GIF GLOBAL EM LOCAL DBT ZQ1	2.67	18.86
HSBC MSCI CANADA UCITS ETF	2.30	16.25
LYXOR MSCI WORLD FINANC	2.26	15.97

#### Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2020	
% of NAV	MV	USD mil
HSBC FTSE All-World Index Instl Acc	18.12	104.74
HSBC GIF Global Government Bond ZQ1	8.63	49.88
HSBC US Dollar Liquidity Y	6.87	39.71
HGIF GSD Bond ZQ	5.45	31.50
HGIF Global Asset Backed Bond ZC	4.91	28.38
HSBC GIF Global Em Local Debt ZQ1	4.45	25.72
HSBC Multi Factor Worldwide Equity ETF	4.37	25.26
HSBC GIF Global High Yield Bond ZQ1	3.43	19.83
HSBC GIF Global Em Bond ZQ1	3.16	18.27
HSBC GIF Global Re Eq ZQ1	2.95	17.05

#### V Exposure to Derivatives

As at 30 Jun 2021

% of NAV	2.19%
Market value (USD)	15,470,252
Realised Gains / (Losses) (USD)	26,549,414
Unrealised Gains / (Losses) (USD)	(4,264,938)

#### VI Borrowings of Net Asset Value

As at 30 Jun 2021

N.A.

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance World Selection 2 Fund (USD)</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20*</b>	<b>As at 31-Mar-21**</b>	<b>As at 31-Mar-20***</b>
Expense Ratio	1.44%	N.A.	1.21%	1.22%
Turnover Ratio	100.19%	N.A.	<b>As at 30-Jun-21</b> 0.85%	<b>As at 30-Jun-20</b> 0.69%

\*Stated as N.A. as fund is yet to be incepted

\*\*Based on unaudited figure as at 31 Mar 2021 as the expense ratio of HSBC Portfolios - World Selection 2 (USD) for the financial year ended 30 Jun 2021 is not available

\*\*\*Based on unaudited figure as at 31 Mar 2020 for comparative purposes.

**II Related-Party Transactions**

HSBC Insurance World Selection 2 Fund (USD) invests USD 0.01 million, equivalent to 100.00% of its net asset value in HSBC Portfolios - World Selection 2 (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

**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 185.

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## HSBC Insurance World Selection 3 Fund (USD)

### B) Fund Disclosure

#### I Allocation by Asset Class

##### Asset Class

HSBC Portfolios - World Selection 3 (USD)

##### Total

	As at 30 Jun 2021
% of NAV	MV USD mil
100.00	3.05
<b>100.00</b>	<b>3.05</b>

#### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

USD

Subscription

755,299

Redemption

411,127

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

##### I Allocation by Country

As at 30 Jun 2021

N.A., as the fund is a fund-of-funds.

##### II Allocation by Industry

As at 30 Jun 2021

N.A., as the fund is a fund-of-funds.

##### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2021

N.A.

#### IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2021
	% of NAV MV USD mil
HSBC FTSE ALL-WORLD INDEX INSTL ACC	13.67 152.25
HSBC MULTI FACTOR WORLDWIDE EQUITY ETF	11.54 128.52
HSBC GIF GLOBAL GOVT BD ZQ1	10.89 121.29
HSBC S&P 500 UCITS ETF	8.34 92.89
HSBC GIF GLOBAL RE EQ ZQ1	5.86 65.26
HSBC AMERICAN INDEX INSTITUTIONAL ACC	4.60 51.23
HSBC GIF GLOBAL EM LOCAL DBT ZQ1	4.09 45.55
HSBC US DOLLAR LIQUIDITY Y	3.42 38.09
HSBC GIF GLOBAL EM BD ZQ1	2.53 28.18
LYXOR MSCI WORLD FINANC	2.50 27.84

#### Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2020
	% of NAV MV USD mil
HSBC FTSE All-World Index Instl Acc	16.82 141.43
HSBC Multi Factor Worldwide Equity ETF	7.90 66.43
HSBC American Index Institutional Acc	7.88 66.26
HSBC GIF Global Em Local Debt ZQ1	6.20 52.13
HSBC GIF Global High Yield Bond ZQ1	5.51 46.33
HSBC GIF Global Re Eq ZQ1	4.39 36.91
HSBC GIF Global Em Bond ZQ1	4.15 34.89
HSBC US Dollar Liquidity Y	4.03 33.89
HSBC European Index Institutional Acc	3.36 28.25
iShares Core S&P 500 ETF USD Acc	3.26 27.41

#### V Exposure to Derivatives

As at 30 Jun 2021

% of NAV

1.74%

Market value (USD)

19,364,854

Realised Gains / (Losses) (USD)

41,158,627

Unrealised Gains / (Losses) (USD)

(10,351,378)

#### VI Borrowings of Net Asset Value

As at 30 Jun 2021

N.A.

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance World Selection 3 Fund (USD)</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20**</b>
Expense Ratio	1.70%	1.72%	1.41%	1.42%
Turnover Ratio	12.87%	53.85%	<b>As at 30-Jun-21</b> 0.68%	<b>As at 30-Jun-20</b> 0.43%

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Portfolios - World Selection 3 (USD) for the financial year ended 30 Jun 2021 is not available.

\*\*Based on audited figure as at 31 Mar 2021 for comparative purposes.

**II Related-Party Transactions**

HSBC Insurance World Selection 3 Fund (USD) invests USD 3.05 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 2020 to 30 June 2021 amounts to USD 9,991.

**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 185.

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## HSBC Insurance World Selection 4 Fund (USD)

### B) Fund Disclosure

#### I Allocation by Asset Class

##### Asset Class

HSBC Portfolios - World Selection 4 (USD)

##### Total

	As at 30 Jun 2021	
% of NAV	MV USD mil	
100.00	0.23	
<b>100.00</b>	<b>0.23</b>	

#### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

Subscription

100,445

Redemption

-

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

#### I Allocation by Country

As at 30 Jun 2021

N.A., as the fund is a fund-of-funds.

#### II Allocation by Industry

As at 30 Jun 2021

N.A., as the fund is a fund-of-funds.

#### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2021

N.A.

#### IV Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2021	
	% of NAV	MV USD mil
HSBC MULTI FACTOR WORLDWIDE EQUITY ETF	15.23	128.43
HSBC S&P 500 UCITS ETF	12.75	107.52
VANGUARD FTSE ALL-WORLD UCITS ETF	10.96	92.42
HSBC FTSE ALL-WORLD INDEX INSTL ACC	9.55	80.53
HSBC GIF GLOBAL RE EQ ZQ1	7.87	66.37
HSBC AMERICAN INDEX INSTITUTIONAL ACC	5.37	45.28
HSBC GIF GLOBAL EM LOCAL DBT ZQ1	3.98	33.56
HSBC MSCI EMERG MKTS ETF	3.94	33.23
HSBC EUROPEAN INDEX INSTITUTIONAL ACC	3.15	26.56
HSBC MSCI CANADA UCITS ETF	2.81	23.70

#### Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2020	
	% of NAV	MV USD mil
HSBC FTSE All-World Index Instl Acc	15.29	100.79
HSBC American Index Institutional Acc	12.59	82.99
HSBC Multi Factor Worldwide Equity ETF	11.14	73.43
Vanguard FTSE All-World UCITS ETF	10.71	70.60
HSBC GIF Global Re Eq ZQ1	5.87	38.69
HSBC GIF Global Em Local Debt ZQ1	5.75	37.90
HSBC European Index Institutional Acc	4.82	31.77
iShares Core MSCI Em IMI ETF USD Acc	4.15	27.36
iShares Core S&P 500 ETF USD Acc	3.99	26.30
HSBC GIF Global Em Bond ZQ1	3.55	23.40

#### V Exposure to Derivatives

As at 30 Jun 2021

% of NAV

1.67%

Market value (USD)

14,105,765

Realised Gains / (Losses) (USD)

39,854,015

Unrealised Gains / (Losses) (USD)

(15,211,919)

#### VI Borrowings of Net Asset Value

As at 30 Jun 2021

N.A.



**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance World Selection 4 Fund (USD)</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-2020</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20**</b>
Expense Ratio	1.73%	1.74%	1.39%	1.39%
Turnover Ratio	64.19%	32.48%	<b>As at 30-Jun-21</b> 0.58%	<b>As at 30-Jun-20</b> 0.30%

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Portfolios - World Selection 4 (USD) for the financial year ended 30 Jun 2021 is not available.

\*\*Based on unaudited figure as at 31 Mar 2020 for comparative purposes.

**II Related-Party Transactions**

HSBC Insurance World Selection 4 Fund (USD) invests USD 0.23 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 2020 to 30 June 2021 amounts to USD 946.

**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 186.

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## HSBC Insurance World Selection 5 Fund (USD)

### B) Fund Disclosure

#### I Allocation by Asset Class

Asset Class	% of NAV	As at 30 Jun 2021 MV USD mil
HSBC Portfolios - World Selection 5 (USD)	100.00	3.08
<b>Total</b>	<b>100.00</b>	<b>3.08</b>

#### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	USD
Subscription	758,262
Redemption	111,620

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

#### I Allocation by Country

As at 30 Jun 2021

N.A., as the fund is a fund-of-funds.

#### II Allocation by Industry

As at 30 Jun 2021

N.A., as the fund is a fund-of-funds.

#### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2021

N.A.

### IV Top Ten Holdings of Underlying Sub-Fund

	% of NAV	As at 30 Jun 2021 MV USD mil
HSBC S&P 500 UCITS ETF	17.14	67.14
HSBC MULTI FACTOR WORLDWIDE EQUITY ETF	15.68	61.42
HSBC FTSE ALL-WORLD INDEX INSTL ACC	12.24	47.94
ISHARES CORE S&P 500 ETF USD ACC	8.92	34.94
HSBC GIF GLOBAL RE EQ ZQ1	8.63	33.80
HSBC MSCI EMERG MKTS ETF	5.63	22.05
HSBC EUROPEAN INDEX INSTITUTIONAL ACC	5.16	20.21
HSBC MSCI CANADA UCITS ETF	3.03	11.87
LYXOR MSCI WORLD FINANC	2.92	11.44
HSBC JAPAN INDEX INSTL ACC	2.80	10.97

### Top Ten Holdings of Underlying Sub-Fund

	% of NAV	As at 30 Jun 2020 MV USD mil
HSBC FTSE All-World Index Instl Acc	15.64	45.66
iShares Core S&P 500 ETF USD Acc	15.59	45.51
HSBC Multi Factor Worldwide Equity ETF	11.93	34.82
HSBC American Index Institutional Acc	9.50	27.73
HSBC GIF Global Re Eq ZQ1	7.39	21.57
HSBC European Index Institutional Acc	7.16	20.90
iShares Core MSCI Em INI ETF USD Acc	6.15	17.95
HSBC Japan Index Instl Acc	3.95	11.53
Struct GS Cross Asset Trend E USD Acc	2.97	8.67
HSBC FTSE 100 Index Instl Acc	2.30	6.71

### V Exposure to Derivatives

As at 30 Jun 2021

% of NAV	1.70%
Market value (USD)	6,658,910
Realised Gains / (Losses) (USD)	17,045,935
Unrealised Gains / (Losses) (USD)	(6,796,864)

### VI Borrowings of Net Asset Value

As at 30 Jun 2021

N.A.

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance World Selection 5 Fund (USD)</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-21</b>	<b>As at 30-Jun-20</b>	<b>As at 31-Mar-21*</b>	<b>As at 31-Mar-20**</b>
Expense Ratio	1.82%	1.82%	1.53%	1.52%
Turnover Ratio	10.88%	5.38%	<b>As at 30-Jun-21</b> 0.68%	<b>As at 30-Jun-20</b> 0.26%

\*Based on audited figure as at 31 Mar 2021 as the expense ratio of HSBC Portfolios - World Selection 5 (USD) for the financial year ended 30 Jun 2021 is not available.

\*\*Based on unaudited figure as at 31 Mar 2020 for comparative purposes.

**II Related-Party Transactions**

HSBC Insurance World Selection 5 Fund (USD) invests USD3.08 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 2020 to 30 June 2021 amounts to USD 9,702.

**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 186.

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## HSBC Life FlexConcept Fund (USD)

### Fund Objective

HSBC Life FlexConcept Fund (USD) (the "ILP Sub-Fund") invests all or substantially all of its assets into MEAG FlexConcept – BEST 10 USD (the "Underlying Sub-Fund") which is set up under Luxembourg law. The Underlying Sub-Fund's objective is to achieve sustainable capital growth in the mid to long term by maintaining exposure to equity and bond markets using a rule-based investment strategy with the objective to participate in the performance of the Systematix BEST 10% RC USD Index.

### FUND FACTS

Underlying Sub-Fund	MEAG FlexConcept - BEST10USD	
Fund Manager	MEAG Luxembourg S.a r.l.	
Launch Date	20 Jan 2020	
CPFIS/SRS	Cash	
CPFIS Risk	N.A.	
Classification		
As at 30 June 2021		
Offer Price	USD	1.06306
Bid Price	USD	1.06306
Fund Size	USD	3.94 mil
Units in Issue		3.70 mil

### Investment and Market Review ^

Pandemic: Vaccination differences bite

Global case numbers are on the rise again, mainly due to the EU and LATAM while the higher degree of vaccinations seems to bear the first fruits in the US/UK. The reopening process in the Eurozone should be delayed further. Mutations still pose a central risk.

Economics: Eurozone remains the laggard

A gradual reopening is already visible in the US and the UK and a massive reopening rebound will be visible in Q2 while for the Eurozone this should be more muted. On the inflation side, huge base effects will bite in the coming 3-6 months.

Central banks: Challenges rise

The major central banks keep their dovish stance and continue to provide support despite the recent yield rise providing a challenge. The FED strongly emphasized their FAIT framework while the ECB announced higher weekly PEPP purchases.

### Market Outlook and Investment Strategy ^

Fiscal policy: Risk of doing too much

Democrats pushed through their nearly 1.9 trillion package via reconciliation, on top of the 900bn at the end of 2020, and the discussions on an infrastructure package will start soon. Fiscal stimulus from the EU Recovery Fund will be more back-loaded to H2.

Political risks awake

The Draghi government has reduced the tail risks for Italy. However, tensions between the US and Russia soared and should intensify, vaccine supply chains could be threatened, not any softening of stances between EU/UK, US/China and more risks in the Middle East.

Conviction – "Regeneration"

Our highest conviction (65%) is for a "Regeneration" of the global economy on the back of a containment of the virus, but not an elimination. The mutations on the one hand and the strong involvement of retail investors on the other underpin our two alternative scenarios.

^ Source: MEAG Luxembourg S.a r.l.

## A) Fund Performance

### I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Life FlexConcept Fund (USD)	4.51	4.43	11.98	N.A.	N.A.	N.A.	6.31
Benchmark*	4.70	5.65	14.70	N.A.	N.A.	N.A.	10.42

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Life FlexConcept Fund (USD)	N.A.	N.A.	N.A.	4.34
Benchmark*	N.A.	N.A.	N.A.	7.13

\* Systematix BEST 10% RC USD Index

<sup>^</sup>Inception Date: 20 Jan 2020

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2021	
	% of NAV	MV USD mil
MEAG FlexConcept – BEST10USD	100.25	3.95
Other liabilities	(0.25)	(0.01)
<b>Total</b>	<b>100.00</b>	<b>3.94</b>

### II Fund Movement

(01 Jul 2020 - 30 Jun 2021)

	USD
Subscription	1,033,616
Redemption	1,134,469

## C) Underlying Fund Disclosure (MEAG FlexConcept – BEST10USD)

### I Allocation by Country

Country	As at 31 Mar 2021†	
	% of NAV	MV USD mil
United States	100.00	3.19
<b>Total</b>	<b>100.00</b>	<b>3.19</b>

### II Allocation by Industry

Industry	As at 31 Mar 2021†	
	% of NAV	MV USD mil
Government Bonds	84.64	2.70
Cash	15.36	0.49
<b>Total</b>	<b>100.00</b>	<b>3.19</b>

### III Allocation of Debt Securities by Credit Ratings

Rating	As at 31 Mar 2021†	
	% of NAV	MV USD mil
AAA equivalent	84.64	2.70
<b>Total</b>	<b>84.64</b>	<b>2.70</b>

## IV Top Ten Holdings of Underlying Sub-Fund

	As at 31 Mar 2021†	
	% of NAV	MV USD mil
USA 2.625% 18-15.12.21 /TBO	9.72	0.31
USA 2.5% 19-15.01.22 TBO AH-2022	9.70	0.31
USA 2.375% 18-15.04.21 /TBO	9.40	0.30
US TREAS 2.875%18-15.10.21/TBO	6.27	0.20
USA 2.75% 18-15.09.21 /TBO	6.27	0.20
USA 2.125% 11-15.08.21 E-2021	6.27	0.20
USA 2.625% 18-15.07.21 /TBO	6.27	0.20
US TREA 2.625% 18-15.6.21 /TBO	6.27	0.20
USA 2.625% 18-15.05.21 /TBO	6.27	0.20
USA 1.375% 16-31.05.21 /TBO	6.27	0.20

#### IV Top Ten Holdings of Underlying Sub-Fund

	As at 31 Mar 2020†	
	% of NAV	MV USD mil
USA 2.375% 18-15.03.21 /TBO	7.37	0.21
USA 2.5% 31.01.21 /TBO	6.90	0.20
USA 2.625% 10-15.11.20 TBO	6.90	0.20
USA 1.125% 16-28.02.21 /TBO	6.90	0.20
USA 1.625% 17-15.10.20 /TBO	6.90	0.20
USA 0% 19-08.10.20 TB	6.90	0.20
USA -0% TB 19-05.11.20	6.90	0.20
USA 0% 20-25.02.21 TB	6.90	0.20
USA 0% 19-25.06.20 TB	5.17	0.15

#### V Exposure to Derivatives

	As at 31 Mar 2020†	
% of NAV	100.49%	
Market value (USD)	3,205,529	
Realised Gains / (Losses) (USD)	-	
Unrealised Gains / (Losses) (USD)	-258	

#### VI Borrowings of Net Asset Value

	As at 31 Mar 2020†
N.A.	

† Based on audited figures as at 31 Mar 2021 as the unaudited figures as at 30 Jun 2021 are not available.

& Based on audited figures as at 31 Mar 2021 as the unaudited figures as at 30 Jun 2021 are not available.

#### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Life FlexConcept Fund (USD)		Underlying Sub-Fund	
	As at 30-Jun-21	As at 30-Jun-20	As at 31-Mar-21*	As at 31-Mar-20**
Expense Ratio	1.86%	2.24%	1.62%	2.00%
				As at 30-Jun-20***
Turnover Ratio	21.13%	8.87%	67.40%	N.A.

\*Based on unaudited figures as at 31 Mar 2021 as the turnover and expense ratios of MEAG FlexConcept – BEST10USD (USD) for the financial year ended 30 Jun 2021 are not available.

\*\*Based on unaudited figure as at 31 Mar 2020 for comparative purposes.

\*\*\*Stated as N.A. as fund is inception on 22 Jan 2020.

#### 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 186.

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STATEMENT BY DIRECTORS

*For the financial year/period ended 30 June 2021*

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 170 to 190 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 directors of HSBC Insurance (Singapore) Pte. Limited

---

**Carlos M Vazquez**

*Director*

30 September 2021

## **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 170 to 171) of HSBC Insurance (Singapore) Pte. Limited ("the Company") for the financial year/period ended 30 June 2021 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 2021;
- 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, statement by directors, 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 devising and maintaining a system of internal accounting controls sufficient to enable the preparation of financial statements that are free from material misstatements, 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 2021

The Capital and Income Accounts and Statements of Assets and Liabilities and 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 Sustainable Equity Portfolio Fund	HSBC Insurance World Selection 5 Fund
HSBC Insurance Global Equity Volatility Focused Fund	

The Capital and Income Accounts and Statements of Assets and Liabilities and of the following Investment- Linked Funds are covered in this report (Cont):

HSBC Insurance Europe Dynamic Equity Fund (USD)	HSBC Insurance US Equity Portfolio Fund (USD)
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HSBC Insurance Global Emerging Markets Bond Fund (USD)	HSBC Insurance World selection 1 Fund (USD)
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HSBC Insurance Global Emerging Markets Equity Fund (USD)	HSBC Insurance World Selection 2 Fund (USD)
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HSBC Insurance Global Sustainable Equity Portfolio Fund (USD)	HSBC Insurance World Selection 3 Fund (USD)
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HSBC Insurance Global Equity Volatility Focused Fund (USD)	HSBC Insurance World Selection 4 Fund (USD)
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HSBC Insurance Global High Income Bond Fund (USD)	HSBC Insurance World Selection 5 Fund (USD)
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HSBC Insurance India Equity Fund (USD)	HSBC Life FlexConcept Fund (USD)
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HSBC Insurance Pacific Equity Fund (USD)

## Financial Statements

	HSBC Insurance Asia Equity Fund S\$	HSBC Insurance Asia Focused Income Fund S\$	HSBC Insurance Asian Bond Fund S\$
<b>Capital and Income Account</b>			
<b>For The Financial Year Ended 30 June 2021</b>			
Value of Fund as at 1 July 2020	85,600,889	8,051,106	18,140,024
Amounts received by the Fund for creation of units	5,036,293	1,251,439	1,817,681
Amounts paid by the Fund for liquidation of units	(19,274,483)	(2,060,807)	(5,065,638)
Net cash into/(out of) Fund	(14,238,190)	(809,368)	(3,247,957)
Unrealised appreciation/(diminution) in value of investments	14,850,904	916,077	(1,905,441)
Gain/(Loss) on sale of investments	7,821,758	220,032	2,305,428
Management fees	(1,419,153)	(105,095)	(169,282)
Other expenses	(35,431)	(3,149)	(6,340)
Increase/(Decrease) in net asset value for the period	6,979,888	218,497	(3,023,592)
<b>Value of Fund as at 30 June 2021</b>	<b>92,580,777</b>	<b>8,269,603</b>	<b>15,116,432</b>
<b>Statement of Assets and Liabilities</b>			
<b>As at 30 June 2021</b>			
<u>Assets</u>			
Investments in funds	92,626,109	8,269,855	15,117,398
Other debtors	171,220	78,206	51,721
Total assets	92,797,329	8,348,061	15,169,119
<u>Liabilities</u>			
Other creditors	(216,552)	(78,458)	(52,687)
<b>Value of Fund as at 30 June 2021</b>	<b>92,580,777</b>	<b>8,269,603</b>	<b>15,116,432</b>

The accompanying notes form an integral part of these financial statements.

**Financial Statements (Cont)**

	HSBC Insurance China Equity Fund S\$	HSBC Insurance Chinese Equity Fund S\$	HSBC Insurance Emerging Markets Equity Fund S\$
<b>Capital and Income Account For The Financial Year Ended 30 June 2021</b>			
Value of Fund as at 1 July 2020	81,738,458	28,910,501	25,347,745
Amounts received by the Fund for creation of units	3,897,589	13,882,278	1,510,832
Amounts paid by the Fund for liquidation of units	(19,256,357)	(6,309,381)	(5,544,000)
Net cash into/(out of) Fund	(15,358,768)	7,572,897	(4,033,168)
Unrealised appreciation/(diminution) in value of investments	18,464,812	7,175,293	7,978,903
Gain/(Loss) on sale of investments	9,207,537	1,110,046	1,751,761
Management fees	(1,382,508)	(589,835)	(438,615)
Other expenses	(34,517)	(14,726)	(10,951)
Increase/(Decrease) in net asset value for the period	10,896,556	15,253,675	5,247,930
<b>Value of Fund as at 30 June 2021</b>	<b>92,635,014</b>	<b>44,164,176</b>	<b>30,595,675</b>
<b>Statement of Assets and Liabilities As at 30 June 2021</b>			
<u>Assets</u>			
Investments in funds	92,662,121	44,109,169	30,594,328
Other debtors	120,307	96,913	55,912
Total assets	92,782,428	44,206,082	30,650,240
<u>Liabilities</u>			
Other creditors	(147,414)	(41,906)	(54,565)
<b>Value of Fund as at 30 June 2021</b>	<b>92,635,014</b>	<b>44,164,176</b>	<b>30,595,675</b>

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\$
<b>Capital and Income Account</b>			
<b>For The Financial Year Ended 30 June 2021</b>			
Value of Fund as at 1 July 2020	38,988,458	14,719,182	27,612,983
Amounts received by the Fund for creation of units	815,934	112,388	4,176,060
Amounts paid by the Fund for liquidation of units	(7,133,153)	(998,650)	(8,608,745)
Net cash into/(out of) Fund	(6,317,219)	(886,262)	(4,432,685)
Unrealised appreciation/(diminution) in value of investments	10,485,666	(137,552)	8,430,851
Gain/(Loss) on sale of investments	1,377,443	19,293	504,432
Dividend Income	-	527,569	-
Other Income	50,000	-	-
Management fees	(644,966)	(187,212)	(438,989)
Other expenses	-	(5,435)	(10,960)
Increase/(Decrease) in net asset value for the period	4,950,924	(669,599)	4,052,649
<b>Value of Fund as at 30 June 2021</b>	<b>43,939,382</b>	<b>14,049,583</b>	<b>31,665,632</b>
<b>Statement of Assets and Liabilities</b>			
<b>As at 30 June 2021</b>			
<u>Assets</u>			
Investments in funds	43,914,843	14,051,897	31,705,690
Other debtors	151,755	60,957	61,442
Total assets	44,066,598	14,112,854	31,767,132
<u>Liabilities</u>			
Other creditors	(127,216)	(63,271)	(101,500)
<b>Value of Fund as at 30 June 2021</b>	<b>43,939,382</b>	<b>14,049,583</b>	<b>31,665,632</b>

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\$
<b>Capital and Income Account</b>			
<b>For The Financial Year Ended 30 June 2021</b>			
Value of Fund as at 1 July 2020	7,373,400	2,098,316	13,960,667
Amounts received by the Fund for creation of units	486,086	367,433	5,409,292
Amounts paid by the Fund for liquidation of units	(844,910)	(956,062)	(2,804,035)
Net cash into/(out of) Fund	(358,824)	(588,629)	2,605,257
Unrealised appreciation/(diminution) in value of investments	(136,404)	417,239	5,363,596
Gain/(Loss) on sale of investments	126,195	(227,364)	738,591
Other Income	3,000	-	-
Management fees	(57,280)	(32,299)	(288,639)
Other expenses	(2,681)	(723)	(7,206)
Increase/(Decrease) in net asset value for the period	(425,994)	(431,776)	8,411,599
<b>Value of Fund as at 30 June 2021</b>	<b>6,947,406</b>	<b>1,666,540</b>	<b>22,372,266</b>
<b>Statement of Assets and Liabilities</b>			
<b>As at 30 June 2021</b>			
<u>Assets</u>			
Investments in funds	6,939,924	1,666,740	22,369,374
Other debtors	7,981	-	99,909
Total assets	6,947,905	1,666,740	22,469,283
<u>Liabilities</u>			
Other creditors	(499)	(200)	(97,017)
<b>Value of Fund as at 30 June 2021</b>	<b>6,947,406</b>	<b>1,666,540</b>	<b>22,372,266</b>

The accompanying notes form an integral part of these financial statements.



## Financial Statements (Cont)

	HSBC Insurance Global Equity Fund S\$	HSBC Insurance Global Sustainable Equity Portfolio Fund S\$	HSBC Insurance Global Equity Volatility Focused Fund S\$
<b>Capital and Income Account</b>			
<b>For The Financial Year Ended 30 June 2021</b>			
Value of Fund as at 1 July 2020	67,854,528	12,312,594	5,023,331
Amounts received by the Fund for creation of units	1,267,441	2,934,162	548,050
Amounts paid by the Fund for liquidation of units	(9,905,914)	(4,855,274)	(1,527,063)
Net cash into/(out of) Fund	(8,638,473)	(1,921,112)	(979,013)
Unrealised appreciation/(diminution) in value of investments	19,490,210	1,309,263	1,266,022
Gain/(Loss) on sale of investments	5,717,538	3,109,181	222,716
Dividend income	-	221,650	-
Management fees	(1,228,331)	(115,501)	(80,407)
Other expenses	(28,751)	(5,269)	(2,008)
Increase/(Decrease) in net asset value for the period	15,312,193	2,598,212	427,310
<b>Value of Fund as at 30 June 2021</b>	<b>83,166,721</b>	<b>14,910,806</b>	<b>5,450,641</b>
<b>Statement of Assets and Liabilities</b>			
<b>As at 30 June 2021</b>			
<u>Assets</u>			
Investments in funds	83,261,234	14,922,081	5,451,001
Other debtors	129,565	2,453	116,698
Total assets	83,390,799	14,924,534	5,567,699
<u>Liabilities</u>			
Other creditors	(224,078)	(13,728)	(117,058)
<b>Value of Fund as at 30 June 2021</b>	<b>83,166,721</b>	<b>14,910,806</b>	<b>5,450,641</b>

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\$
<b>Capital and Income Account</b>			
<b>For The Financial Year Ended 30 June 2021</b>			
Value of Fund as at 1 July 2020	5,565,836	1,880,579	43,466,586
Amounts received by the Fund for creation of units	1,107,651	423,606	6,579,492
Amounts paid by the Fund for liquidation of units	(1,665,662)	(848,426)	(13,549,867)
Net cash into/(out of) Fund	(558,011)	(424,820)	(6,970,375)
Unrealised appreciation/(diminution) in value of investments	335,448	254,600	19,773,429
Gain/(Loss) on sale of investments	144,844	34,265	2,362,764
Management fees	(70,923)	(22,248)	(796,012)
Other expenses	(2,125)	(667)	(19,874)
Increase/(Decrease) in net asset value for the period	(150,767)	(158,870)	14,349,932
<b>Value of Fund as at 30 June 2021</b>	<b>5,415,069</b>	<b>1,721,709</b>	<b>57,816,518</b>
<b>Statement of Assets and Liabilities</b>			
<b>As at 30 June 2021</b>			
<u>Assets</u>			
Investments in funds	5,415,420	1,721,478	57,831,292
Other debtors	17	285	170,898
Total assets	5,415,437	1,721,763	58,002,190
<u>Liabilities</u>			
Other creditors	(368)	(54)	(185,672)
<b>Value of Fund as at 30 June 2021</b>	<b>5,415,069</b>	<b>1,721,709</b>	<b>57,816,518</b>

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\$
<b>Capital and Income Account</b>			
<b>For The Financial Year Ended 30 June 2021</b>			
Value of Fund as at 1 July 2020	140,822,422	125,054,034	25,621,891
Amounts received by the Fund for creation of units	21,028,784	4,952,424	1,448,445
Amounts paid by the Fund for liquidation of units	(52,919,455)	(10,811,202)	(4,152,177)
Net cash into/(out of) Fund	(31,890,671)	(5,858,778)	(2,703,732)
Unrealised appreciation/(diminution) in value of investments	34,663,595	3,837,430	1,025,840
Gain/(Loss) on sale of investments	14,211,750	4,016,369	84,572
Management fees	(2,329,003)	(885,350)	(198,572)
Other expenses	(58,147)	(47,366)	(9,296)
Increase/(Decrease) in net asset value for the period	14,597,524	1,062,305	(1,801,188)
<b>Value of Fund as at 30 June 2021</b>	<b>155,419,946</b>	<b>126,116,339</b>	<b>23,820,703</b>
<b>Statement of Assets and Liabilities</b>			
<b>As at 30 June 2021</b>			
<u>Assets</u>			
Investments in funds	155,430,136	126,188,614	23,820,302
Cash and bank balances	53,377	-	-
Other debtors	405,502	298,547	59,850
Total assets	155,889,015	126,487,161	23,880,152
<u>Liabilities</u>			
Other creditors	(469,069)	(370,822)	(59,449)
<b>Value of Fund as at 30 June 2021</b>	<b>155,419,946</b>	<b>126,116,339</b>	<b>23,820,703</b>

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\$
<b>Capital and Income Account</b>			
<b>For The Financial Year Ended 30 June 2021</b>			
Value of Fund as at 1 July 2020	17,176,526	11,789,351	8,993,584
Amounts received by the Fund for creation of units	4,709,589	3,002,542	7,924,926
Amounts paid by the Fund for liquidation of units	(6,055,417)	(5,587,063)	(2,738,324)
Net cash into/(out of) Fund	(1,345,828)	(2,584,521)	5,186,602
Unrealised appreciation/(diminution) in value of investments	3,479,358	4,670,159	3,844,348
Gain/(Loss) on sale of investments	(539,582)	870,071	514,915
Dividend Income	765,181	116,551	-
Management fees	(212,307)	(54,080)	(194,210)
Other expenses	(7,067)	(5,063)	(4,849)
Increase/(Decrease) in net asset value for the period	2,139,755	3,013,117	9,346,806
<b>Value of Fund as at 30 June 2021</b>	<b>19,316,281</b>	<b>14,802,468</b>	<b>18,340,390</b>
<b>Statement of Assets and Liabilities</b>			
<b>As at 30 June 2021</b>			
<u>Assets</u>			
Investments in funds	19,316,635	14,800,103	18,291,611
Other debtors	29,197	27,602	85,302
Total assets	19,345,832	14,827,705	18,376,913
<u>Liabilities</u>			
Other creditors	(29,551)	(25,237)	(36,523)
<b>Value of Fund as at 30 June 2021</b>	<b>19,316,281</b>	<b>14,802,468</b>	<b>18,340,390</b>

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\$
<b>Capital and Income Account</b>			
<b>For The Financial Year Ended 30 June 2021</b>			
Value of Fund as at 1 July 2020	4,113,038	96,590	13,447,404
Amounts received by the Fund for creation of units	2,139,652	194,999	4,001,814
Amounts paid by the Fund for liquidation of units	(1,835,347)	(13,512)	(4,200,010)
Net cash into/(out of) Fund	304,305	181,487	(198,196)
Unrealised appreciation/(diminution) in value of investments	216,730	22,339	2,775,023
Gain/(Loss) on sale of investments	102,041	1,004	480,576
Management fees	(61,455)	(2,761)	(221,190)
Other expenses	(1,705)	(74)	(5,713)
Increase/(Decrease) in net asset value for the period	559,916	201,995	2,830,500
<b>Value of Fund as at 30 June 2021</b>	<b>4,672,954</b>	<b>298,585</b>	<b>16,277,904</b>
<b>Statement of Assets and Liabilities</b>			
<b>As at 30 June 2021</b>			
<u>Assets</u>			
Investments in funds	4,705,523	298,811	16,372,970
Other debtors	-	-	-
Total assets	4,705,523	298,811	16,372,970
<u>Liabilities</u>			
Other creditors	(32,569)	(226)	(95,066)
<b>Value of Fund as at 30 June 2021</b>	<b>4,672,954</b>	<b>298,585</b>	<b>16,277,904</b>

The accompanying notes form an integral part of these financial statements.

**Financial Statements (Cont)**

	<b>HSBC Insurance World Selection 4 Fund S\$</b>	<b>HSBC Insurance World Selection 5 Fund S\$</b>
<b>Capital and Income Account For The Financial Year Ended 30 June 2021</b>		
Value of Fund as at 1 July 2020	739,821	17,817,808
Amounts received by the Fund for creation of units	937,380	3,350,142
Amounts paid by the Fund for liquidation of units	-	(5,847,529)
Net cash into/(out of) Fund	937,380	(2,497,387)
Unrealised appreciation/(diminution) in value of investments	342,559	4,926,595
Gain/(Loss) on sale of investments	7,759	909,809
Management fees	(20,736)	(309,603)
Other expenses	(518)	(7,481)
Increase/(Decrease) in net asset value for the period	1,266,444	3,021,933
<b>Value of Fund as at 30 June 2021</b>	<b>2,006,265</b>	<b>20,839,741</b>
<b>Statement of Assets and Liabilities As at 30 June 2021</b>		
<u>Assets</u>		
Investments in funds	2,006,817	20,970,265
Other debtors	2,009	11,987
Total assets	2,008,826	20,982,252
<u>Liabilities</u>		
Other creditors	(2,561)	(142,511)
<b>Value of Fund as at 30 June 2021</b>	<b>2,006,265</b>	<b>20,839,741</b>

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\$
<b>Capital and Income Account For The Financial Year Ended 30 June 2021</b>			
Value of Fund as at 1 July 2020	2,450,724	1,498,432	4,362,141
Amounts received by the Fund for creation of units	736,378	242,277	1,462,881
Amounts paid by the Fund for liquidation of units	(28,526)	(351,560)	(242,786)
Net cash into/(out of) Fund	707,852	(109,283)	1,220,095
Unrealised appreciation/(diminution) in value of investments	995,590	90,127	2,075,244
Gain/(Loss) on sale of investments	2,611	58,796	85,094
Management fees	(48,243)	(27,487)	(96,077)
Other expenses	(1,204)	(617)	(2,399)
Increase/(Decrease) in net asset value for the period	1,656,606	11,536	3,281,957
<b>Value of Fund as at 30 June 2021</b>	<b>4,107,330</b>	<b>1,509,968</b>	<b>7,644,098</b>
<b>Statement of Assets and Liabilities As at 30 June 2021</b>			
<u>Assets</u>			
Investments in funds	4,106,364	1,509,361	7,631,294
Other debtors	1,094	654	25,074
Total assets	4,107,458	1,510,015	7,656,368
<u>Liabilities</u>			
Other creditors	(128)	(47)	(12,270)
<b>Value of Fund as at 30 June 2021</b>	<b>4,107,330</b>	<b>1,509,968</b>	<b>7,644,098</b>

The accompanying notes form an integral part of these financial statements.

## Financial Statements (Cont)

	HSBC Insurance Global Sustainable Equity Portfolio Fund (USD) US\$	HSBC Insurance Global Equity Volatility Focused Fund (USD) US\$	HSBC Insurance Global High Income Bond Fund (USD) US\$
<b>Capital and Income Account</b>			
<b>For The Financial Year Ended 30 June 2021</b>			
Value of Fund as at 1 July 2020	4,070,046	186,740	1,898,606
Amounts received by the Fund for creation of units	1,221,644	111,633	360,999
Amounts paid by the Fund for liquidation of units	(1,219,448)	(67,783)	(471,139)
Net cash into/(out of) Fund	2,196	43,850	(110,140)
Unrealised appreciation/(diminution) in value of investments	614,605	57,550	125,702
Gain/(Loss) on sale of investments	1,279,275	11,174	50,354
Dividend Income	74,564	-	-
Management fees	(44,459)	(3,828)	(26,240)
Other expenses	(2,002)	(95)	(786)
Increase/(Decrease) in net asset value for the period	1,924,179	108,651	38,890
<b>Value of Fund as at 30 June 2021</b>	<b>5,994,225</b>	<b>295,391</b>	<b>1,937,496</b>
<b>Statement of Assets and Liabilities</b>			
<b>As at 30 June 2021</b>			
<u>Assets</u>			
Investments in funds	5,981,394	294,176	1,925,578
Other debtors	15,505	1,225	64,378
Total assets	5,996,899	295,401	1,989,956
<u>Liabilities</u>			
Other creditors	(2,674)	(10)	(52,460)
<b>Value of Fund as at 30 June 2021</b>	<b>5,994,225</b>	<b>295,391</b>	<b>1,937,496</b>

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\$
<b>Capital and Income Account</b>			
<b>For The Financial Year Ended 30 June 2021</b>			
Value of Fund as at 1 July 2020	2,043,413	11,952,544	3,375,426
Amounts received by the Fund for creation of units	623,799	3,906,986	1,410,840
Amounts paid by the Fund for liquidation of units	(254,333)	(996,911)	(652,309)
Net cash into/(out of) Fund	369,466	2,910,075	758,531
Unrealised appreciation/(diminution) in value of investments	1,252,469	5,103,995	2,008,066
Gain/(Loss) on sale of investments	42,788	413,887	192,991
Dividend Income	-	-	34,784
Management fees	(44,817)	(258,476)	(20,148)
Other expenses	(1,119)	(6,453)	(1,886)
Increase/(Decrease) in net asset value for the period	1,618,787	8,163,028	2,972,338
<b>Value of Fund as at 30 June 2021</b>	<b>3,662,200</b>	<b>20,115,572</b>	<b>6,347,764</b>
<b>Statement of Assets and Liabilities</b>			
<b>As at 30 June 2021</b>			
<u>Assets</u>			
Investments in funds	3,662,572	20,114,476	6,335,426
Cash and bank balances	-	1,504	-
Other debtors	-	7,111	17,642
Total assets	3,662,572	20,123,091	6,353,068
<u>Liabilities</u>			
Other creditors	(372)	(7,519)	(5,304)
<b>Value of Fund as at 30 June 2021</b>	<b>3,662,200</b>	<b>20,115,572</b>	<b>6,347,764</b>

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\$
<b>Capital and Income Account For The Financial Year Ended 30 June 2021</b>			
Value of Fund as at 1 July 2020	924,291	-	2,155,075
Amounts received by the Fund for creation of units	125,614	11,977	755,299
Amounts paid by the Fund for liquidation of units	(134,000)	-	(411,127)
Net cash into/(out of) Fund	(8,386)	11,977	344,172
Unrealised appreciation/(diminution) in value of investments	64,367	-	534,238
Gain/(Loss) on sale of investments	9,381	-	57,617
Management fees	(13,758)	-	(40,241)
Other expenses	(382)	-	(1,039)
Increase/(Decrease) in net asset value for the period	51,222	11,977	894,747
<b>Value of Fund as at 30 June 2021</b>	<b>975,513</b>	<b>11,977</b>	<b>3,049,822</b>
<b>Statement of Assets and Liabilities As at 30 June 2021</b>			
<u>Assets</u>			
Investments in funds	975,854	12,000	3,050,575
Other debtors	57,308	11,977	156,566
Total assets	1,033,162	23,977	3,207,141
<u>Liabilities</u>			
Other creditors	(57,649)	(12,000)	(157,319)
<b>Value of Fund as at 30 June 2021</b>	<b>975,513</b>	<b>11,977</b>	<b>3,049,822</b>

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\$	HSBC Life FlexConcept Fund (USD) US\$
<b>Capital and Income Account</b>			
<b>For The Financial Year Ended 30 June 2021</b>			
Value of Fund as at 1 July 2020	88,300	1,752,347	3,613,196
Amounts received by the Fund for creation of units	100,445	758,262	1,033,616
Amounts paid by the Fund for liquidation of units	-	(111,620)	(1,134,469)
Net cash into/(out of) Fund	100,445	646,642	(100,853)
Unrealised appreciation/(diminution) in value of investments	41,017	678,623	419,225
Gain/(Loss) on sale of investments	-	40,622	24,588
Management fees	(2,364)	(38,558)	(17,936)
Other expenses	(59)	(932)	(1,343)
Increase/(Decrease) in net asset value for the period	139,039	1,326,397	323,681
<b>Value of Fund as at 30 June 2021</b>	<b>227,339</b>	<b>3,078,744</b>	<b>3,936,877</b>
<b>Statement of Assets and Liabilities</b>			
<b>As at 30 June 2021</b>			
<u>Assets</u>			
Investments in funds	227,784	3,077,652	3,945,611
Other debtors	-	1,813	-
Total assets	227,784	3,079,465	3,945,611
<u>Liabilities</u>			
Other creditors	(445)	(721)	(8,734)
<b>Value of Fund as at 30 June 2021</b>	<b>227,339</b>	<b>3,078,744</b>	<b>3,936,877</b>

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:

<u>Funds</u>	<u>Units in issue as at 30 June 2021</u>
HSBC Insurance Asia Equity Fund	23,238,176
HSBC Insurance Asia Focused Income Fund	6,492,185
HSBC Insurance Asian Bond Fund	7,706,618
HSBC Insurance China Equity Fund	21,496,891
HSBC Insurance Chinese Equity Fund	20,826,921
HSBC Insurance Emerging Markets Equity Fund	17,191,752
HSBC Insurance Ethical Global Equity Fund	27,171,472
HSBC Insurance Ethical Global Sukuk Fund	10,962,625
HSBC Insurance Europe Dynamic Equity Fund	19,980,446
HSBC Insurance Global Bond Fund	5,369,904
HSBC Insurance Global Emerging Markets Bond Fund	1,534,607
HSBC Insurance Global Emerging Markets Equity Fund	9,159,066
HSBC Insurance Global Equity Fund	34,104,229
HSBC Insurance Global Sustainable Equity Portfolio Fund	8,726,702
HSBC Insurance Global Equity Volatility Focused Fund	3,446,470
HSBC Insurance Global High Income Bond Fund	4,192,527
HSBC Insurance Global Multi-Asset Fund	1,406,712
HSBC Insurance India Equity Fund	18,288,952
HSBC Insurance Pacific Equity Fund	78,575,303
HSBC Insurance Premium Balanced Fund	63,105,397
HSBC Insurance Singapore Bond Fund	15,856,644
HSBC Insurance Singapore Equity Fund	15,116,803
HSBC Insurance US Equity Portfolio Fund	6,911,443
HSBC Insurance US Opportunities Equity Fund	6,607,625
HSBC Insurance World Selection 1 Fund	3,449,329
HSBC Insurance World Selection 2 Fund	251,881
HSBC Insurance World Selection 3 Fund	9,766,816
HSBC Insurance World Selection 4 Fund	1,503,079
HSBC Insurance World Selection 5 Fund	11,105,938

**HSBC Insurance (Singapore) Pte. Limited Investment-Linked Funds (Cont)**

<u>Funds</u>	<u>Units in issue as at 30 June 2021</u>
HSBC Insurance Europe Dynamic Equity Fund (USD)	2,776,663
HSBC Insurance Global Emerging Markets Equity Fund (USD)	3,620,386
HSBC Insurance Global Sustainable Equity Portfolio Fund (USD)	3,653,871
HSBC Insurance Global Equity Volatility Focused Fund (USD)	187,963
HSBC Insurance Global High Income Bond Fund (USD)	1,571,380
HSBC Insurance Global Emerging Markets Bond Fund (USD)	1,321,569
HSBC Insurance India Equity Fund (USD)	2,583,591
HSBC Insurance Pacific Equity Fund (USD)	11,645,300
HSBC Insurance US Equity Portfolio Fund (USD)	3,364,823
HSBC Insurance World selection 1 Fund (USD)	825,583
HSBC Insurance World Selection 2 Fund (USD)	11,977
HSBC Insurance World Selection 3 Fund (USD)	2,158,375
HSBC Insurance World Selection 4 Fund (USD)	168,949
HSBC Insurance World Selection 5 Fund (USD)	1,943,885
HSBC Life FlexConcept Fund (USD)	3,703,339

## **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

The financial statements are presented in Singapore Dollar and United States Dollar, which are the functional currencies of the respective Investment-Linked Funds. 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.

## About Us

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of USD 2,984 billion at 31 December 2020, HSBC is one of the world's largest banking and financial services organisations.

HSBC Insurance (Singapore) Pte. Limited 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) has been a Monetary Authority of Singapore's (MAS) Tier-1 insurer, managing total assets to the tune of SGD 7 billion with a 176% Capital Adequacy Ratio (CAR) as at 31 December 2020 and received an A+ rating by Standard & Poor's as at January 2021. It provides a wide range of solutions that cater to retirement, protection, education, legacy planning, and wealth accumulation needs. It also has a fully digital platform, HSBC Insurance Online, that offers simple and value for money term-based life insurance products online.





