

# Investment-linked policy sub-funds

Annual report for the year ended 30 June 2018.



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## Fund Updates

01 July 2017 to 30 June 2018

**1. Change in sub-managers of the Deutsche Singapore Equity Fund, the underlying sub-fund of HSBC Insurance Singapore Balanced Fund**

We have been informed by Deutsche Asset Management (Asia) Limited that the sub-managers of the Deutsche Singapore Equity Fund will be changed from Manulife Asset Management (Singapore) Pte. Ltd. to Deutsche Asset Management (Hong Kong) Limited with effect from 1 December 2017.

There is no change to the investment objective, focus and approach of the Deutsche Singapore Equity Fund. Similar to the previous arrangement with Manulife Asset Management (Singapore) Pte. Ltd, the fees and expenses payable to Deutsche Asset Management (Hong Kong) Limited will be paid by Deutsche Asset Management (Asia) Limited and will not be borne by the Deutsche Singapore Equity Fund.

HSBC Insurance Singapore Balanced Fund will be invested in the Deutsche Singapore Equity Fund until 27 November 2017, after which HSBC Singapore Balanced Fund will be closed and consolidated into HSBC Insurance Singapore Equity Fund.

**2. Change in sub-managers of the Deutsche China Equity Fund, the underlying sub-fund of HSBC Insurance China Balanced Fund**

We have been informed by Deutsche Asset Management (Asia) Limited that the sub-managers of the Deutsche Singapore Equity Fund will be changed from Manulife Asset Management (Singapore) Pte. Ltd. to Deutsche Asset Management (Hong Kong) Limited with effect from 1 December 2017.

There is no change to the investment objective, focus and approach of the Deutsche China Equity Fund. Similar to the previous arrangement with Manulife Asset Management (Singapore) Pte. Ltd, the fees and expenses payable to Deutsche Asset Management (Hong Kong) Limited will be paid by Deutsche Asset Management (Asia) Limited and will not be borne by the Deutsche China Equity Fund.

HSBC Insurance China Balanced Fund will be invested in the Deutsche China Equity Fund until 27 November 2017, after which HSBC Insurance China Balanced Fund will be closed and consolidated into HSBC Insurance World Selection 5 Fund.

**3. Change to Legg Mason Asian Enterprise Trust, one of the underlying funds of HSBC Insurance Asia Balanced Fund**

We have been informed by Legg Mason Global Asset Management Singapore Pte.Limited that the Legg Mason Asian Enterprise Trust (the "underlying fund") will no longer be included under the list of funds included under the CPF Investment Scheme (the "CPFIS") from 14 September 2017.

HSBC Insurance Asia Balanced Fund invests 70% into the underlying fund, but is not included under the CPFIS, hence no impact and action is required for policyholders invested in HSBC Insurance Asia Balanced Fund.

#### 4. Investment-Linked Policy Sub-Funds (“ILP Sub-Funds”) review and consolidation 2017

On 28 July 2017, we added 10 new ILP Sub-Funds including 2 low-cost equity ILP Sub-Funds with a low management fee from 0.4% p.a. As part of our continuous effort to improve the existing suite of ILP Sub-Funds, the next phase of improvement will commence on or around 27 November 2017, where certain ILP Sub-Funds (the “**Closing Funds**”) will be consolidated into alternative ILP Sub-Funds (the “**Receiving Funds**”).

Please refer to the letter dated 29 September 2017 which provides further details of the consolidation of the 9 ILP Sub-Funds with low subscriptions to other better subscribed ILP Sub-Funds, so that you are able to invest in ILP Sub-Funds with larger Assets Under Management (“**AUM**”) and benefit from economies of scale.

For ILP Sub-Funds with small funds sizes, fixed charges are borne by a smaller base of unit holders and are unable to benefit from economies of scale that benefits larger ILP Sub-Funds. This could impact fund performance in the long term as returns are eroded from expenses incurred by such ILP Sub-Funds.

##### List of Closing and designed Receiving Funds

S/N	Closing Fund	Manager	Receiving Funds
1.	HSBC Insurance Asian Dividend Equity Fund	Henderson Global Investors (Singapore) Limited	HSBC Insurance Asia Focused Income Fund
2.	HSBC Insurance Asia Balanced Fund	Western Asset Management Company Pte. Ltd.	
3.	HSBC Insurance Climate Change Equity Fund	Schroder Investment Management (Singapore) Limited	HSBC Insurance Global Equity Volatility Fund
4.	HSBC Insurance Japan Equity Fund		
5.	HSBC Insurance Premium Property Equity Fund	Henderson Global Investors (Singapore) Limited	
6.	HSBC Insurance China Balanced Fund	Deutsche Asset Management (Asia) Limited	HSBC Insurance World Selection 5 Fund
7.	HSBC Insurance Emerging Europe Equity Fund	Schroder Investment Management (Singapore) Ltd	HSBC Insurance Europe Dynamic Equity Fund
8.	HSBC Insurance Europe Equity Fund		
9.	HSBC Insurance Singapore Balanced Fund	Deutsche Asset Management (Asia) Limited	HSBC Insurance Singapore Equity Fund

**5. Change in names of underlying funds/sub-funds of ILP sub-funds managed by Janus Henderson**

We have been informed by Janus Henderson of impending fund name changes due to integration plans post the merger of Janus and Henderson, subject to regulatory approval. The change is planned to be effective on 15 December 2017.

ILP Sub-Fund	Old Underlying Fund	New Underlying Fund Name
HSBC Insurance Asian Dividend Equity Fund	Henderson Horizon Fund – Asian Dividend Income Fund	Janus Henderson Horizon Fund - Asian Dividend Income Fund
HSBC Insurance Premium Property Equity Fund	Henderson Horizon Fund – Global Property Equities Fund	Janus Henderson Horizon Fund - Global Property Equities Fund
	Henderson Horizon Fund – Pan European Property Equities Fund	Janus Henderson Horizon Fund - Pan European Property Equities Fund
	Henderson Horizon Fund – Asia Pacific Property Equities Fund	Janus Henderson Horizon Fund - Asia Pacific Property Equities Fund

**6. Changes to HSBC Insurance US Equity Index Fund and HSBC Insurance Global Equity Index Fund – SGD and USD share classes**

We have been informed by HSBC Global Asset Management (Singapore) Limited (the “Manager”) of changes to the HSBC Global Investment Funds (the “Underlying Sub-Funds”), which the following 4 ILP Sub-Funds invest into.

Name of ILP Sub-Fund	Name of Underlying Sub-Fund
HSBC Insurance Global Equity Index Fund	HSBC Global Investment Funds – Economic Scale Index Global Equity
HSBC Insurance Global Equity Index Fund (USD)	
HSBC Insurance US Equity Index Fund	HSBC Global Investment Funds – Economic Scale Index US Equity
HSBC Insurance US Equity Index Fund (USD)	

Following changes took effect from 25 October 2017 (the “Effective Date of Change”).

Before (until 24 Oct 2017)	After (from 25 Oct 2017)
<p><b>Change in name of ILP Sub-Funds</b></p> <ul style="list-style-type: none"> <li>• HSBC Insurance Global Equity Index Fund</li> <li>• HSBC Insurance Global Equity Index Fund (USD)</li> <li>• HSBC Insurance US Equity Index Fund</li> <li>• HSBC Insurance US Equity Index Fund (USD)</li> </ul>	<p><b>Change in name of ILP Sub-Funds</b></p> <ul style="list-style-type: none"> <li>• HSBC Insurance Global Equity Portfolio Fund</li> <li>• HSBC Insurance Global Equity Portfolio Fund (USD)</li> <li>• HSBC Insurance US Equity Portfolio Fund</li> <li>• HSBC Insurance US Equity Portfolio Fund (USD)</li> </ul>
<p><b>Change in name of Underlying Sub-Funds</b></p> <ul style="list-style-type: none"> <li>• HSBC Global Investment Funds - Economic Scale Index Global Equity</li> <li>• HSBC Global Investment Funds - Economic Scale Index US Equity</li> </ul>	<p><b>Change in name of Underlying Sub-Funds</b></p> <ul style="list-style-type: none"> <li>• HSBC Global Investment Funds - Economic Scale Global Equity</li> <li>• HSBC Global Investment Funds - Economic Scale US Equity.</li> </ul>
<p><b>Investment objective of HSBC Insurance Global Equity Index Fund, HSBC Insurance Global Equity Index Fund (USD), and their Underlying Sub-Fund</b></p> <ul style="list-style-type: none"> <li>• To track the HSBC Economic Scale Index World (the "Global Index") by investing in securities in the Global Index.</li> <li>• Will use a Full Replication strategy to track the Global Index.</li> </ul>	<p><b>Investment objective of HSBC Insurance Global Equity Portfolio Fund, HSBC Insurance Global Equity Portfolio Fund (USD), and their Underlying Sub-Fund</b></p> <ul style="list-style-type: none"> <li>• Aims to provide long term total return by investing in a portfolio of developed market equities.</li> <li>• Invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, carry out the larger part of their business activities in or are listed on a Regulated Market in, developed markets such as OECD countries. The Underlying Sub-Fund may also invest in eligible closed-ended Real Estate Investment Trusts ("REITs").</li> </ul>

<ul style="list-style-type: none"> <li>• May also employ a strategy of Optimised Replication in specific circumstances, including but not limited to where the size of the sub-fund is too small or falls below a threshold and it is not cost effective to adopt a fully replicated strategy or where there are market disruption events (i.e. market access issues). The Optimised Replication strategy involves the acquisition of a subset of the component securities of the Global Index and possibly of some securities that are not included in the Global Index that are designed to help the sub-fund track the performance of the Global Index</li> <li>• Does not intend to enter into any securities lending, repurchase or reverse repurchase transactions or similar over the counter transactions.</li> <li>• Does not intend to use financial derivative instruments extensively for investment purposes. However, the Underlying Sub-Fund may also invest in financial derivative instruments for hedging purposes and cash flow management (e.g. Equitisation). Where the sub-fund may be restricted to invest in certain component securities of the Global Index, due to HSBC Group and/or local regulator restrictions, the sub-fund may use financial derivative instruments (e.g. contracts for difference) to achieve exposure to such components.</li> </ul>	<ul style="list-style-type: none"> <li>• A systematic investment approach and invests in companies according to their economic scale. The chosen measure of economic scale is a company's contribution to Gross National Product ("GNP") which is also referred to as "Value Added" - the difference between a company's outputs and inputs.</li> <li>• Normally invests across a range of market capitalisations without any capitalisation restriction.</li> <li>• Will not invest more than 10% of its net assets in REITs.</li> <li>• May invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).</li> <li>• May use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the Underlying Sub-Fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the sub-fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the Underlying Sub-Fund may invest.</li> </ul>
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**7. Change in sub-managers of the Deutsche Lion Bond Fund, the Underlying Fund of HSBC Insurance Singapore Bond Fund and Delist from Central Provident Fund ("CPF") Investment Scheme**

HSBC Insurance Singapore Bond Fund (the "**ILP Sub-Fund**") invests entirely into Deutsche Lion Bond Fund. Deutsche Asset Management (Asia) Limited (the "**Fund Manager**") will appoint Deutsche Asset Management (Hong Kong) Limited as sub-manager of Deutsche Lion Bond Fund with effect from **15 February 2018**.

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

- The Fund Manager wants to centralize and streamline its centre of investment excellence for Asia Pacific in Hong Kong. This a business decision taken by the Fund Manager in consideration of operational efficiencies and other factors.
- Deutsche Asset Management (Hong Kong) Limited is domiciled in Hong Kong SAR and is licensed and regulated by the Securities and Futures Commission of Hong Kong to conduct the regulated activity of asset management

As part of this change, Deutsche Lion Bond Fund will be delisted from CPF Investment Scheme with effect from 15 February 2018 as it ceases to comply with the CPF Investment Guidelines.

This means you can no longer purchase HSBC Insurance Singapore Bond Fund using your CPF monies from **15 April 2018** onwards.

**8. Changes to Deutsche Premier Select Trust, the Underlying Fund of HSBC Insurance Premium Balanced Fund**

HSBC Insurance Premium Balanced Fund (the "**ILP Sub-Fund**") that will make the below changes with effect from **3 April 2018** due to changes to the Deutsche Premier Select Trust (the "**Underlying Fund**") which the ILP Sub-Fund invests into.

ILP Sub-Fund	HSBC Insurance Premium Balanced Fund	
Underlying Fund	Deutsche Premier Select Trust	
	Current	Effective from 3 April 2018
Investment Objective	Achieve long term capital appreciation through investment in a diversified portfolio of securities which are prohibited under the CPF Investment Scheme ("CPFIS").	Achieve long term capital appreciation through investment in a diversified portfolio of securities.

<p><b>Investment focus and approach</b></p>	<p>The Underlying Fund is a balanced portfolio investing in global equity and fixed income markets. The investments of the Underlying Fund will be made directly or through investments in other collective investment schemes. There is no specific target for a particular industry or sector. However, the investment selection process takes into account the secular/cyclical prospects for the sectors that the Underlying Fund invests in.</p> <p>In addition to its direct investments, the Underlying Fund intends to invest in each of the following collective investment schemes:</p> <ol style="list-style-type: none"> <li>1) Deutsche Singapore Equity Fund;</li> <li>2) Deutsche Lion Bond Fund (up to 55% of its Value);</li> <li>3) Deutsche Asia Premier Trust (up to 50% of its Value); and</li> <li>4) DWS Global Equity Focus Fund (up to 40% of its Value).</li> <li>5) SPDR Gold ETF, an exchange-traded fund that is 100% exposed to gold commodities (up to 10% of its Value).</li> </ol>	<p>The Underlying Fund will invest into global equity and Singapore fixed income markets. The Underlying Fund may invest in collective investment schemes (including exchange traded funds) and/or directly in securities, fixed income and money market instruments, deposits and/or other investments. The Underlying Fund intends to invest:</p> <ol style="list-style-type: none"> <li>1) more than 70% of its Value in db x-trackers II Singapore Government Bonds UCITS ETF (DR) ("<b>SGB-ETF</b>") and</li> <li>2) less than 30% of its Value in db x-trackers MSCI World Index UCITS ETF (DR) ("<b>MSCI-ETF</b>").</li> </ol> <p>Although the intention is to maintain these allocations, the Fund Manager intends to adopt a static allocation in each of the funds comprising the Underlying Fund and re-adjust the investments at least on a semi-annual basis. Due to this approach and due to the impact of periodical subscriptions and redemptions of Units on the Value of the Underlying Fund, the specific percentage investment into each fund may vary from time to time and in particular, the Underlying Fund's investments into MSCI-ETF may at times, amount to or exceed 30% of the Value of the Underlying Fund.</p> <p>The Underlying Fund may hold up to 5% of its Value in cash.</p> <p>The Underlying Fund currently does not intend to use FDIs or to engage in securities lending or repurchase transactions.</p>
<p><b>ILP-Sub Fund Management Fee</b></p>	<p>1.2% per annum</p>	<p>0.7% per annum</p>
<p><b><i>New Provisions on consequential losses and Force Majeure Events</i></b></p>		<p>The Underlying Fund Trustee and the Managers shall at all times not be liable for indirect, special or consequential loss or damage (including without limitation, loss of profits) or punitive damages arising under or in connection with the Underlying Fund, whether in contract, in tort, by law or otherwise.</p>

		<p>The Underlying Fund Trustee and Fund Managers shall not be liable or responsible for any loss of or damage to any documents in their possession or for any failure to fulfil their duties under the Underlying Fund or for any loss, damage, claim, cost or expense resulting from or caused by or directly or indirectly due to a Force Majeure Event.</p> <p><b>“Force Majeure Event”</b> will be defined as any event due to any cause beyond the reasonable control of the Underlying Fund Trustee or the Fund Managers (as the case may be), including but not limited to restrictions on convertibility or transferability, requisitions, involuntary transfers, unavailability of any system, third party electronic transmission or other electronic systems disruption or failure, sabotage, storm, tempest, typhoon, earthquake, accident, fire, flood, explosion, toxicity, radioactivity, acts of God, act of any government or other competent authority, hostilities (whether war be declared or not), act of terrorism, riot, civil commotion, strikes or industrial action of any kind, insurrection, rebellion or other cause, whether similar or not, which is beyond the control of the relevant party.</p>
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#### 9. HSBC Insurance ILP Sub-Funds change Investment objective, Focus & Approach

The following ILP Sub-Funds have changed investment objective, focus and approach effective from 28 May 2018 as advised by the fund manager HSBC Global Asset Management (Singapore) Limited. These changes are made to enhance the investment strategies by allowing for additional investment opportunities in various markets.

<i><b>ILP Sub-Funds</b></i>	<i><b>Underlying Sub-Funds</b></i>
HSBC Insurance Chinese Equity Fund	HSBC Global Investment Funds – Chinese Equity
HSBC Insurance Asia Focused Income Fund	HSBC Global Investment Funds – Managed Solutions –Asia Focused Income

HSBC Insurance Global Equity Volatility Focused Fund	HSBC Global Investment Funds – Global Equity Volatility Focused
HSBC Insurance Global Equity Volatility Focused Fund (USD)	
HSBC Insurance Global High Income Bond Fund	HSBC Global Investment Funds – Global High Income Bond
HSBC Insurance Global High Income Bond Fund (USD)	
HSBC Insurance Global Emerging Markets Bond Fund	HSBC Global Investment Funds - Global Emerging Markets Bond
HSBC Insurance Global Emerging Markets Bond Fund (USD)	

#### **HSBC Insurance Chinese Equity Fund**

<b>Investment Objective, Focus &amp; approach (Current)</b>	<b>Investment objective, Focus &amp; Approach (with effect from 28 May 2018)</b>
<p>The Underlying Sub-Fund aims to provide long term capital growth by investing in a portfolio of Chinese equities.</p> <p>The Underlying Sub-Fund 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, or carry out the larger part of their business activities in the People's Republic of China ("China"), including Hong Kong SAR.</p> <p>Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China. The Underlying Sub-Fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the Underlying Sub-Fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.</p>	<p>The Underlying Sub-Fund aims to provide long term capital growth by investing in a portfolio of Chinese equities.</p> <p>The Underlying Sub-Fund 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, or carry out the larger part of their business activities in the People's Republic of China ("China"), including Hong Kong SAR.</p> <p>Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The Underlying Sub-Fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the Underlying Sub-Fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.</p>

<p>The Underlying Sub-Fund may invest up to 50% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 50% of its net assets in CAAPs. The Underlying Sub-Fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 70% of its net assets. The Underlying Sub-Fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.</p> <p>The Underlying Sub-Fund normally invests across a range of market capitalisations without any capitalisation restriction. The Underlying Sub-Fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other Underlying Sub-Funds of HSBC Global Investment Funds).</p> <p>The Underlying Sub-Fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the Underlying Sub-Fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the Underlying Sub-Fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the Underlying Sub-Fund may invest.</p>	<p>The Underlying Sub-Fund may invest up to 70% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect and up to 50% of its net assets in CAAPs. The Underlying Sub-Fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect, the Shenzhen-Hong Kong Stock Connect or CAAP) and China B-shares is 70% of its net assets. The Underlying Sub-Fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.</p> <p>The Underlying Sub-Fund normally invests across a range of market capitalisations without any capitalisation restriction. The Underlying Sub-Fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other Underlying Sub-Funds of HSBC Global Investment Funds).</p> <p>The Underlying Sub-Fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the Underlying Sub-Fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the Underlying Sub-Fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the Underlying Sub-Fund may invest.</p>
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#### **HSBC Insurance Asia Focused Income Fund**

<b>Investment Objective, Focus &amp; approach (Current)</b>	<b>Investment objective, Focus &amp; Approach (with effect from 28 May 2018)</b>
<p>The Underlying Sub-Fund invests for 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.</p> <p>The Underlying Sub-Fund will normally invest a minimum of 70% of its net assets in Asian (including Asia-Pacific and excluding Japan) based income oriented assets in both fixed income and equity markets including, but not limited to corporate bonds, sovereign bonds and higher yielding equities.</p>	<p>The Underlying Sub-Fund invests for 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.</p> <p>The Underlying Sub-Fund will normally invest a minimum of 70% of its net assets in Asian (including Asia-Pacific and excluding Japan) based income oriented assets in both fixed income and equity markets including, but not limited to corporate bonds, sovereign bonds and higher yielding equities.</p>

<p>The Underlying Sub-Fund may also invest in other non-Asian based assets such as global emerging market bonds, US Treasuries and eligible closed-ended Real Estate Investment Trusts ("REITS"). Exposure to these assets may be achieved through direct investments and/or investment in units or shares of UCITS and/or other Eligible UCIs.</p> <p>The Underlying Sub-Fund will invest in Investment Grade, Non-Investment Grade and unrated fixed income securities issued or guaranteed by governments, government agencies or supranational bodies worldwide or companies in both developed and Emerging Markets.</p> <p>The Underlying Sub-Fund will also invest in equity and equity equivalent securities, particularly those that offer above average dividend yields and/or the potential for sustainable dividend growth.</p> <p>Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The Underlying Sub-Fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the Underlying Sub-Fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.</p> <p>The Underlying Sub-Fund may invest up to 25% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 25% of its net assets in CAAPs. The Underlying Sub-Fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 25% of its net assets. The Underlying Sub-Fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.</p> <p>The Underlying Sub-Fund will not invest more than 10% of its net assets in REITS.</p> <p>The Underlying Sub-Fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.</p>	<p>The Underlying Sub-Fund may also invest in other non-Asian based assets such as global Emerging Market bonds, US Treasuries and eligible closed-ended Real Estate Investment Trusts ("REITS"). Exposure to these assets may be achieved through direct investments and/or investment in units or shares of UCITS and/or other Eligible UCIs.</p> <p>The Underlying Sub-Fund will invest in Investment Grade, Non-Investment Grade rated and unrated fixed income securities issued or guaranteed by governments, government agencies or supranational bodies worldwide or companies in both developed and Emerging Markets.</p> <p>The Underlying Sub-Fund will also invest in equity and equity equivalent securities, particularly those that offer above average dividend yields and/or the potential for sustainable dividend growth.</p> <p>Investment in onshore Chinese fixed income securities include, but are not limited to, onshore fixed income securities denominated in RMB, issued within the People's Republic of China ("PRC") and traded on the China Interbank Bond Market ("CIBM"). The Underlying Sub-Fund may invest in the CIBM either through Bond Connect and/or the CIBM Initiative. The Underlying Sub-Fund may invest up to 20% of its net assets in onshore Chinese bonds issued by, amongst other, municipal and local governments, companies and policy banks. However, the Underlying Sub-Fund will not invest more than 10% of its net assets in onshore fixed income securities which are rated below Investment Grade, BB+ or below (as assigned by a PRC local credit rating agency) or which are unrated.</p> <p>Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The Underlying Sub-Fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the Underlying Sub-Fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.</p>
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<p>The Underlying Sub-Fund may invest up to 50% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other Underlying Sub-Funds of the HSBC Global Investment Funds). The asset allocation may change over time depending on the Investment Adviser's view on market opportunities.</p> <p>The Underlying Sub-Fund will normally be exposed to currencies of Asia Pacific (excluding Japan) countries as well as other emerging and developed markets currencies.</p> <p>The Underlying Sub-Fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the Underlying Sub-Fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the Underlying Sub-Fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the Underlying Sub-Fund may invest (for example, units or shares of UCITS and/or other Eligible UCIs).</p>	<p>The Underlying Sub-Fund may invest up to 25% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect and up to 25% of its net assets in CAAPs. The Underlying Sub-Fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect, the Shenzhen-Hong Kong Stock Connect or CAAP) and China B-shares is 25% of its net assets. The Underlying Sub-Fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs."</p> <p>The Underlying Sub-Fund will not invest more than 10% of its net assets in REITs.</p> <p>The Underlying Sub-Fund may invest up to 10% of its net assets in convertible bonds (excluding contingent convertible securities).</p> <p>The Underlying Sub-Fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.</p> <p>The Underlying Sub-Fund may invest up to 50% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other Underlying Sub-Funds of the HSBC Global Investment Funds). The asset allocation may change over time depending on the Investment Adviser's view on market opportunities.</p> <p>The Underlying Sub-Fund will normally be exposed to currencies of Asia-Pacific (excluding Japan) countries as well as other emerging and developed market currencies.</p> <p>The Underlying Sub-Fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the Underlying Sub-Fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the Underlying Sub-Fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the Underlying Sub-Fund may invest (for example, units or shares of UCITS and/or other Eligible UCIs).</p>
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**HSBC Insurance Global Equity Volatility Focused Fund**  
**HSBC Insurance Global Equity Volatility Focused Fund (USD)**

<b>Investment Objective, Focus &amp; approach (Current)</b>	<b>Investment objective, Focus &amp; Approach (with effect from 28 May 2018)</b>
<p>The Underlying Sub-Fund aims to provide long term total return by investing in a portfolio of equities worldwide.</p> <p>The Underlying Sub-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. The Underlying Sub-Fund may also invest in eligible closed-ended Real Estate Investment Trusts ("REITS").</p> <p>The Underlying Sub-Fund may invest the remaining assets in financial derivative instruments and/or temporarily in fixed income securities, money market instruments, cash instruments and cash.</p> <p>The Underlying Sub-Fund aims for lower portfolio volatility relative to that of the MSCI All Country World Index through portfolio construction. The Underlying Sub-Fund uses portfolio optimisation to lower overall portfolio volatility by selecting a combination of lower volatility stocks and higher volatility stocks that are less correlated and thereby diversifying the portfolio. The Underlying Sub-Fund may rely on market research and quantitative analysis to estimate individual stock volatility and intra-stock correlation as part of its portfolio optimisation process.</p> <p>Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The Underlying Sub-Fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the Underlying Sub-Fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.</p>	<p>The Underlying Sub-Fund aims to provide long term total return by investing in a portfolio of equities worldwide.</p> <p>The Underlying Sub-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. The Underlying Sub-Fund may also invest in eligible closed-ended Real Estate Investment Trusts ("REITS").</p> <p>The Underlying Sub-Fund aims for lower portfolio volatility relative to that of the MSCI All Country World Index through portfolio construction. The Underlying Sub-Fund uses portfolio optimisation to lower overall portfolio volatility by selecting a combination of lower volatility stocks and higher volatility stocks that are less correlated and thereby diversifying the portfolio. The Underlying Sub-Fund may rely on market research and quantitative analysis to estimate individual stock volatility and intra-stock correlation as part of its portfolio optimisation process.</p> <p>Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China ("PRC"). The Underlying Sub-Fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the Underlying Sub-Fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("CAAP") such as, but not limited to, participation notes linked to China A-shares.</p>



<p>The Underlying Sub-Fund may invest up to 10% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and up to 10% of its net assets in CAAPs. The Underlying Sub-Fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect or CAAP) and China B-shares is 20% of its net assets. The Underlying Sub-Fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs.</p> <p>The Underlying Sub-Fund normally invests across a range of market capitalisations without any capitalisation restriction.</p> <p>The Underlying Sub-Fund will not invest more than 10% of its net assets in a combination of participation notes and convertibles.</p> <p>The Underlying Sub-Fund will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.</p> <p>The Underlying Sub-Fund will not invest more than 10% of its net assets in REITs.</p> <p>The Underlying Sub-Fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other Underlying Sub-Funds of HSBC Global Investments Funds).</p> <p>The Underlying Sub-Fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the Underlying Sub-Fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the Underlying Sub-Fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the Underlying Sub-Fund may invest.</p>	<p>The Underlying Sub-Fund may invest up to 10% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect and up to 10% of its net assets in CAAPs. The Underlying Sub-Fund's maximum exposure to China A-shares (through the Shanghai-Hong Kong Stock Connect, the Shenzhen-Hong Kong Stock Connect or CAAP) and China B-shares is 20% of its net assets. The Underlying Sub-Fund will not invest more than 10% of its net assets in CAAPs issued by any single issuer of CAAPs."</p> <p>The Underlying Sub-Fund normally invests across a range of market capitalisations without any capitalisation restriction.</p> <p>The Underlying Sub-Fund will not invest more than 10% of its net assets in a combination of participation notes and convertibles.</p> <p>The Underlying Sub-Fund will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.</p> <p>The Underlying Sub-Fund will not invest more than 10% of its net assets in REITs.</p> <p>The Underlying Sub-Fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other Underlying Sub-Funds of HSBC Global Investment Funds).</p> <p>The Underlying Sub-Fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). However, the Underlying Sub-Fund will not use financial derivative instruments extensively for investment purposes. The financial derivative instruments the Underlying Sub-Fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the Underlying Sub-Fund may invest.</p>
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**HSBC Insurance Global High Income Bond Fund**  
**HSBC Insurance Global High Income Bond Fund (USD)**

<b>Investment Objective, Focus &amp; approach (Current)</b>	<b>Investment objective, Focus &amp; Approach (with effect from 28 May 2018)</b>
<p>The Underlying Sub-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. Investment in mortgage and asset backed securities will be limited to a maximum of 20% of the Underlying Sub-Fund's net assets.</p> <p>The Underlying Sub-Fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.</p> <p>The Underlying Sub-Fund may also invest in financial derivative instruments such as futures, options, swaps (including, but not limited to, credit default swaps) and forward currency contracts and in other currency and credit derivatives.</p> <p>The Underlying Sub-Fund intends to use such financial derivative instruments for, inter alia, the purposes of managing interest and credit risks and currency positioning but also to enhance return when the Investment Adviser believes the investment in financial derivative instruments will assist the Underlying Sub-Fund in achieving its investment objectives.</p> <p>In particular, the Underlying Sub-Fund will use foreign currency forward contracts or other financial derivative instruments to substantially protect the Underlying Sub-Fund from losses arising from currency depreciation against the USD.</p>	<p>The Underlying Sub-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 rated bonds, high yield bonds and Asian and Emerging Market debt instruments. Investments in Asset Backed Securities ("ABS") and Mortgage Backed Securities ("MBS") will be limited to a maximum of 20% of the Underlying Sub-Fund net assets.</p> <p>The Underlying Sub-Fund may invest in fixed income securities issued or guaranteed by governments, government agencies, quasi-government entities, state sponsored enterprises, local or regional governments (including state, provincial, and municipal governments and governmental entities) and supranational bodies of developed or Emerging Markets.</p> <p>Investment in onshore Chinese fixed income securities include, but are not limited to, onshore fixed income securities denominated in RMB, issued within the People's Republic of China ("PRC") and traded on the China Interbank Bond Market ("CIBM"). The Underlying Sub-Fund may invest in the CIBM either through Bond Connect and/or the CIBM Initiative. The Underlying Sub-Fund may invest up to 10% of its net assets in onshore Chinese bonds issued by, amongst other, municipal and local governments, companies and policy banks.</p> <p>The Underlying Sub-Fund may invest up to 10% of its net assets in convertible bonds (excluding contingent convertible securities).</p> <p>The Underlying Sub-Fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.</p>

	<p>The Underlying Sub-Fund may use financial derivative instruments for hedging purposes. The Underlying Sub-Fund may also use, but not extensively, financial derivative instruments for investment purposes. The financial derivative instruments the Underlying Sub-Fund is permitted to use include, but are not limited to, futures, options, swaps (such as credit default swaps) and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the Underlying Sub-Fund may invest.</p>
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**HSBC Insurance Global Emerging Market Bond Fund**

**HSBC Insurance Global Emerging Market Bond Fund (USD)**

<b>Investment Objective, Focus &amp; approach (Current)</b>	<b>Investment objective, Focus &amp; Approach (with effect from 28 May 2018)</b>
<p>The Underlying Sub-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 US dollars, or which are issued or guaranteed by governments, government agencies and supranational bodies of Emerging Markets.</p> <p>The Underlying Sub-Fund may invest more than 10% and up to 30% of its net assets in securities issued by and/or guaranteed by a single sovereign issuer with a Non-Investment Grade credit rating. This is due to the fact that the Underlying Sub-Fund's reference benchmark, the JP Morgan Emerging Market Bond Index, may contain sovereign issuers that may have a Non-Investment Grade rating. The Investment Adviser may decide to invest in a specific non-investment grade sovereign issuer and/or to overweight (in relation to the reference benchmark) a particular Non-Investment Grade sovereign issuer.</p> <p>The Non-Investment Grade sovereign issuers that the Underlying Sub-Fund may invest up to 30% of its net assets in include, but are not limited to, Venezuela, Turkey and the Philippines. However, this list may change at any time as a result of: changes in credit ratings, changes in the Underlying Sub-Fund's benchmark weights, the Investment Adviser's decision to allocate a higher or lower proportion of the Underlying Sub-Fund's net assets to a particular benchmark constituent and/or market movements.</p>	<p>The Underlying Sub-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 US Dollar, or which are issued or guaranteed by governments, government agencies, quasi-government entities, state sponsored enterprises, local or regional governments (including state, provincial, and municipal governments and governmental entities) and supranational bodies of Emerging Markets.</p> <p>The Underlying Sub-Fund may invest more than 10% and up to 30% of its net assets in securities issued by or guaranteed by a single sovereign issuer with a Non-Investment Grade credit rating. This is due to the fact that the Underlying Sub-Fund's reference benchmark, the JP Morgan Emerging Market Bond Index, may contain sovereign issuers that may have a Non-Investment Grade rating. The Investment Adviser may decide to invest in a specific non-investment grade sovereign issuer and/or to overweight (in relation to the reference benchmark) a particular non-investment grade sovereign issuer.</p>

<p>The Underlying Sub-Fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.</p> <p>The Underlying Sub-Fund may use financial derivative instruments for hedging purposes and investment purposes. The financial derivative instruments the Underlying Sub-Fund is permitted to use include, but are not limited to, futures, options, swaps (such as credit default swaps and Total Return Swaps) and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the Underlying Sub-Fund may invest.</p> <p>The Underlying Sub-Fund may invest up to 10% of its net assets in Total Return Swaps, however this is not expected to exceed 5%.</p>	<p>The Non-Investment Grade sovereign issuers that the Underlying Sub-Fund may invest up to 30% of its net assets in include, but are not limited to, Venezuela, Turkey and the Philippines. However, this list may change at any time as a result of: changes in credit ratings, changes in the Underlying Sub-Fund's benchmark weights, the Investment Adviser's decision to allocate a higher or lower proportion of the Underlying Sub-Fund's net assets to a particular benchmark constituent and/or market movements.</p> <p>Investment in onshore Chinese fixed income securities include, but are not limited to, onshore fixed income securities denominated in RMB, issued within the People's Republic of China ("PRC") and traded on the China Interbank Bond Market ("CIBM"). The Underlying Sub-Fund may invest in the CIBM either through Bond Connect and/or the CIBM Initiative. The Underlying Sub-Fund may invest up to 10% of its net assets in onshore Chinese bonds issued by, amongst other, municipal and local governments, companies and policy banks."</p> <p>The Underlying Sub-Fund may invest up to 10% of its net assets in convertible bonds (excluding contingent convertible securities)."</p> <p>The Underlying Sub-Fund may invest up to 10% of its net assets in contingent convertible securities, however this is not expected to exceed 5%.</p> <p>The Underlying Sub-Fund may use financial derivative instruments for hedging purposes. The Underlying Sub-Fund may also use, but not extensively, financial derivative instruments for investment purposes. The financial derivative instruments the Underlying Sub-Fund is permitted to use include, but are not limited to, futures, options, swaps (such as credit default swaps and Total Return Swaps) and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the Underlying Sub-Fund may invest.</p> <p>The Underlying Sub-Fund may invest up to 10% of its net assets in Total Return Swaps, however this is not expected to exceed 5%.</p>
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## 10. Changes to HSBC Insurance Global Bond Fund

HSBC Insurance Global Bond Fund (the “**ILP Sub-Fund**”) that will take effect from **3 September 2018** due to changes to the Legg Mason Western Asset Global Bond Trust (the “**Underlying Fund**”) which the ILP Sub-Fund invests into.

### 1. Retirement of current manager and appointment of new manager

Western Asset Management Company Pte. Ltd (“**WAMC**”) will retire as manager of the Underlying Fund in favour of Legg Mason Asset Management Singapore Pte. Limited (“**LMAMS**”), a Singapore incorporated company.

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

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

### 2. Appointment of sub-manager

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

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

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

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

# 11. Changes to HSBC Insurance Pacific Equity Fund

Below changes to HSBC Insurance Pacific Equity Fund (USD) and HSBC Insurance Pacific Equity Fund (SGD) (the "ILP Sub-Funds") will take effect from 3 September 2018.

	Current	Effect from 3 Sep 2018
Entity Name	Aberdeen Asset Management Asia Limited	Aberdeen Standard Investments (Asia) Limited
Underlying Fund Name	Aberdeen Pacific Equity Fund	Aberdeen Standard Pacific Equity 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>	(2.48) (2.02)	(1.55) (2.38)	9.55 9.62	18.00 26.12	5.67 8.04
<b>HSBC Insurance Asia Focused Income Fund</b> The Fund has no benchmark	(3.32)	(4.44)	(0.21)	10.69	3.44
<b>HSBC Insurance Asian Bond Fund Benchmark *</b>	(1.61) 0.41	(2.93) 0.75	(1.93) 1.26	4.53 3.79	1.49 1.25
<b>HSBC Insurance China Equity Fund Benchmark *</b>	2.15 0.34	2.08 0.25	15.41 20.06	27.64 24.35	8.48 7.53
<b>HSBC Insurance Chinese Equity Fund Benchmark *</b>	0.46 0.11	(1.71) (0.10)	17.42 17.93	N.A. N.A.	N.A. N.A.
<b>HSBC Insurance Emerging Markets Equity Fund Benchmark *</b>	(3.94) (4.16)	(5.07) (4.76)	7.79 7.15	22.30 19.24	6.94 6.04
<b>HSBC Insurance Ethical Global Equity Fund Benchmark *</b>	3.44 5.79	1.75 1.88	8.88 9.87	18.56 26.33	5.84 8.10
<b>HSBC Insurance Ethical Global Sukuk Fund Benchmark *</b>	2.33 3.65	(1.10) 0.52	(2.36) (1.14)	2.49 8.57	0.82 2.78
<b>HSBC Insurance Europe Dynamic Equity Fund Benchmark *</b>	5.04 4.45	0.17 0.37	1.42 5.89	N.A. N.A.	N.A. N.A.
<b>HSBC Insurance Global Bond Fund Benchmark *</b>	(0.59) (0.16)	(0.69) 0.20	(0.79) 1.29	4.14 8.36	1.36 2.71
<b>HSBC Insurance Global Emerging Markets Bond Fund</b> The Fund has no benchmark	(4.99)	(7.28)	(5.39)	4.42	1.45
<b>HSBC Insurance Global Emerging Markets Equity Fund Benchmark *</b>	(2.81) (4.16)	(5.28) (4.76)	7.11 7.15	N.A. N.A.	N.A. N.A.
<b>HSBC Insurance Global Equity Fund Benchmark *</b>	2.92 5.78	(0.46) 2.47	7.13 10.01	19.93 29.26	6.24 8.93
<b>HSBC Insurance Global Equity Portfolio Fund Benchmark *</b>	4.02 5.78	(0.15) 2.47	7.04 10.44	N.A. N.A.	N.A. N.A.
<b>HSBC Insurance Global Equity Volatility Focused Fund</b> The Fund has no benchmark	(0.52)	(1.09)	4.98	N.A.	N.A.
<b>HSBC Insurance Global High Income Bond Fund</b> The Fund has no benchmark	(1.43)	(3.22)	(1.42)	N.A.	N.A.
<b>HSBC Insurance Global Multi-Asset Fund</b> The Fund has no benchmark	(0.89)	(2.54)	(0.41)	N.A.	N.A.
<b>HSBC Insurance India Equity Fund Benchmark *</b>	(0.91) 2.64	(11.30) (6.39)	(1.95) 6.19	15.29 28.94	4.86 8.84

	3-Mth (%)	Cumulative 6-Mth (%)	1-Year (%)	3-Year (%)	Annualised 3-Year (%)
<b>HSBC Insurance Pacific Equity Fund</b>	(1.49)	(3.18)	3.16	14.47	4.61
<b>Benchmark *</b>	0.32	(2.11)	8.79	25.42	7.84
<b>HSBC Insurance Premium Balanced Fund</b>	1.05	0.54	5.35	11.64	3.74
The Fund has no benchmark					
<b>HSBC Insurance Singapore Bond Fund</b>	0.08	(0.25)	0.37	4.47	1.47
<b>Benchmark *</b>	0.38	0.73	1.30	3.42	1.13
<b>HSBC Insurance Singapore Equity Fund</b>	(4.65)	(2.16)	6.28	N.A.	N.A.
<b>Benchmark *</b>	(3.82)	(3.03)	6.84	N.A.	N.A.
<b>HSBC Insurance US Equity Portfolio Fund</b>	7.55	1.92	9.68	N.A.	N.A.
<b>Benchmark *</b>	7.40	4.43	11.65	N.A.	N.A.
<b>HSBC Insurance US Opportunities Equity Fund</b>	5.93	10.97	21.68	N.A.	N.A.
<b>Benchmark *</b>	10.04	9.45	21.19	N.A.	N.A.
<b>HSBC Insurance World Selection 1 Fund</b>	2.66	0.28	0.17	7.89	2.56
The Fund has no benchmark					
<b>HSBC Insurance World Selection 3 Fund</b>	3.18	(0.27)	3.02	14.96	4.76
The Fund has no benchmark					
<b>HSBC Insurance World Selection 5 Fund</b>	3.84	0.11	6.11	18.80	5.91
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>	5.43	0.74	3.53	N.A.	N.A.
<b>Benchmark *</b>	4.62	0.72	6.45	N.A.	N.A.
<b>HSBC Insurance Global Emerging Markets Bond Fund (USD)</b>	(4.60)	(6.67)	(4.56)	N.A.	N.A.
<b>Benchmark *</b>	(3.51)	(5.23)	(2.45)	N.A.	N.A.
<b>HSBC Insurance Global Emerging Markets Equity Fund (USD)</b>	(6.38)	(6.97)	7.92	N.A.	N.A.
<b>Benchmark *</b>	(7.83)	(6.66)	8.20	N.A.	N.A.
<b>HSBC Insurance Global Equity Portfolio Fund (USD)</b>	0.06	(1.99)	8.09	N.A.	N.A.
<b>Benchmark *</b>	1.73	0.43	11.52	N.A.	N.A.
<b>HSBC Insurance Global Equity Volatility Focused Fund (USD)</b>	(0.13)	(0.25)	7.50	N.A.	N.A.
<b>Benchmark *</b>	0.53	(0.43)	10.73	N.A.	N.A.
<b>HSBC Insurance Global High Income Bond Fund (USD)</b>	(1.04)	(2.66)	(0.79)	N.A.	N.A.
<b>Benchmark *</b>	(1.21)	(2.36)	0.53	N.A.	N.A.
<b>HSBC Insurance India Equity Fund (USD)</b>	(4.63)	(12.77)	(0.70)	N.A.	N.A.
<b>Benchmark *</b>	(1.29)	(8.25)	7.23	N.A.	N.A.
<b>HSBC Insurance Pacific Equity Fund (USD)</b>	(5.05)	(4.85)	4.34	N.A.	N.A.
<b>Benchmark *</b>	(3.52)	(4.05)	9.86	N.A.	N.A.
<b>HSBC Insurance US Equity Portfolio Fund (USD)</b>	3.42	0.18	10.70	N.A.	N.A.
<b>Benchmark *</b>	3.28	2.36	12.75	N.A.	N.A.
<b>HSBC Insurance World Selection 1 Fund (USD)</b>	(1.16)	(1.64)	1.16	N.A.	N.A.
The Fund has no benchmark					
<b>HSBC Insurance World Selection 3 Fund (USD)</b>	(0.47)	(1.75)	3.79	N.A.	N.A.
The Fund has no benchmark					
<b>HSBC Insurance World Selection 5 Fund (USD)</b>	(0.06)	(1.69)	7.41	N.A.	N.A.
The Fund has no benchmark					

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

## 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 2018 and for the 12 months ended 30 June 2017. 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 2018 and for the 12 months ended 30 June 2017. 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 Deutsche Asia Premier Trust.

### Investment and Market Review ^

Asia rose during the reporting period, with market optimism peaking in January. The first half of 2018 (1H18) marked a turn in capital flow, after the US increased interest rate twice. Trade tension between the US and China added to market uncertainties. Hong Kong and China equities rose on stable economic growth. China had pushed for deleveraging in the economy from the second half of 2017 (2H17) but started to ease by cutting reserve requirement ratio for banks after trade tension intensified in 2018. Consumer staples, energy, healthcare, and real estate were the outperformers. Korea and Taiwan were up mildly with performance in Information Technology (IT) stocks, supported by technology upgrade and shortage in memories. Singaporean financials were up on interest rate hike cycle in the US. Thai energy and Malaysian materials benefitted from oil price rebound. Indonesia and Philippines were down on weaker currency and capital outflow. Indonesia, Malaysia and Philippines increased interest rate to support currency.

### Market Outlook and Investment Strategy ^

Given the trade tension and possible consequences to export-driven Asia, we raised mildly the cash level of the fund. We have increased Hong Kong and China stocks, at the expense of Indonesia, Korea, Philippines, Thailand and Taiwan. From sector perspective, we have added to financials and real estate but reduced consumer discretionary, industrials and materials. Liquidity of the region turned to neutral from accommodating. Earnings growth should still support equity price if trade tension settled, given the consumption upgrade in the region.

^ Source: Deutsche Asset Management (Asia) Limited

## FUND FACTS

Underlying Fund	Deutsche Asia Premier Trust
Fund Manager	Deutsche Asset Management (Asia) Limited
Launch Date	31 Jan 1994
CPFIS/SRS*	SRS
CPFIS Risk Classification	N.A.
As at 30 Jun 2018	
Offer Price	S\$ 3.14557
Bid Price	S\$ 2.98829
Fund Size	S\$ 109.37 mil
Units in Issue	36.60 mil

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

## A) Fund Performance

### I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Asia Equity Fund	(2.48)	(1.55)	9.55	18.00	45.28	58.23	214.56
Benchmark*	(2.02)	(2.38)	9.62	26.12	61.45	83.67	148.82

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance Asia Equity Fund	5.67	7.76	4.70	4.83
Benchmark*	8.04	10.05	6.27	3.82

\*MSCI AC Far East ex Japan (TR)

^Inception Date: 16 Mar 1994

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Deutsche Asia Premier Trust	100.04	109.41
Other assets	0.16	0.18
Other liabilities	(0.20)	(0.22)
<b>Total</b>	<b>100.00</b>	<b>109.37</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	S\$
Subscription	11,451,473
Redemption	22,326,944

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

### I Allocation by Country

Country	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Cayman Islands	25.07	31.56
China	17.47	22.00
South Korea	15.56	19.59
Taiwan	12.70	15.99
Hong Kong	9.40	11.83
Singapore	4.81	6.05
Great Britain	2.45	3.08
Thailand	2.07	2.60
Malaysia	1.70	2.14
Others*	8.77	11.06
<b>Total</b>	<b>100.00</b>	<b>125.90</b>

\*Includes other countries and net assets

### II Allocation by Industry

Industry	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Banks	14.38	18.11
Electrical/Electronics	10.20	12.84
Internet Services	9.90	12.47
E-Commerce	8.80	11.08
Semiconductors	8.74	11.00
Real Estate	8.24	10.37
Insurance	8.10	10.20
Finance	4.81	6.06
Oil & Gas	3.54	4.46
Automotive	1.78	2.24
Medical - Drugs	1.67	2.10
Others*	19.84	24.97
<b>Total</b>	<b>100.00</b>	<b>125.90</b>

\*Includes other industries and net assets

### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2018

N.A.

#### IV Top Ten Holdings of Underlying Fund

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

#### Top Ten Holdings of Underlying Fund

	As at 30 Jun 2017	
	% of NAV	MV S\$ mil
Samsung Electronics Company Limited	8.67	10.88
Alibaba Group Holding Limited	6.39	8.02
Tencent Holdings Limited	5.13	6.44
China Construction Bank H Shares	4.37	5.48
Taiwan Semiconductor Manufacturing Corporation Limited	4.16	5.22
Ping An Insurance (Group) Company of China Limited H Shares	3.94	4.94
Hon Hai Precision Industry Company Limited.	3.58	4.49
Largan Precision Company Limited	2.62	3.29
Hana Financial Group Inc	2.52	3.16
United Overseas Bank Limited	2.40	3.01

#### V Exposure to Derivatives

	As at 30 Jun 2018
% of NAV	-
Market Value (S\$)	-
Realised gains / (Losses) (S\$)	(16,919)
Unrealised Gains / (Losses) (S\$)	-

#### VI Borrowings of Net Asset Value

	As at 30 Jun 2018
N.A.	

#### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Asia Equity Fund		Underlying Fund	
	As at 30-Jun-18	As at 30-Jun-17	As at 31-Mar-18*	As at 31-Mar-17**
Expense Ratio	1.79%	1.83%	1.51%	1.54%
			As at 30-Jun-18	As at 30-Jun-17
Turnover Ratio	8.07%	11.25%	31.42%	134.63%

\*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of Deutsche Asia Premier Trust for the financial year ended 30 Jun 2018 is not available.

\*\*Based on unaudited figure as at 31 Mar 2017 as the expense ratio of Deutsche Asia Premier Trust for the financial year ended 30 Jun 2017 is not available.

#### II Related-Party Transactions

N.A.

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

N.A.

#### IV Soft Dollar Commission Arrangement

N.A.

#### E) Financial Statements

Refer to page 173.

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

On the 2H17 there has been some subtle shifts in the attitude of policy makers around the world, against a benign economic background. Growth was positive across most of the world and appeared to be moving onto a more self-sustaining footing with both consumer and investment spending well supported. Inflation pressures have been limited despite low unemployment rates in many countries. Therefore, 2017 ended on a high note with both equity and fixed income asset classes returning positively. However, concerns about trade have been a major market driver recently with US imposing tariffs on US Dollar (USD) 58bn of goods and threatening to go further, and China and other countries are considering retaliatory measures. With global free trade generally accepted as a good thing in economic terms this move towards greater protectionism can only be considered a bad thing; even if the direct economic impact of measures already announced is small, the indirect effects in terms of confidence and spending plans could be significant. Against this economic background, market volatility rose during the 1H18 as a result of negative market sentiment. The portfolio returned slightly positively over the year with Asian equities being the main contributor to the overall performance. Fixed income asset classes return negatively with Asian Local Currency bonds and GEM Local currency bonds being the main detractors, dragging on the performance of the portfolio. This was due to the rise in yields and the emerging markets (EM) currencies depreciating against a relatively stronger USD.

### Market Outlook and Investment Strategy ^

The poor market performance so far in 2018 has come on the back of rising US inflation and exacerbated concerns over tightening Federal Reserve (Fed) policy, which has pushed US Treasury (UST) yields higher. Meanwhile, developed market activity growth lost momentum somewhat at the start of the year just as rising political uncertainty (e.g. Italy) and global trade tensions came to the fore. Amid a stronger USD, this has helped fuel anxieties over many exposed EM countries. In Asia growth has held up well but concerns remain over whether the Chinese economy can maintain growth at the same time as cleaning up the financial system, and how much the trade dominated Asia region will be affected by the current bout of protectionism.

The outlook around global trade policy is very unclear, with the risk of a further escalation in tensions. Positively, however, measures announced thus far should have a small economic impact. For the time being, global growth remains robust and we think the risk of recession is very low. We therefore maintain exposure to equities and corporate bonds commensurate with the portfolio's risk profile. In both equity and corporate bond markets value has improved in recent months. For equities lower prices combined with strong corporate earnings growth lowers valuation levels while in corporate bonds higher yields and still low default rates again mean value has improved. Long term investors can take advantage of market weakness to lock in attractive future returns.

^ 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 Jun 2018

Offer Price	S\$ 1.13173
Bid Price	S\$ 1.07514
Fund Size	S\$ 9.84 mil
Units in Issue	9.15 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 Asia Focused Income Fund	(3.32)	(4.44)	(0.21)	10.69	19.82	N.A.	13.17

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Asia Focused Income Fund*	3.44	3.68	N.A.	2.32

\*This fund has no benchmark.

<sup>^</sup>Inception Date: 06 Feb 2013

## B) Fund Disclosure

### I Allocation by Asset Class

	As at 30 Jun 2018	
Asset Class	% of NAV	MV S\$ mil
HSBC Global Investment Funds – Managed Solutions - Asia Focused Income	100.00	9.84
<b>Total</b>	<b>100.00</b>	<b>9.84</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	S\$
Subscription	10,033,514
Redemption	1,392,206

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

### I Allocation by Country

	As at 30 Jun 2018	
Country	% of NAV	MV S\$ mil
China/ Hong Kong	42.38	571.56
Korea, Republic of, (South Korea)	8.83	119.12
India	7.26	97.96
Singapore	5.30	71.41
Indonesia	3.44	46.33
Taiwan	3.37	45.49
Thailand	2.77	37.37
Japan	2.02	27.27
Others*	25.46	343.27
Cash	(0.83)	(11.16)
<b>Total</b>	<b>100.00</b>	<b>1,348.62</b>

\*Includes other countries

### II Allocation by Industry

	As at 30 Jun 2018	
Industry	% of NAV	MV S\$ mil
Asian Investment Grade Bond	32.57	439.16
Asia ex Japan Equity	25.17	339.48
Global Equities	10.15	136.85
Asian High Yield Bond	10.05	135.47
Asian Local Currency Bonds	9.64	130.07
Global Emerging Market Debt Local Currency	9.37	126.34
Japanese Equity	2.04	27.54
Indian Fixed Income	1.84	24.87
Cash	(0.83)	(11.16)
<b>Total</b>	<b>100.00</b>	<b>1,348.62</b>

### III Allocation of Debt Securities by Credit Ratings

(For Debt securities portfolio only)

	As at 30 Jun 2018	
Rating	% of NAV	MV S\$ mil
AAA	1.60	21.56
AA+	4.10	55.36
AA	0.55	7.46
AA-	2.24	30.20
A+	6.37	85.90
A	4.08	54.99
A-	8.37	112.86
BBB+	7.42	100.11
BBB	7.95	107.23
BBB-	7.14	96.33
BB+	1.24	16.70
BB	2.28	30.76
BB-	2.49	33.52
Unrated	3.52	47.49
Others*	4.12	55.44
<b>Total</b>	<b>63.47</b>	<b>855.91</b>

\*Includes lower rated debt securities

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

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

### Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2017	
	% of NAV	MV S\$ mil
HSBC GIF Short Duration High Yield Bond	9.93	66.96
HSBC GIF Global Emerging Markets Local Debt	9.91	66.80
Samsung Electronics Co Ltd	2.35	15.83
Taiwan Semiconductor Co Ltd	2.15	14.52
Tencent Holdings Ltd	1.39	9.35
China Construction Bank	1.27	8.53
KB Financial Group Inc	1.02	6.88
Vedanta Ltd	0.99	6.65
BOC Hong Kong Holdings Ltd	0.97	6.56
MTR Corp	0.92	6.18

### V Exposure to Derivatives

N.A.

As at 30 Jun 2018

### VI Borrowings of Net Asset Value

	As at 30 Jun 2018
% of NAV	(0.08%)
Market value (S\$)	(1,032,873)
Realised Gains / (Losses) (S\$)	(6,803,329)
Unrealised Gains / (Losses) (S\$)	2,866,901



**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-18</b>	<b>As at 30-Jun-17</b>	<b>As at 31-Mar-18*</b>	<b>As at 31-Mar-17**</b>
Expense Ratio	1.69%	1.69%	1.66%	1.65%
Turnover Ratio	19.04%	6.33%	67.45%	0.57%

\*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of HSBC Global Investment Funds – Managed Solutions - Asia Focused Income for the financial year ended 30 Jun 2018 is not available.

\*\*Based on audited figure as at 31 Mar 2017 as the expense ratio of HSBC Global Investment Funds – Managed Solutions - Asia Focused Income for the financial year ended 30 Jun 2017 is not available.

**II Related-Party Transactions**

The HSBC Insurance Asia Focused Income Fund invests S\$9.84 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Funds – Managed Solutions - Asia Focused Income, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2017 to 30 June 2018 amounts to S\$41,537.

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

### Investment and Market Review ^

After posting strong performance in May, Asian credit reversed course in June despite a relatively stable environment for US rates. On a sector basis and beginning with Asian financials, we saw similar themes as we did in the past few months with underperformance stemming primarily from India and to a lesser extent the Philippines in June. Most Asian currencies weakened by as much as 3.4%, led by the Chinese yuan offshore as the People's Bank of China stood by allowing broad USD strength to drive markets.

Data from the Institute of International Finance show that in May foreign investors pulled US\$12.3 billion out of Emerging Markets Debts (EMD) and equity markets, the largest monthly outflow since November 2016. Asian markets stand out, as their funding markets are far more localized, even for USD debt. More than three-quarters of Asian USD debt issued last year was bought by investors based in the region. This has allowed policymakers to show greater flexibility in allowing local currencies to act as shock absorbers.

### Market Outlook and Investment Strategy ^

In China, a rise in bond defaults remains idiosyncratic in nature and systemic financial risk is unlikely, considering the small size relative to the overall financial system, stable interbank interest rates and more resilient economic fundamentals than in previous stretched periods in 2014-2016. While trade tensions continue to simmer, there appears to be no relief in sight given the likelihood of hawkish positioning in view of mid-term elections at the end of the year for the US. The direct impact of the Trump Administration's 25% tariff on Chinese goods will actually be somewhat limited, but the risk of subsequent tit-for-tat retaliation rises.

The regional anchor of demand remains strong, a sign of the fundamental current account surplus the region runs. This is very clearly seen in the USD funding space, specifically from Chinese issuers, with non-Asian investors falling to less than 10% of issuance from more than 60% as recent as six years ago. In the USD-denominated Asian bonds space, we continue to favor higher quality investment-grade credits while being cognizant of greater idiosyncratic risks in the high-yield space. Furthermore, a significant number of entities that have issued USD-denominated investment-grade bonds are government-related entities (GREs), which are closely linked to the financial health of Asian sovereigns where we believe they remain in good stead with the will and wallet to provide support for the GREs, if needed.

^ Source: Legg Mason Asset Management Singapore Pte. Limited

## FUND FACTS

Underlying Fund

Legg Mason Western Asset

Asian Bond Trust

Fund Manager

Legg Mason Asset

Management Singapore

Pte. Limited

Launch Date

06 Oct 2008

CPFIS/SRS

SRS

CPFIS Risk

N.A.

Classification

As at 30 Jun 2018

Offer Price

S\$ 1.91422

Bid Price

S\$ 1.81851

Fund Size

S\$ 28.47 mil

Units in Issue

15.66 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 Asian Bond Fund	(1.61)	(2.93)	(1.93)	4.53	11.77	N.A.	91.42
Benchmark*	0.41	0.75	1.26	3.79	4.86	N.A.	65.58

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Asian Bond Fund	1.49	2.25	N.A.	6.94
Benchmark*	1.25	0.95	N.A.	5.35

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

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

## B) Fund Disclosure

### I Allocation by Asset Class

	As at 30 Jun 2018	
Asset Class	% of NAV	MV S\$ mil
Legg Mason Western Asset Asian Bond Trust	100.00	28.47
<b>Total</b>	<b>100.00</b>	<b>28.47</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	S\$
Subscription	4,631,182
Redemption	7,259,855

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

### I Allocation by Country

	As at 30 Jun 2018	
Country	% of NAV	MV S\$ mil
China	23.09	9.12
Singapore	22.89	9.04
Indonesia	13.95	5.51
Hong Kong	12.69	5.01
South Korea	6.66	2.63
Malaysia	3.17	1.25
India	0.99	0.39
Others*	14.18	5.60
Cash	2.38	0.94
<b>Total</b>	<b>100.00</b>	<b>39.49</b>

\*Includes other countries

### II Allocation by Industry

	As at 30 Jun 2018	
Industry	% of NAV	MV S\$ mil
Financials	33.17	13.10
Real Estate	21.58	8.52
Government	12.53	4.95
Construction & Materials	8.13	3.21
Transportation	6.89	2.72
Miscellaneous	4.58	1.81
Electrical and Electronics	4.38	1.73
Retail	1.87	0.74
Telecommunication	1.80	0.71
Hotel	1.65	0.65
Energy	1.04	0.41
Cash	2.38	0.94
<b>Total</b>	<b>100.00</b>	<b>39.49</b>

### III Allocation of Debt Securities by Credit Ratings

#### Rating

(For Debt securities portfolio only)

	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Aa2	1.04	0.41
AA-	3.80	1.50
Aa3	2.61	1.03
A1	3.04	1.20
A	3.70	1.46
A2	0.58	0.23
A-	0.66	0.26
A3	4.31	1.70
Baa1	7.19	2.84
BBB	2.08	0.82
Baa2	7.34	2.90
BBB-	12.92	5.10
Unrated	30.31	11.97
Others*	18.04	7.13
Cash	2.38	0.94
<b>Total</b>	<b>100.00</b>	<b>39.49</b>

\*Includes lower rated debt securities

### IV Top Ten Holdings of Underlying Fund

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

#### Top Ten Holdings of Underlying Fund

	As at 30 Jun 2017	
	% of NAV	MV S\$ mil
Indonesia Government Ser FR69 (Reg) 7.875% 15/04/2019	9.71	4.23
Oversea-Chinese Banking Corp Ltd (Reg S) 3.15% 11/03/2023	3.49	1.52
Ascendas Real estate Investment (Reg S) Var Pep	3.03	1.32
First Real Estate Invest (Reg) (Reg S) (Ser Mtn) Vae Perp	2.91	1.27
Oversea-Chinese Banking 4% Perp	2.89	1.26
NTPC Ltd Ser EMTN (Reg S) (Reg) 4.375% 26/11/2024	2.48	1.08
SembCorp Industries Ltd Mtn Var Perp	2.34	1.02
Genting Singapore Plc STP Perp	2.29	1.00
Export-Import Bank Korea EMTN (Reg S) (Reg) 3.6% 10/06/2018	2.29	1.00
Sembcorp Industries Ltd Ser Mtn (Reg S) Var Perp	2.29	1.00

### V Exposure to Derivatives

N.A.

As at 30 Jun 2018

### VI Borrowings of Net Asset Value

N.A.

As at 30 Jun 2018

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance Asian Bond Fund</b>		<b>Underlying Fund</b>	
	<b>As at 30-Jun-18</b>	<b>As at 30-Jun-17</b>	<b>As at 31-Mar-18*</b>	<b>As at 31-Mar-17**</b>
Expense Ratio	1.28%	1.30%	1.25%	1.26%
Turnover Ratio	11.96%	12.10%	72.51%	55.09%

\*Based on audited figure as at 31 Mar 2018 as the expense ratio of Legg Mason Western Asset Asian Bond Trust for the financial year ended 30 Jun 2018 is not available.

\*\*Based on unaudited figure as at 31 Mar 2017 as the expense ratio of Legg Mason Western Asset Asian Bond Trust for the financial year ended 30 Jun 2017 is not available.

**II Related-Party Transactions**

N.A.

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

N.A.

**IV Soft Dollar Commission Arrangement**

N.A.

**E) Financial Statements**

Refer to page 173.

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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 ^

Chinese and Hong Kong equities continued on their solid run in 2017, delivering strong positive returns in the third quarter of 2017 (3Q17) on the back of dovish signs from the Fed and more upbeat sentiment on the Chinese economy. Share prices were supported by better-than-expected data, with Gross Domestic Profit (GDP) expanding in the second quarter of 2018 (2Q18) by 6.9% year-on-year (YOY). In Hong Kong, stocks gained on positive sentiment surrounding China and on a solid earnings season for a number of its blue chips.

China and Hong Kong equities recorded positive returns in the fourth quarter of 2017 (4Q17). Chinese equities advanced as 3Q17 real GDP growth came broadly in line with expectations, rising 6.8% YOY. The announcement of a targeted reserve ratio requirement cut for some banks that would go into effect in 2018 also supported sentiment for Chinese banking stocks. Consumer staples and healthcare were the best performing sectors. Property rebounded amid the stabilising home prices and housing activities. In Hong Kong, stocks delivered positive returns with Macau gaming stocks in particular performing well. Hong Kong banks also advanced on the back of rising interbank rates.

Chinese equities gained in a volatile first quarter of 2018 (1Q18). The markets had a strong start to the year led by technology stocks and Chinese banks. But they witnessed a sharp sell-off in early February, led by systematic corrections in US. The markets posted further declines in March. The sell-off in late March was led by concerns over US-China trade tensions, in the wake of the Trump administration's announcement of tariffs on Chinese goods. Chinese and Hong Kong equities retreated in the 2Q18. Investor sentiment has been dampened by concerns over growing risk of a trade war, rising UST yields, and soft China economic data alongside Chinese yuan depreciation.

### Market Outlook and Investment Strategy ^

The fund delivered robust positive returns over the review period and underperformed the benchmark mainly attributable to negative stock selection in real estate and materials. However, this was partially mitigated by positive stock selection in consumer discretionary and IT. The fund's leading detractors over the period was our off-benchmark position in leading Chinese gold miner Zhaojin Mining. Its shares declined on the back of weakness in the gold price. Our overweight position in China Mobile was also a key detractor. Share price of the Chinese telecom operator consolidated after recent outperformance. Its lower beta nature lagged in recent stock market rally.

Meanwhile, one of the portfolio's top contributors over the period was our overweight position in Wuxi Biologics. Its shares rallied after the Chinese government's announcement to accelerate the approval of new drugs which is expected to help Wuxi Biologics to move along the development stages of its projects with higher revenue per project in later stages. Further contribution came from our overweight position in US-listed Chinese microblogging operator Weibo Corp., which saw its shares gain strongly on robust earnings as active monthly users reached a new high. Rising advertisers' spend from small to medium enterprise (SMEs) and key accounts also supported its share price.

^ 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 Jun 2018

Offer Price	S\$ 3.00694
Bid Price	S\$ 2.85659
Fund Size	S\$ 104.88 mil
Units in Issue	36.71 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 China Equity Fund	2.15	2.08	15.41	27.64	96.24	62.75	200.69
Benchmark*	0.34	0.25	20.06	24.35	90.28	N.A.	N.A.**

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance China Equity Fund	8.48	14.43	4.99	7.85
Benchmark*	7.53	13.73	N.A.	N.A.**

\* Benchmark Details:

Inception to February 2009 – MSCI China Index

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

From March 2011 to April 2013 – MSCI TR China Gross

From April 2013 onwards – MSCI TR China Net

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

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

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2018 % of NAV	MV S\$ mil
Schroder International Opportunities Portfolio - Schroder China Opportunities Fund	100.08	104.96
Other assets	0.27	0.29
Other liabilities	(0.35)	(0.37)
<b>Total</b>	<b>100.00</b>	<b>104.88</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	S\$
Subscription	9,760,839
Redemption	25,904,369

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

### I Allocation by Country

Country	As at 30 Jun 2018 % of NAV	MV S\$ mil
Luxembourg	98.66	130.70
Other net assets/(liabilities)	1.34	1.78
<b>Total</b>	<b>100.00</b>	<b>132.48</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 (ISF), an open-ended investment company incorporated in Luxembourg).

### II Allocation by Industry

As at 30 Jun 2018

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

### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2018

N.A.

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

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

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

	As at 30 Jun 2017	
	% of NAV	MV S\$ mil
Schroder International Selection Fund – China Opportunities C Accumulation Share Class	99.07	117.70

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

#### V Exposure to Derivatives

As at 30 Jun 2018

% of NAV	-
Market value (S\$)	-
Realised Gains / (Losses) (S\$)	(14,400)
Unrealised Gains / (Losses) (S\$)	-

#### VI Borrowings of Net Asset Value

As at 30 Jun 2018

N.A.

#### D) Other Disclosure Items

##### I Expense/Turnover Ratios

	HSBC Insurance China Equity Fund		Underlying Sub-fund	
	As at 30-Jun-18	As at 30-Jun-17	As at 31-Mar-18*	As at 31-Mar-17**
Expense Ratio	1.75%	1.77%	1.67%	1.71%
			As at 30-Jun-18	As at 30-Jun-17
Turnover Ratio	5.65%	7.91%	3.37%	1.33%

\*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of Schroder International Opportunities Portfolio - Schroder China Opportunities Fund for the financial year ended 30 Jun 2018 is not available.

\*\*Based on unaudited figure as at 31 Mar 2017 as the expense ratio of Schroder International Opportunities Portfolio - Schroder China Opportunities Fund for the financial year ended 30 Jun 2017 is not available.

##### II Related-Party Transactions

The Manager of the Fund is Schroder Investment Management (Singapore) Ltd. The Registrar for the Fund is Schroder Investment Management (Europe) S.A., a related party of the Manager. The Trustee is HSBC Institutional Trust Services (Singapore) Limited, a subsidiary of the HSBC Group. The registration fees payable by the Fund to the Registrar has been waived by the Registrar. The management fees, net of any management fee rebates, paid to the Manager, trustee fees and valuation fees charged by the HSBC group are shown in the Statement of Total Return of the financial statements for the period ended 30 June 2018.

##### 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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## 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 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 Jun 2018		
Offer Price	S\$	1.63351
Bid Price	S\$	1.55183
Fund Size	S\$	7.46 mil
Units in Issue		4.81 mil

### Investment and Market Review ^

The GIF Chinese Equity Fund rose 20.1% over the 12 months June 30 2018 (gross of fees, USD terms), while its benchmark, MSCI China 10/40 Net rose by 19.1% over the same period. Chinese equities performed strongly in 2H2017, driven by improvement in Chinese economy which has translated into better corporate earnings. Technical support also continued in 2H2017 with net positive flows from international investors and robust southbound buying through the stock connects programs. The market started off 2018 positively with MSCI China 10/40 index rising as much as 10% in a single month. Southbound money resumed position building in H-shares during the first month of 2018, resulting in significant increase in southbound net buying. However, trends reversed in February with global equities undergoing a sharp pullback as US job data was stronger than expected, triggering concerns on faster inflation and consequently faster rate hike. Market sentiments did not improve in March as trade tension between U.S. and China escalated. Such uncertainties around the US-China trade deal continued to depress market sentiment throughout the rest of 1H18. A vital source of support to the market in 2017, southbound inflow, turned into net outflows in April, marking the first outflow this year. Southbound outflow continued in May and June. On the other hand, northbound inflows were strong, driven by MSCI A-share inclusion effective on 1 June.

The fund outperformed the index mainly due to successful stock selection in healthcare and energy sectors. Sector allocation was strong in industrials and telecommunications.

### Market Outlook and Investment Strategy ^

Rising uncertainties around US-China trade war and global monetary policies have led to increased volatility in equity market, which may result in a bigger deviation of share price from fair value. That said, we do not believe such headwinds are altering the resilient economic fundamentals of China. Recent sell-off in Chinese equities and CNY depreciation has revived investors' memory of 2015, however in our view, China is less vulnerable today. We believe substantial CNY depreciation is unlikely, due to capital outflow concerns. Fundamentally, China's economic remains resilient. Year to date (YTD), macro data has been steady. Implementation of supply-side and state owned enterprise reforms, in addition to opening up of capital/financial markets is helping to support the economy and equity market. Debt levels and credit risks should be contained, as macro policy adjustments to offset potential negative impacts from slowing domestic activity and rising external headwinds are unlikely to derail financial deleveraging efforts. On the liquidity front, as consumer price inflation remains low globally, liquidity should be supportive to the equity market. Furthermore, we think valuation converging between A and H-share markets will be a multi-year trend. The offshore Chinese market, with a relatively lower valuation, will continue to attract southbound inflow and international money. We believe given the underlying strength of the economy, the offshore Chinese equity market warrants a rebound in the remaining of 2018.

Overall, we continue to prefer domestic consumption driven sectors such as healthcare and consumer staple. We continued to underweight telecommunications and industrials given their weaker growth outlook.

^ 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 Chinese Equity Fund	0.46	(1.71)	17.42	N.A.	N.A.	N.A.	55.18
Benchmark*	0.11	(0.10)	17.93	N.A.	N.A.	N.A.	62.12

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Chinese Equity Fund	N.A.	N.A.	N.A.	19.82
Benchmark*	N.A.	N.A.	N.A.	22.00

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

<sup>^</sup>Inception Date: 25 Jan 2016

## B) Fund Disclosure

### I Allocation by Asset Class

	As at 30 Jun 2018	
Asset Class	% of NAV	MV S\$ mil
HSBC Global Investment Funds – Chinese Equity Fund	99.87	7.45
Other assets	0.93	0.07
Other liabilities	(0.80)	(0.06)
<b>Total</b>	<b>100.00</b>	<b>7.46</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	S\$
Subscription	6,252,059
Redemption	415,893

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

### I Allocation by Country

	As at 30 Jun 2018	
Country	% of NAV	MV S\$ mil
H Shares (Hong Kong)	30.79	636.00
P Chips (Hong Kong & China)	23.89	493.45
Red Chips (Hong Kong)	17.55	362.47
A Shares (Shanghai)	1.03	21.23
Others*	23.65	488.67
Cash	3.09	63.78
<b>Total</b>	<b>100.00</b>	<b>2,065.60</b>

\*Includes other countries

### II Allocation by Industry

	As at 30 Jun 2018	
Industry	% of NAV	MV S\$ mil
Information Technology	26.79	553.19
Financials	25.38	524.28
Consumer Discretionary	10.02	207.04
Health Care	9.24	190.94
Energy	8.60	177.63
Consumer Staples	6.01	124.06
Real Estate	5.15	106.48
Materials	2.20	45.52
Telecommunication Services	1.94	40.13
Utilities	1.48	30.54
Industrials	0.10	2.01
Cash	3.09	63.78
<b>Total</b>	<b>100.00</b>	<b>2,065.60</b>

### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2018

N.A.

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

As at 30 Jun 2018

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

### Top Ten Holdings of Underlying Sub-Fund

As at 30 Jun 2017

	% of NAV	MV S\$ mil
Tencent Holdings Ltd	9.82	200.48
Alibaba Group Holding Ltd	9.71	198.29
China Mobile Ltd	6.13	125.24
China Construction Bank Corp	5.45	111.24
Ping An Ins Grp Co of China Ltd	4.70	95.91
Indl and Comm Bank of China Ltd	3.91	79.87
Bank of China Ltd	3.82	77.91
Jd.Com Inc - Cl A	3.20	65.36
China Life Insurance Co Ltd	3.01	61.49
Baidu Inc	2.80	57.12

### V Exposure to Derivatives

As at 30 Jun 2018

N.A.

### VI Borrowings of Net Asset Value

As at 30 Jun 2018

N.A.

### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Chinese Equity Fund		Underlying Sub-Fund	
	As at 30-Jun-18	As at 30-Jun-17	As at 31-Mar-18*	As at 31-Mar-17**
Expense Ratio	1.94%	1.94%	1.90%	1.90%
Turnover Ratio	4.87%	3.05%	128.98%	0.71%

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

\*\*Based on audited figure as at 31 Mar 2017 as the expense ratio of HSBC Global Investment Funds – Chinese Equity Fund for the financial year ended 30 Jun 2017 is not available.

### II Related-Party Transactions

HSBC Insurance Chinese Equity Fund S\$7.45 million, equivalent to 100% 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 2017 to 30 June 2018 amounts to S\$31,670.

### 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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## 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>

EM equities recorded a positive return over the 12 months ending June 2018. The synchronised pick-up in global growth and trade proved supportive, as did USD weakness earlier in the period. However, a revival in USD, amid policy normalisation from the Fed, and escalating US-China trade tensions weighed on returns in the 2H17. The MSCI EM Index increased in value but underperformed the MSCI

World.China recorded a strong return and outperformed, supported by a rally in technology sector names. Economic growth remained firm at around 6.8% YOY for much of the period. However, there were signs of slowing momentum in the domestic economy. Together with intensification in trade tensions with the US, which raised concerns over the outlook for global trade, this led to some weakness in the yuan at the end of the period. Trade uncertainty also weighed on other Asian markets, including South Korea which finished in positive territory but lagged the index.By contrast, global liquidity tightening was a headwind for certain EM countries over the period.. Meanwhile the NAFTA renegotiation saw limited progress. EM rose over the 12 months to the end of June 18.

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

The overweight to Russia which outperformed added value, as did the underweights to Indonesia, Mexico and Philippines, all of which underperformed. Russia posted a strong gain, led higher by energy sector names as the price of crude oil rallied strongly. Indonesia and the Philippines were down amid rising external pressures. Indonesia is exposed to global liquidity tightening given high foreign ownership of the bond market while government policy also showed signs of deterioration. In the Philippines, concerns over rising inflation and a slow response from the central bank, as well as the emergence of a current account deficit, were negative. Mexican equities and the peso declined amid rising trade tensions and uncertainty around NAFTA renegotiations. Political concerns also weighed on asset prices as the market came to terms with the prospect of anti-establishment candidate Andrés Manuel López Obrador's victory in the Presidential election. This was somewhat offset by the overweights to Poland and Korea both of which underperformed and detracted value. Polish equities lagged as inflation increased at a slower-than-expected rate, weighing on the prospect for interest rate hikes. This was negative for financials which have a significant weight in the index. Korea posted a negative return with global trade tensions, principally between China and the US, raising concerns over the outlook for exports demand.

Stock selection was positive overall. Chinese stock selection added the most value due to the overweights to China Mengniu Dairy (recent results show revenue growth picking up, suggesting that management changes are having some effect), Shenzhou International (consistent sales growth exemplifies the company's strong client base and operational management) and Tencent (the internet service provider outperformed on continued strong results given improving monetisation). Indian stock selection was also beneficial thanks to our off-benchmark holding in HDFC Bank as well as the overweights in Infosys and Hindustan Unilever. In South Africa, stock selection also supported excess returns due mainly to the overweight to Naspers. We also enjoyed positive stock selection in Russia mainly due to the overweight positions in Sberbank as well as the underweight to Magnit. In Korea, stock selection detracted due mainly to the underweights to Celltrion and SK Hynix as well as the overweight to Hyundai Motor. It was also negative in Taiwan mainly due to the overweight to Hon Hai Precision.

<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 Jun 2018

Offer Price	S\$ 1.35245
Bid Price	S\$ 1.28483
Fund Size	S\$ 33.14 mil
Units in Issue	25.79 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	(3.94)	(5.07)	7.79	22.30	36.84	17.48	35.25
Benchmark*	(4.16)	(4.76)	7.15	19.24	37.30	25.45	45.75

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Emerging Markets Equity Fund	6.94	6.47	1.62	2.63
Benchmark*	6.04	6.54	2.29	3.30

\*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 2018
	% of NAV MV \$ mil
Schroder International Choice Portfolio - Schroder Emerging Markets Fund	100.00 33.14
<b>Total</b>	<b>100.00 33.14</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	\$ mil
Subscription	3,532,796
Redemption	10,807,662

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

### I Allocation by Country

Country	As at 30 Jun 2018
	% of NAV MV \$ mil
Luxembourg	98.93 120.50
Other net assets/(liabilities)	1.07 1.30
<b>Total</b>	<b>100.00 121.80</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 (ISF), an open-ended investment company incorporated in Luxembourg).

### II Allocation by Industry

As at 30 Jun 2018

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

### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2018

N.A.

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

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

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

	As at 30 Jun 2017
	% of NAV MV \$ mil
Schroder International Selection Fund - Emerging Markets A Accumulation Share Class	98.85 97.66

\*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 2018</b>
% of NAV	-
Market value (\$\$)	-
Realised Gains / (Losses) (\$\$)	(5,994)
Unrealised Gains / (Losses) (\$\$)	-

<b>VI Borrowings of Net Asset Value</b>	<b>As at 30 Jun 2018</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-18</b>	<b>As at 30-Jun-17</b>	<b>As at 31-Mar-18*</b>	<b>As at 31-Mar-17**</b>
Expense Ratio	1.98%	2.07%	1.95%	2.03%
Turnover Ratio	7.68%	9.17%	2.01%	4.15%

\*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of Schroder International Choice Portfolio - Schroder Emerging Markets Fund for the financial year ended 30 Jun 2018 is not available.

\*\*Based on unaudited figure as at 31 Mar 2017 as the expense ratio of Schroder International Choice Portfolio - Schroder Emerging Markets Fund for the financial year ended 30 Jun 2017 is not available.

**II Related-Party Transactions**

The Manager of the Fund is Schroder Investment Management (Singapore) Ltd. The Registrar for the Fund is Schroder Investment Management (Europe) S.A., a related party of the Manager. The Trustee is HSBC Institutional Trust Services (Singapore) Limited, a subsidiary of the HSBC Group. The management fees payable by the Fund to the Manager is currently waived by the Manager. The registration fees payable by the Fund to the Registrar has been waived by the Registrar. The trustee fees and valuation fees charged by the HSBC group are shown in the Statement of Total Return of the financial statements for the period ended 30 June 2018.

<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 174.

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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 ^

Overweight health care holdings had a negative impact on performance. An overweight combined with stock selection in the telecommunication services sector detracted from performance as well. Stock selection in the U.S. detracted from a geographic perspective, mainly driven by IT holdings. We have little faith this growth-led, U.S.-centric bull market can withstand an extended Fed tightening cycle, and we continue to find the most compelling long-term opportunities among out-of-favor value stocks, often in international (ex-U.S.) markets.

Turning to contributors, strong stock selection and an overweight to the energy sector added relative value. As we anticipated, oil markets have moved into deficit amid Organization of the Petroleum Exporting Countries (OPEC) supply cuts, politically driven curtailments in Venezuela and Iran, and continued strong demand growth that is drawing down inventories.

Better stock selection in the IT and consumer staples sectors had a positive impact. The underweight to the consumer staples sector further boosted relative performance. The defensive consumer staples sector, which doubled the gains of the broader market from the onset of the global financial crisis through July 2016, has underperformed significantly ever since.

An overweight combined with strong stock selection in Asia contributed, driven largely by Chinese and Japanese holdings. We believe the best opportunities in the region are effectively plays on the long-term wealth accumulation and demand potential of Asian consumers. We are finding many such opportunities among providers of the critical services and infrastructure – utilities and telecoms – required to facilitate the rise of a middle class. It's too early to determine the impact of escalating trade wars on China's economy, but the outlook is negative.

### Market Outlook and Investment Strategy ^

Looking ahead, we remain optimistic on the prospects for value and believe that companies whose fundamentals are underappreciated by a market focused on the short term should be well positioned for outperformance over time. At the close of the 2Q18, global valuation spreads (the gap between the market's cheapest and most expensive stocks) were the widest they have been in at least 30 years. Put another way, value globally has been this cheap only a tiny fraction of the time in the past three decades. Though it certainly doesn't feel like it, such signs suggest that now is a great time for opportunistic value investors. And despite our conviction in value's long-term prospects, we are not sitting idly by waiting for the cycle to turn. We have worked hard to continuously refine and improve our process with recent initiatives, including enhanced quantitative capabilities, improved risk management strategies, and the integration of ESG (environmental, social and governance) analysis into our investment framework. The goal of these efforts is to ensure that our investment process remains true to Templeton's time-tested fundamental value approach while also evolving to best address client goals and market conditions.

^ 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	Templeton Asset Management Ltd.		
Launch Date	29 Sep 1995		
CPFIS/SRS	OA/SRS		
CPFIS Risk Classification	Higher Risk – Broadly Diversified		
As at 30 Jun 2018			
Offer Price	S\$	1.49675	
Bid Price	S\$	1.42191	
Fund Size	S\$	55.69	mil
Units in Issue		39.17	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>^</sup>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Ethical Global Equity Fund	3.44	1.75	8.88	18.56	32.86	28.07	49.67
Benchmark*	5.79	1.88	9.87	26.33	60.00	64.72	N.A.**

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Ethical Global Equity Fund	5.84	5.85	2.51	1.79
Benchmark*	8.10	9.86	5.12	N.A.**

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

\*\*The new benchmark MSCI AC World Islamic Index is not available when HSBC Insurance Ethical Global Equity Fund was inception

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

## B) Fund Disclosure

### I Allocation by Asset Class

	As at 30 Jun 2018	
Asset Class	% of NAV	MV S\$ mil
Franklin Templeton Shariah Funds - Templeton Shariah Global Equity Fund	99.91	55.64
Other assets	0.23	0.13
Other liabilities	(0.14)	(0.08)
<b>Total</b>	<b>100.00</b>	<b>55.69</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	S\$
Subscription	1,200,304
Redemption	8,538,460

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

### I Allocation by Country

	As at 30 Jun 2018	
Country	% of NAV	MV S\$ mil
Japan	18.28	22.77
United States	17.63	21.96
Germany	10.22	12.73
United Kingdom	9.37	11.68
China	8.64	10.76
South Korea	6.64	8.27
France	4.53	5.65
Canada	4.33	5.40
Others*	17.68	22.03
Cash & Cash Equivalents	2.68	3.34
<b>Total</b>	<b>100.00</b>	<b>124.59</b>

\*Includes other countries

<b>II Allocation by Industry</b>		<b>As at 30 Jun 2018</b>	
<b>Industry</b>	<b>% of NAV</b>	<b>MV S\$ mil</b>	
Energy	20.83	25.95	
Health Care	19.95	24.85	
Information Technology	14.94	18.61	
Materials	11.27	14.04	
Industrials	9.87	12.30	
Consumer Discretionary	7.11	8.86	
Consumer Staples	5.57	6.94	
Telecommunication Services	4.29	5.35	
Utilities	1.77	2.21	
Real Estate	1.72	2.14	
Cash & Cash Equivalents	2.68	3.34	
<b>Total</b>	<b>100.00</b>	<b>124.59</b>	

<b>III Allocation of Debt Securities by Credit Ratings</b>	<b>As at 30 Jun 2018</b>
N.A.	

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

<b>Top Ten Holdings of Underlying Sub-Fund</b>		<b>As at 30 Jun 2017</b>	
	<b>% of NAV</b>	<b>MV S\$ mil</b>	
Tencent Holdings Ltd	3.00	3.71	
Royal Dutch Shell Plc	2.91	3.60	
BP Plc	2.16	2.67	
Pfizer Inc	1.96	2.42	
Bayer AG	1.90	2.35	
Telefonica Deutschland Holding AG	1.89	2.34	
Allergan Plc	1.84	2.27	
LG Innotek Co Ltd	1.72	2.13	
Eli Lilly & Co	1.71	2.11	
Tsumura & Co	1.67	2.06	

<b>V Exposure to Derivatives</b>	<b>As at 30 Jun 2018</b>
N.A.	

<b>VI Borrowings of Net Asset Value</b>	<b>As at 30 Jun 2018</b>
N.A.	

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance Ethical Global Equity Fund</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-18</b>	<b>As at 30-Jun-17</b>	<b>As at 31-Mar-18*</b>	<b>As at 31-Mar-17**</b>
Expense Ratio	1.72%	1.74%	1.75%	1.75%
			<b>As at 30-Apr-18***</b>	<b>As at 30-Apr-17†</b>
Turnover Ratio	1.98%	1.82%	20.55%	4.15%

\*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of Franklin Templeton Shariah Global Equity Fund for the financial year ended 30 Jun 2018 is not available.

\*\*Based on unaudited figure as at 31 Mar 2017 as the expense ratio of Franklin Templeton Shariah Global Equity Fund for the financial year ended 30 Jun 2017 is not available.

\*\*\*Based on unaudited figure as at 30 Apr 2018 as the turnover ratio of Franklin Templeton Shariah Global Equity Fund for the financial year ended 30 Jun 2018 is not available. Turnover ratio calculation is based on Luxembourg GAAP.

†Based on unaudited figure as at 30 Apr 2017 as the turnover ratio of Franklin Templeton Shariah Global Equity Fund for the financial year ended 30 Jun 2017 is not available. 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 January 2018 to 30 June 2018, the Franklin Templeton Shariah Fund - Templeton Shariah Global Equity Fund paid US\$16,992 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 175.

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## HSBC Insurance Ethical Global Sukuk Fund

### Fund Objective

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

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

Global stock and bond markets encountered significant volatility in Q2, largely due to higher bond yields, trade conflicts and geopolitical tensions. While the 10-year UST yield topped 3% in 2Q18, it ended the quarter lower and the yield curve continued its flattening trend. USD strengthened significantly against most currencies. Most EM currencies weakened during the quarter in the face of rising US interest rates, with a notably weak Reminbi (RMB) during June. Commodity prices mostly rose during the quarter and WTI crude oil prices rose over 14% despite the conclusion of the OPEC meeting that will see oil production rise.

Fixed-income markets were volatile and mainly posted losses during 2Q18. The Citi World Government Bond Index fell by 3.35%. The JPMorgan Emerging Markets Bond Index Global (EMBIG) Diversified, which tracks hard-currency EM government bonds, dropped 3.54%. However, losses on the Dow Jones Sukuk Index remained limited to 0.32%. Credit risk was the main source of underperformance. Security selection losses were mainly in the financial sector. The fund was negatively impacted by a decline in the value of a Sukuk issued by Bank Asya in 2Q18. The Sovereign sector also negatively impacted performance mainly due to Asian sovereign exposure within the fund. Conversely, asset allocation made a modest contribution to PPIperformance due in large part to our positioning in corporates. Yield curve positioning had a positive effect on performance. This was almost entirely down to our positioning for a flatter USD curve as well as our overweight exposure to Malaysian rates. The Fund's currency positioning further aided results mainly due to its overweight position in the Malaysian Ringgit.

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

In Saudi Arabia, the inclusion of Saudi stocks in broader EM indices is testament to the success of the capital reforms it has implemented, and this inclusion is likely to trigger investor interest and capital inflows across the Kingdom's financial markets. From an environmental, social and corporate governance (ESG) perspective, we are also encouraged by wide-ranging reforms such as lifting the ban on women driving, the introduction of entertainment venues and opportunities, and a crackdown on corruption. The region's importance is set to increase further on the global stage with the listing of Saudi Aramco, one of the biggest initial public offerings in history. Furthermore, along with the UAE, the Kingdom is likely to continue to be a beneficiary of the changes in oil markets as the Gulf Co-operation Council (GCC) region is set to benefit from production increases due to available spare capacity. Outside of the GCC, we are encouraged by the proactive moves of central bank, such as those in Indonesia and Pakistan, in the face of currency and external balance pressures. In addition, the market's reaction to the Malaysian elections bolsters our view that fundamentals are solid and could continue to support currency and bond prices. Selective opportunities have also opened up in Turkey due to general market weakness and concerns leading up to the election. While we have some exposure, we are conscious of the potential for policy changes that could alter our assessment of value. In general, having been defensive, we continue to evaluate opportunities and remain predisposed to increase credit risk, as the operating environment for many companies, banks and sovereigns appear to be improving, in contrast to many advanced or core EM countries

## 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.

As at 30 Jun 2018	
Offer Price	S\$ 1.15891
Bid Price	S\$ 1.10096
Fund Size	S\$ 15.20 mil
Units in Issue	13.81 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.

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

## A) Fund Performance

### I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Ethical Global Sukuk Fund	2.33	(1.10)	(2.36)	2.49	26.05	33.76	15.89
Benchmark*	3.65	0.52	(1.14)	8.57	27.13	48.74	N.A.**

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance Ethical Global Sukuk Fund	0.82	4.74	2.95	0.93
Benchmark*	2.78	4.92	4.05	N.A.**

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

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

^Inception Date: 01 Jul 2002

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Franklin Templeton Shariah Funds - Franklin Global Sukuk Fund	99.93	15.19
Other assets	0.07	0.01
<b>Total</b>	<b>100.00</b>	<b>15.20</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)  
S\$

Subscription	177,222
Redemption	1,780,040

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

### I Allocation by Country

Country	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
United Arab Emirates	25.07	47.58
Indonesia	16.48	31.29
Saudi Arabia	13.59	25.80
Malaysia	10.34	19.63
Qatar	10.26	19.47
Kuwait	3.95	7.49
Oman	3.93	7.46
Nigeria	3.20	6.08
Others*	10.91	20.72
ST Cash & Cash Equivalents	2.27	4.30
<b>Total</b>	<b>100.00</b>	<b>189.82</b>

\*Includes other countries

<b>II Allocation by Industry</b>		<b>As at 30 Jun 2018</b>	
<b>Industry</b>	<b>% of NAV</b>	<b>MV S\$ mil</b>	
Government-Related Sovereign	39.86	75.69	
Corporate Financial Institutions	21.25	40.33	
Government-Related Agencies	16.33	30.99	
Corporate Industrials	9.51	18.05	
Treasury	9.25	17.55	
Government-Related Supranational	0.96	1.83	
Corporate Utilities	0.57	1.08	
Cash & Cash Equivalents	2.27	4.30	
<b>Total</b>	<b>100.00</b>	<b>189.82</b>	

<b>III Allocation of Debt Securities by Credit Ratings</b>		<b>As at 30 Jun 2018</b>	
<b>Rating</b>	<b>% of NAV</b>	<b>MV S\$ mil</b>	
AAA	0.97	1.82	
AA	8.23	15.63	
A	32.56	61.80	
BBB	35.53	67.45	
BB	6.12	11.62	
B	8.68	16.48	
D	1.66	3.16	
Unrated	3.98	7.56	
Cash & Cash Equivalents	2.27	4.30	
<b>Total</b>	<b>100.00</b>	<b>189.82</b>	

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

<b>Top Ten Holdings of Underlying Sub-Fund</b>		<b>As at 30 Jun 2017</b>	
	<b>% of NAV</b>	<b>MV S\$ mil</b>	
KSA Sukuk Ltd., senior bond, Reg S, 3.628%, 4/20/27	5.66	10.01	
Perusahaan Penerbit SBSN Indonesia III, Reg S, 4.55%, 3/29/26	3.97	7.02	
Oman Sovereign Sukuk SAOC, senior note, Reg S, 4.397%, 6/01/24	3.83	6.78	
Equate Sukuk Spc Ltd., senior note, Reg S, 3.944%, 2/21/24	3.43	6.07	
Perusahaan Penerbit SBSN Indonesia III, senior note, Reg S, 4.325%, 5/28/25	3.23	5.72	
Malaysia Sukuk Global Bhd., Reg S, 4.08%, 4/27/46	3.15	5.57	
MAF Sukuk Ltd., 4.50%, Reg S, 11/03/25	2.96	5.24	
Government of Malaysia, senior bond, 4.444%, 5/22/24	2.90	5.14	
SoQ Sukuk A Q.S.C, Reg S, 3.241%, 1/18/23	2.80	4.96	
KSA Sukuk Ltd., senior note, Reg S, 2.894%, 4/20/22	2.79	4.93	

<b>V Exposure to Derivatives</b>	<b>As at 30 Jun 2018</b>
N.A.	

<b>VI Borrowings of Net Asset Value</b>	<b>As at 30 Jun 2018</b>
N.A.	

**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-18</b>	<b>As at 30-Jun-17</b>	<b>As at 31-Mar-18*</b>	<b>As at 31-Mar-17**</b>
Expense Ratio	1.53%	1.54%	1.50%	1.50%
			<b>As at 30-Apr-18***</b>	<b>As at 30-Apr-17†</b>
Turnover Ratio	5.23%	5.48%	4.12%	56.19%

\*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of Franklin Templeton Shariah Funds

- Franklin Global Sukuk Fund for the financial year ended 30 Jun 2018 is not available.

\*\*Based on unaudited figure as at 31 Mar 2017 as the expense ratio of Franklin Templeton Shariah Funds

- Franklin Global Sukuk Fund for the financial year ended 30 Jun 2017 is not available.

\*\*\*Based on unaudited figure as at 30 Apr 2018 as the turnover ratio of Franklin Templeton Shariah Funds

- Franklin Global Sukuk Fund for the financial year ended 30 Jun 2018 is not available. Turnover

Calculation is based on Luxembourg GAAP.

†Based on unaudited figure as at 30 Apr 2017 as the turnover ratio of Franklin Templeton Shariah Funds -

Franklin Global Sukuk Fund for the financial year ended 30 Jun 2017 is not available. Turnover Calculation

is based on Luxembourg GAAP.

**II Related-Party Transactions**

Cash balances maintained with HSBC Bank as at 30 Jun 2018 amounts to S\$9,496.

**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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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 ^

An overweight position in Wirecard, a technology payments company, contributed to returns over the over the quarter due to better-than-expected financial results. Preliminary group revenues were up around 52% on 2017, driven by new high-profile clients such as Allianz and Banca Afirme. An overweight in Logitech helped relative returns over the quarter as the shares performed strongly on the back of a positive earnings update. Results for the quarter came in above expectations and topline growth for the fiscal year exceeded double digits for the second consecutive year, while management reiterated high single-digit revenue growth for the next year. An overweight in BE Semiconductor, the semiconductor manufacturer, negatively impacted performance this quarter over concerns that smartphone sales, in particular Apple's, were moderating. Approximately 35% of the company's sales come from smartphones. Sentiment was also shaken by a profit warning from AMS, which makes sensors for Apple iPhones, as well as a poor outlook statement from Taiwan Semiconductor Manufacturing Company. Our overweight position in the Danish Bank Danske was also negative for relative returns. The bank fell along with the sector as a whole, following comments from the European Central Bank (ECB) that interest rates will not rise until at least the summer of next year.

### Market Outlook and Investment Strategy ^

The largest purchase over the quarter was to Moët Hennessy Louis Vuitton, with the fund moving from an underweight to an overweight position. 1Q18 sales were greater than expected, leading to consensus upgrades to forecasts. On the other hand, the largest decrease was to Erste, the Austrian bank. The 1Q18 net profit beat expectations, but only due to a significant impairment write back, which covered the pre-provision profit miss. The operating income growth was lower than expected due to weakness in net interest income. Relationships between the US and its Western allies are being tested, but it is too early to predict the wider effects of President Trump's America First strategy. There is nothing to suggest, however, that the current economic recovery is on the way to being derailed, and valuations have become more attractive since equity markets are static but earnings are rising.

^ Source: JPMorgan Asset Management (Singapore) Limited

## FUND FACTS

Underlying Sub-Fund	JPMorgan Funds – Europe Dynamic Fund
Fund Manager	J.P. Morgan Asset Management.
Launch Date	18 Jan 2016
CPFIS/SRS	SRS
CPFIS Risk	N.A.
Classification	
As at 30 Jun 2018	
Offer Price	S\$ 1.33643
Bid Price	S\$ 1.26961
Fund Size	S\$ 37.19 mil
Units in Issue	29.29 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	5.04	0.17	1.42	N.A.	N.A.	N.A.	26.96
Benchmark*	4.45	0.37	5.89	N.A.	N.A.	N.A.	34.24

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

^Inception Date: 25 Jan 2016



## II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance Europe Dynamic Equity Fund	N.A.	N.A.	N.A.	10.32
Benchmark*	N.A.	N.A.	N.A.	12.88

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

## B) Fund Disclosure

### I Allocation by Asset Class

	As at 30 Jun 2018	
Asset Class	% of NAV	MV S\$ mil
JPMorgan Funds – Europe Dynamic Fund	100.00	37.19
<b>Total</b>	<b>100.00</b>	<b>37.19</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	S\$
Subscription	43,850,778
Redemption	7,642,891

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

### I Allocation by Country

	As at 30 Jun 2018	
Country	% of NAV	MV S\$ mil
United Kingdom	20.10	494.46
France	20.00	492.00
Switzerland	13.10	322.26
Germany	9.00	221.40
Italy	7.10	174.66
Sweden	5.70	140.22
Finland	5.40	132.84
Others*	17.20	423.12
Net Liquidity	2.40	59.04
<b>Total</b>	<b>100.00</b>	<b>2,460.00</b>

\*Includes other countries

### II Allocation by Industry

	As at 30 Jun 2018	
Industry	% of NAV	MV S\$ mil
Financials	16.70	410.82
Materials	15.90	391.14
Consumer Discretionary	13.40	329.64
Industrials	11.80	290.28
Health Care	10.80	265.68
Information Technology	9.60	236.16
Consumer Staples	9.20	226.32
Others*	10.20	250.92
Net Liquidity	2.40	59.04
<b>Total</b>	<b>100.00</b>	<b>2,460.00</b>

\*Includes other industries

### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2018

N.A.

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

	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Novartis	3.53	86.84
Repsol	2.42	59.53
Allianz	2.22	54.61
Tesco	2.15	52.89
Capgemini	2.10	51.66
BASF	2.07	50.92
Vinci	2.05	50.43
LVMH	2.00	49.20
Novo Nordisk	1.96	48.22
Logitech International	1.84	45.26

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

	As at 30 Jun 2017	
	% of NAV	MV S\$ mil
Sanofi	3.91	75.29
Siemens	3.11	59.87
Kering	2.94	56.60
Allianz	2.84	54.68
Unilever	2.54	48.90
ING	2.46	47.36
KBC	2.35	45.24
Lloyds Banking	2.23	42.93
Volvo	2.20	42.36
Electrolux	2.07	39.85

#### V Exposure to Derivatives

	As at 30 Jun 2018
% of NAV	(0.12%)
Market value (S\$)	(2,915,316)
Realised Gains / (Losses) (S\$)	-
Unrealised Gains / (Losses) (S\$)	(2,915,316)

#### VI Borrowings of Net Asset Value

	As at 30 Jun 2018
N.A.	

#### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Europe Dynamic Equity Fund		Underlying Sub-Fund	
	As at 30-Jun-18	As at 30-Jun-17	As at 31-Mar-18*	As at 31-Mar-17**
Expense Ratio	1.83%	1.84%	1.80%	1.80%
Turnover Ratio	26.26%	2.14%	141.31%	169.30%

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

\*\*Based on unaudited figure as at 31 Mar 2017 as the expense ratio of JPMorgan Funds – Europe Dynamic Fund for the financial year ended 30 Jun 2017 is not available.

#### II Related-Party Transactions

N.A.

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

N.A.

#### IV Soft Dollar Commission Arrangement

N.A.

**E) Financial Statements**

Refer to page 175.

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## HSBC Insurance Global Bond Fund

### Fund Objective

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

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

Major government yields rose in the 1H18 as Italian political risks receded and the Fed raised interest rates by a further 0.25% to 1.75%-2.0%. Fed Chair Jerome Powell described the US economy as “very strong” and the median expectations for further rate hikes in 2018 and 2019 were revised higher. Later on in the month risk markets traded poorly in response to rising fears over an escalation in trade wars between the US and China, and government yields receded while corporate bonds underperformed. The US yield curve flattened as shorter-dated issues rose but yields on longer-dated issues ended the month modestly lower.

Recent changes to US fiscal policy are likely to improve the near-term growth outlook, but are unlikely to materially improve the longer-term growth trajectory. Absent an acceleration in nominal GDP, we view the expected uptick in inflation this year as merely a move back to more normal levels while the economy heels and is fully priced into forward markets. Despite our below-consensus view on growth and inflation we remain optimists on select risk assets. If the economy continues to improve as we expect and policy is adjusted at a gradual pace, investment-grade corporate bonds and government bond yields should remain well supported. With the flattening of the US yield curve over recent years and forward bond yields above the Fed’s long-run expectation of 2.9%, over the past few months we have reduced duration in US long bonds in favor of shorter maturities.

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

In Europe, despite the recent dovish ECB meeting, we remain confident that growth data will improve in the 2H18, led predominantly by domestic consumption and investment. We believe firmer ECB forward guidance is supportive for higher-yielding eurozone government bond markets and have added to Italian bonds in a prudent fashion. An improving economy coupled with very supportive monetary conditions should support inflation rising towards the ECB’s target. Under this scenario we expect steeper curves and higher German yields towards year-end. In currency markets, we continue to believe the long-term trend for the USD to weaken as Fed policy normalization is fully priced and growth expectations outside of the US are likely to improve over the coming quarters.

EM bond markets have underperformed recently on global growth fears with a number of isolated stories further contributing to weakness. Over the longer term, we remain constructive on EM debt and currencies given steady EM growth, improved external accounts, prudent fiscal policy and advantageous positive real rates. Global portfolios remain positioned with a modest overweight to spread sectors, in particular select EM USD- and local-currency-denominated bonds, to take advantage of attractive valuations. We continue to look for opportunities to benefit from market anomalies. Our focus remains on longer-term fundamentals with diversified strategies to manage risk.

<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 Jun 2018	
Offer Price	S\$ 1.21307
Bid Price	S\$ 1.15242
Fund Size	S\$ 9.36 mil
Units in Issue	8.12 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	(0.59)	(0.69)	(0.79)	4.14	12.57	N.A.	21.31
Benchmark*	(0.16)	0.20	1.29	8.36	19.09	N.A.	29.36

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Global Bond Fund	1.36	2.40	N.A.	2.01
Benchmark*	2.71	3.56	N.A.	2.68

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

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

## B) Fund Disclosure

### I Allocation by Asset Class

	As at 30 Jun 2018	
Asset Class	% of NAV	MV S\$ mil
Legg Mason Western Asset Global Bond Trust	99.89	9.35
Other assets	0.53	0.05
Other liabilities	(0.42)	(0.04)
<b>Total</b>	<b>100.00</b>	<b>9.36</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	S\$
Subscription	3,312,557
Redemption	2,995,718

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

### I Allocation by Country

	As at 30 Jun 2018	
Country	% of NAV	MV S\$ mil
USA	48.80	191.00
Italy	12.07	47.25
France	6.56	25.68
Spain	6.07	23.75
Mexico	4.71	18.42
Great Britain	3.61	14.13
Germany	2.50	9.80
Belgium	2.43	9.53
Others*	8.55	33.45
Cash	4.70	18.40
<b>Total</b>	<b>100.00</b>	<b>391.41</b>

\*Includes other countries

### II Allocation by Industry

	As at 30 Jun 2018	
Industry	% of NAV	MV S\$ mil
Government	94.40	369.51
Financials	0.87	3.42
Others*	0.03	0.08
Cash	4.70	18.40
<b>Total</b>	<b>100.00</b>	<b>391.41</b>

\*Includes other industries

### III Allocation of Debt Securities by Credit Ratings

Rating

	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
(For Debt Securities Portfolio Only)		
Aaa	5.92	23.19
AA+	48.80	191.00
Aa2	10.13	39.66
Aa3	2.43	9.53
A	2.37	9.27
A2	0.89	3.47
A-	2.01	7.87
BBB+	4.71	18.42
Baa1	6.07	23.75
Baa2	12.07	47.25
Unrated*	(0.10)	(0.40)
Cash	4.70	18.40
<b>Total</b>	<b>100.00</b>	<b>391.41</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 2018	
	% of NAV	MV S\$ mil
US Treasury Bond 1.5% 31/12/2018	8.85	34.69
US Treasury Bond 1.750% 31/03/2022	7.68	30.05
US Treasury Bond 1.625% 15/11/2022	6.99	27.34
France (Govt of) (REG S) 0.25% 25/11/2026	5.45	21.34
Buoni Poliennali Del Tes (BR) 1.45% 15/09/2022	5.27	20.62
US Treasury Bond 4.5% 15/08/2039	4.70	18.41
US Treasury Bond 2.125% 29/02/2024	3.81	14.91
US Treasury Bond 2.875% 15/05/2043	3.36	13.15
Mex Bonds Desarr Fix RT SER M 7.75% 13/11/2042	3.29	12.86
UK Treasury 4.25% 07/12/2040	3.24	12.68

#### Top Ten Holdings of Underlying Fund

	As at 30 Jun 2017	
	% of NAV	MV S\$ mil
US Treasury Bond 1.5% 31/12/2018	9.32	34.22
Buoni Poliennali Del Tes 1.45% 15/09/2022	5.69	20.90
France (Govt of) (Reg S) 0.25% 25/11/2016	5.54	20.36
US Treasury Bond 4.5% 15/08/2039	5.27	19.36
US Treasury Bond 2.125% 29/02/2024	4.25	15.60
Japan (Govt of) CPI Linked Ser 16 1.4% 10/06/2018	4.23	15.56
US Treasury Bond 2.875% 15/05/2043	3.73	13.69
Buoni Poliennali Del Tes 2% 01/12/2025	3.62	13.31
UK treasury 4.25% 07/12/2040	3.38	12.42
Mex Bonds Desarr Fix RT Ser M 7.75% 13/11/2042	2.96	10.89

### V Exposure to Derivatives

	As at 30 Jun 2018
% of NAV	0.02%
Market value (S\$)	79,219
Realised Gains / (Losses) (S\$)	-
Unrealised Gains / (Losses) (S\$)	79,219

### VI Borrowings of Net Asset Value

	As at 30 Jun 2018
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-18</b>	<b>As at 30-Jun-17</b>	<b>As at 31-Mar-18*</b>	<b>As at 31-Mar-17**</b>
Expense Ratio	0.94%	0.91%	0.87%	0.88%
Turnover Ratio	29.23%	11.35%	<b>As at 30-Jun-18</b> 27.41%	<b>As at 30-Jun-17</b> 40.75%

\*Based on audited figure as at 31 Mar 2018 as the expense ratio of Legg Mason Western Asset Global Bond Trust for the financial year ended 30 Jun 2018 is not available.

\*\*Based on unaudited figure as at 31 Mar 2017 as the expense ratio of Legg Mason Western Asset Global Bond Trust for the financial year ended 30 Jun 2017 is not available.

**II Related-Party Transactions**

N.A.

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

N.A.

**IV Soft Dollar Commission Arrangement**

N.A.

**E) Financial Statements**

Refer to page 176.

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## HSBC Insurance Global Emerging Markets Bond Fund

### Fund Objective

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

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

EM debt posted negative performance in the first six months of 2018 more than offsetting the gains made towards the end of 2017. During this period a confluence of factors, including rising UST yields, heightened levels of issuance, greater market volatility and subsequent risk off-sentiment caused a disruption to investor flows and spread levels widened. The largest detractor of performance was the overweight to the high yield sector as investors sold their riskier assets in favor of lower beta, higher quality investment grade securities. Consequently, underweights to China, Poland and Malaysia were among the largest detractors. However some of these losses were tempered by underweights to those IG countries with longer duration profiles, including Peru and Uruguay, which struggled as UST yields rose.

Within high yield, the largest detractor has been security selection in Venezuela as a slight underweight to the quasi-sovereign Pedvesa and a preference for lower-dollar priced bonds dragged on performance following the debt restructuring announcement in November. Other significant underperformance came from the overweight exposure to twin deficit countries, Argentina and Turkey, as technical pressures from a stronger USD prompted a sell-off in risk assets.

However, some of these losses have been partially offset by gains from tactical positioning in oil-linked countries such as Iraq, Nigeria and Russia, benefitting from an increase in oil prices. The largest contributor was portfolio's underweight to Lebanon as debt servicing pressure from a stronger USD as heightened geo-political risks has seen bond yields steadily raise.

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

While recent EMD market volatility has seen a slight souring of risk appetite in 1H18, the re-pricing of EMD has resulted in a meaningful cheapening in valuations, particularly in hard currency where spreads are at their widest levels in 18 months. Against the backdrop of what is still a strong underlying fundamental story, supported by higher levels of global trade activity, and a compelling yield differential to developed markets, the asset class appears attractive on a relative basis.

This sentiment has been reflected in the positioning of the portfolio, moving from an underweight to spread duration at the beginning of 2018, incrementally adding spread duration risk as EMD assets have re-priced, and moving to a slight overweight by the end of the period. From a portfolio construction perspective, we continue to believe that we are better compensated for risk in higher yield assets relative to expensive investment grade issues, exercising greater selectivity in this space by targeting those credits with solid fundamentals or attractive relative valuations. This is reflected by our overweight positioning in the likes of Turkey, Indonesia, Argentina and Romania versus underweights to more expensive low yielding names like China and the Philippines. We have also added a basket of higher yielding, higher beta currencies which have contributed to overall carry within the portfolio as well as offering the opportunity for generating meaningful alpha should we see a reversal of the recent USD strengthening

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

## FUND FACTS

Underlying Sub-Fund	HSBC Global Investment Funds – Global Emerging Markets Bond
Fund Manager	HSBC Global Asset Management (Singapore) Limited
Launch Date	28 Jan 2013
CPFIS/SRS	SRS
CPFIS Risk Classification	N.A.
As at 30 Jun 2018	
Offer Price	S\$ 1.03345
Bid Price	S\$ 0.98178
Fund Size	S\$ 2.15 mil
Units in Issue	2.19 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 Emerging Markets Bond Fund	(4.99)	(7.28)	(5.39)	4.42	11.64	N.A.	3.35

### II Average Annual Compounded Returns

	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception <sup>^</sup> (%)
HSBC Insurance Global Emerging Markets Bond Fund*	1.45	2.23	N.A.	0.61

\*This fund has no benchmark.

<sup>^</sup>Inception Date: 06 Feb 2013

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
HSBC Global Investment Funds – Global Emerging Markets Bond	99.53	2.14
Other assets	0.93	0.02
Other liabilities	(0.46)	(0.01)
<b>Total</b>	<b>100.00</b>	<b>2.15</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	S\$
Subscription	945,440
Redemption	248,146

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

### I Allocation by Country

Country	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Mexico	11.83	600.99
Turkey	11.01	559.40
Argentina	7.81	396.68
Russian Federation	6.08	309.02
Indonesia	5.68	288.49
Brazil	5.04	256.37
Egypt	3.40	172.86
Colombia	3.20	162.59
China	3.15	159.88
Others*	42.80	2,175.65
<b>Total</b>	<b>100.00</b>	<b>5,081.93</b>

### II Allocation by Industry

Industry	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Sovereign (Hard Ccy)	66.85	3,397.23
Quasi (Hard Ccy)	20.80	1,057.22
Corporate (Hard Ccy)	8.51	432.29
Local FX	4.66	237.06
Local Sovereign Bonds	0.24	11.94
Cash	(1.06)	(53.81)
<b>Total</b>	<b>100.00</b>	<b>5,081.93</b>

### III Allocation of Debt Securities by Credit Ratings

	As at 30 Jun 2018	
Ratings	% of NAV	MV S\$ mil
AAA	(7.32)	(372.09)
AA-	0.01	0.64
A+	4.52	229.78
A	0.19	9.62
A-	7.40	375.93
BBB+	5.32	270.31
BBB	11.42	580.44
BBB-	22.07	1,121.67
BB+	11.01	559.47
BB	2.60	131.92
BB-	9.77	496.67
B+	7.78	395.40
B	8.63	438.44
Others*	16.09	817.64
Unrated	0.51	26.09
<b>Total</b>	<b>100.00</b>	<b>5,081.93</b>

\*Includes lower rated debt securities

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

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

### Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2017	
	% of NAV	MV S\$ mil
Argentina (Republic Of) 7.5% 22/04/26	3.61	221.84
Republic Of Indonesia 4.875% 05/05/21	2.24	137.81
Argentina (Republic Of) 5.625% 26/01/22	2.04	125.21
Petroleos Mexicanos 4.5% 23/01/26	1.78	109.06
Russia Global 4.875% 16/09/23	1.66	102.09
Dominican Republic 6.875% 29/01/26	1.48	91.23
Hungary Republic Of - Global 6.375% 29/03/21	1.45	89.01
Kazakhstan (Republic Of) 5.125% 21/07/25	1.35	83.01
Hungary Republic Of - Global 6.25% 29/01/20	1.19	72.82
Turkey (Republic Of)-Global 5.625% 30/03/21	1.13	69.69

### V Exposure to Derivatives

	As at 30 Jun 2018
% of NAV	(0.15%)
Market value (S\$)	(7,806,012)
Realised Gains / (Losses) (S\$)	59,234,093
Unrealised Gains / (Losses) (S\$)	(9,418,138)

### VI Borrowings of Net Asset Value

	As at 30 Jun 2018
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-18</b>	<b>As at 30-Jun-17</b>	<b>As at 31-Mar-18*</b>	<b>As at 31-Mar-17**</b>
Expense Ratio	1.69%	1.69%	1.66%	1.65%
Turnover Ratio	10.81%	14.94%	70.92%	0.56%

\*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of HSBC Global Investment Funds – Global Emerging Markets Bond for the financial year ended 30 Jun 2018 is not available.

\*\*Based on audited figure as at 31 Mar 2017 as the expense ratio of HSBC Global Investment Funds – Global Emerging Markets Bond for the financial year ended 30 Jun 2017 is not available.

**II Related-Party Transactions**

The HSBC Insurance Global Emerging Markets Bond invests S\$2.14 million, equivalent to 99.53% of its net asset value in HSBC Global Investment Funds – Global Emerging Markets Bond, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2017 to 30 June 2018 amounts to S\$12,886.

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

N.A.

**IV Soft Dollar Commission Arrangement**

N.A.

**E) Financial Statements**

Refer to page 176.

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## HSBC Insurance 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 ^

Ems closed down for a fifth consecutive month, falling 4.2% in June, despite a rally on the last day of the month. In contrast Developed Markets were more resilient and finished the month flat in USD terms. Although USD only edged up mildly against major DM currencies and the US 10-year bond yield remained unchanged at 2.86% in June, EM assets came under immense pressure as the Fed continues to shrink its balance sheet though at a gradual pace, while remaining in a rate-hike cycle. Portfolio activity was limited in June, in-line with our long term investment focus. We initiated a position in Han's Lasers, the largest industrial laser equipment maker in China, where we see significant upside for the company to upgrade their products to address expanding demand. We maintain our bias to companies with sustainable competitive advantages, consistent cash flow generation, and strong management teams. This has worked well for the portfolio over the long-term and we remain confident that it is the right strategy to pursue in current market conditions.

### Market Outlook and Investment Strategy ^

Though EM equities have come under pressure lately, we believe current EM weakness may prove to be a reasonable buying opportunity, if the more bearish trade war scenarios can be avoided. Commodity strength and decent underlying growth in most EM economies continue to support earnings and valuations are also now well below long-term averages, at roughly 1.5x book value, a level that has proven to be a good non-crisis entry point for long-term investors. The fund uses our comprehensive research platform to identify high quality businesses that compound earnings sustainably over longer periods, resulting in a long-term, high conviction portfolio with a quality and growth bias.

^ Source: JPMorgan Asset Management (Singapore) 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 Equity Fund	(2.81)	(5.28)	7.11	N.A.	N.A.	N.A.	54.32
Benchmark*	(4.16)	(4.76)	7.15	N.A.	N.A.	N.A.	50.01

### II Average Annual Compounded Returns

	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception^ (%)
HSBC Insurance Global Emerging Markets Equity Fund	N.A.	N.A.	N.A.	20.09
Benchmark*	N.A.	N.A.	N.A.	18.66

\*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 2018	
	% of NAV	MV S\$ mil
JPMorgan Funds – Emerging Markets Equity Fund	99.73	3.70
Other assets	1.08	0.04
Other liabilities	(0.81)	(0.03)
<b>Total</b>	<b>100.00</b>	<b>3.71</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	S\$
Subscription	3,451,800
Redemption	217,332

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

#### I Allocation by Country

Country	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
China	37.50	3,505.95
India	18.20	1,701.55
Brazil	7.40	691.84
Taiwan	6.90	645.09
South Korea	6.40	598.35
South Africa	5.10	476.81
Russia	3.90	364.62
Others*	14.30	1,336.93
Net Liquidity	0.30	28.05
<b>Total</b>	<b>100.00</b>	<b>9,349.19</b>

\*Includes other countries

#### II Allocation by Industry

Industry	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Financials	35.90	3,356.34
Information Technology	30.40	2,842.16
Consumer Discretionary	15.20	1,421.08
Consumer Staples	10.50	981.67
Industrials	4.00	373.97
Materials	1.70	158.94
Energy	1.30	121.54
Utilities	0.70	65.44
Net Liquidity	0.30	28.05
<b>Total</b>	<b>100.00</b>	<b>9,349.19</b>

### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2018

N.A.

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

	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Tencent	6.90	645.08
Alibaba	5.54	517.95
AIA	5.18	484.29
Samsung Electronics	4.89	457.18
Housing Development Finance	4.71	440.35
HDFC Bank	4.49	419.78
Ping An Insurance	4.25	397.34
Taiwan Semiconductor Manufacturing Company	4.14	387.06
Sberbank Russia OJSC	3.41	318.81
JD.com	2.40	224.38

### Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2017	
	% of NAV	MV S\$ mil
Tencent	6.62	483.55
Taiwan Semiconductor Manufacturing Company	4.79	349.88
Housing Development Finance	4.09	298.75
Alibaba	4.09	298.75
HDFC Bank	4.01	292.90
AIA	3.64	265.88
Samsung Electronics	3.10	226.43
Tata Consultancy Services	2.76	201.60
BID	2.69	196.49
ITC	2.18	159.23

### V Exposure to Derivatives

N.A.

As at 30 Jun 2018

### VI Borrowings of Net Asset Value

N.A.

As at 30 Jun 2018

### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Global Emerging Markets Equity Fund		Underlying Sub-Fund	
	As at 30-Jun-18	As at 30-Jun-17	As at 31-Mar-18*	As at 31-Mar-17**
Expense Ratio	1.84%	1.84%	1.80%	1.80%
			As at 30-Jun-18	As at 31-Dec-16***
Turnover Ratio	3.48%	244.42%	21.29%	7.85%

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

\*\*Based on unaudited figure as at 31 Mar 2017 as the expense ratio of JPMorgan Funds – Emerging Markets Equity Fund for the financial year ended 30 Jun 2017 is not available.

\*\*\*Based on unaudited figure as at 31 Dec 2016 as the turnover ratio of JPMorgan Funds – Emerging Markets Equity Fund for the financial year ended 30 Jun 2017 is not available. Turnover Ratio Calculation is based on Swiss Funds and Asset Management Association

### 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 176.

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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.

### FUND FACTS

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

### Investment and Market Review ^

Global equities advanced during the 1H18, although threats of a global trade war, further tightening by the Fed and concerns about European politics all weighed on sentiment. The MSCI World Index closed the period up 0.43%. (All returns are in USD terms) European stocks were down for the period on concerns about the potentially disruptive policies of the new populist coalition in Italy and tensions over immigration policy within the German coalition and the European Union (EU) more broadly.

As at 30 Jun 2018

Offer Price	S\$ 1.73818
Bid Price	S\$ 1.65127
Fund Size	S\$ 78.68 mil
Units in Issue	47.65 mil

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

EMs continued to fall, as the MSCI EMs Index was down 16% from its late-January peak through the end of June. Rising oil prices, escalating trade tensions, a strengthening USD, and concerns about the outcome of elections in Turkey, Mexico, Argentina and Brazil all contributed to negative investor sentiment. US small-cap stocks were the largest advancers, as trade war tensions are less likely to affect US domestic firms. Small-cap stocks also benefited from the effects of the recent tax overhaul and as recent US economic data have been stronger than those of elsewhere.

### Market Outlook and Investment Strategy ^

Looking ahead to the 2H18 we expect solid growth to continue and believe that as the cycle matures and financial conditions start to tighten, some moderation is likely in 2019. We believe that the risks ahead include a US-led trade war, uncertainty in European politics and a market-driven tightening of financial conditions. After years of inflation being very muted, we are seeing pockets of inflation that could be exacerbated by the tariff situation, the rising oil price and an unemployment rate in the US of 3.8%. A tightness in the labor market is also seen in Germany, the UK and Japan, where we are hearing from companies that they are having difficulty finding skilled staff. This will become particularly true in the UK, post Brexit. The net impact of all this is likely to be higher wage inflation, and the question raised is how much will be passed through to consumers, versus absorbed by the companies, thereby negatively impacting margins and earnings?

In a move tied to the stronger economy and higher inflation, the Fed has been raising short-term rates. At its most recent meeting in June, it boosted rates by 25 basis points and increased its expectations from three rate hikes in 2018 to four. This has flattened the yield curve, as the long end of the curve has not risen as dramatically as the short end. Market historians note that when the yield curve inverts (meaning shorter-duration bonds are yielding more than longer-duration ones), a recession is normally not far behind. Therefore, investors are concerned that we may be nearing a recession. We remain skeptical of this, as the higher short rates are a function of a very strong US economy and the lower longer-term rates appear to be caused by continued quantitative easing (QE) in Europe and Japan that is pressuring the long end of the curve more than the short end. Normally the lower long rates are driven by the bond market "seeing" the coming slowdown. Instead, we believe this is another distortion of the unprecedented QE activities of central bankers around the world. Our balanced style approach helps our Portfolio perform well across a variety of economic environments and provides a more consistent premium. Across our equity services, we believe that an active investment approach with differentiated research and high conviction can achieve superior long-term results, even if uncertainty rises in 2018.

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

## A) Fund Performance

### I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Global Equity Fund	2.92	(0.46)	7.13	19.93	63.50	N.A.	73.82
Benchmark*	5.78	2.47	10.01	29.26	72.67	N.A.	145.52 <sup>^</sup>

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Global Equity Fund	6.24	10.33	N.A.	5.86
Benchmark*	8.93	11.54	N.A.	9.74 <sup>^</sup>

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

<sup>^</sup>Performance of the benchmark is measured from closest month-end after inception through 31 December 2016

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

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
AllianceBernstein - Global Equity Blend Portfolio, S1 class	100.06	78.73
Other assets	0.10	0.08
Other liabilities	(0.16)	(0.13)
<b>Total</b>	<b>100.00</b>	<b>78.68</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	S\$
Subscription	4,019,191
Redemption	10,264,047

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

### I Allocation by Country

Country	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
United States	50.53	87.54
Japan	7.15	12.39
France	4.64	8.04
United Kingdom	4.62	8.01
China	3.93	6.80
India	3.65	6.33
Germany	3.22	5.58
Switzerland	3.01	5.21
Ireland	2.11	3.65
Others*	17.14	29.68
<b>Total</b>	<b>100.00</b>	<b>173.23</b>

\*Includes other countries and other assets less liabilities



## II Allocation by Industry

Industry	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Financials	19.18	33.22
Information Technology	16.82	29.14
Health Care	13.74	23.80
Industrials	11.80	20.44
Consumer Discretionary	11.59	20.08
Consumer Staples	6.56	11.36
Materials	4.76	8.25
Energy	4.28	7.41
Utilities	4.17	7.23
Real Estate	2.29	3.97
Telecommunication Services	2.15	3.72
Other assets less liabilities	2.66	4.61
<b>Total</b>	<b>100.00</b>	<b>173.23</b>

\*Includes other assets less liabilities

## III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2018

N.A.

## IV Top Ten Holdings of Underlying Sub-Fund

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

## Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2017	
	% of NAV	MV S\$ mil
Apple, Inc.	1.66	8.04
Roche Holding AG	1.31	6.36
Vestas Wind Systems A/S	1.28	6.23
Housing Development Finance Corp., Ltd.	1.24	6.04
AIA Group Ltd.	1.24	6.03
Kingspan Group PLC (London)	1.22	5.90
ICON PLC	1.17	5.68
MSCI, Inc. - Class A	1.13	5.47
Ecolab, Inc.	1.10	5.35
Xylem, Inc./NY	1.10	5.33

## V Exposure to Derivatives

As at 30 Jun 2018

% of NAV	0.13%
Market value (S\$)	218,375
Realised Gains / (Losses) (S\$)	-
Unrealised Gains / (Losses) (S\$)	35,770

## VI Borrowings of Net Asset Value

As at 30 Jun 2018

Securities lending / Total Net Asset	0.49%
--------------------------------------	-------

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance Global Equity Fund</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-18</b>	<b>As at 30-Jun-17</b>	<b>As at 28-Feb-18*</b>	<b>As at 28-Feb-17**</b>
Expense Ratio	1.73%	1.73%	0.80%	0.79%
Turnover Ratio	4.21%	73.17%	45.99%	63.15%

\*Based on unaudited figures as at 28 Feb 2018 as the expense and turnover ratios of AllianceBernstein - Global Equity Blend Portfolio for the financial year ended 30 Jun 2018 are not available.

\*\*Based on unaudited figures as at 28 Feb 2017 as the expense and turnover ratios of AllianceBernstein - Global Equity Blend Portfolio for the financial year ended 30 Jun 2017 are not available.

**II Related-Party Transactions**

N.A.

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

N.A.

**IV Soft Dollar Commission Arrangement**

N.A.

**E) Financial Statements**

Refer to page 177.

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## HSBC Insurance Global Equity Portfolio Fund

### Fund Objective

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

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

### FUND FACTS

Underlying Sub-Fund

Fund Manager

Launch Date

CPFIS/SRS

CPFIS Risk

Classification

As at 30 Jun 2018

Offer Price

Bid Price

Fund Size

Units in Issue

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

18 Jan 2016

SRS

N.A.

S\$ 1.39271

S\$ 1.32307

S\$ 5.91 mil

4.46 mil

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

The world equity markets made gains – with many touching record highs – as the global economic recovery continued. However, the opening quarter of 2018 saw market falls, brought on by concerns that the loose monetary policies major central banks have run for the past eight years may now be set to tighten. Worries about US-Chinese trade relations also contributed to market falls. In April and early May, however, markets regained some ground. During the 12-month period to June 2018, the fund delivered solid absolute returns but underperformed its market cap weighted index. Both our asset allocation and stock selection weighed on relative performance.

On a country basis, our overweight allocations to Norway and Finland coupled with our underweight exposures to Switzerland and Canada contributed to performance. Conversely, our overweight allocations to Germany, France and Spain coupled with an underweight exposure to USA weighed on performance. On a sector basis, an overweight allocation to Consumer Discretionary coupled with our underweight exposures to Real Estate and Financials contributed to performance. Conversely, our overweight allocations to Industrials and Telecommunications coupled with an underweight exposure to IT weighed on performance.

At the stock level, overweighting Fiat Chrysler Automobiles (Consumer Discretionary, UK) and Walmart Inc. (Consumer Staples, USA) coupled with underweighting Celgene Corp. (Health Care, USA) contributed to performance. Conversely, underweighting Amazon.com Inc. (Consumer Discretionary, USA) and Microsoft Corp. (IT, USA) coupled with overweighting General electric Co. (Industrials, USA) weighed on performance.

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

Our measure of the global equity risk premium (excess return over cash) is still reasonable given where we are in the profit cycle. Global economic growth momentum remains solid, driving global equity markets to deliver positive returns over the long term. Overall, support from still loose monetary policy and fiscal policy may, in the medium and longer term, likely outweigh any headwinds from more modest Chinese growth, monetary policy normalisation in developed markets, and political uncertainty in many regions. While volatility appears benign, investors should not be complacent. Fairly narrow implied equity premia (excess return over cash) limit the ability of the market to absorb bad news. Episodic volatility may be triggered by concerns surrounding Chinese growth, US economic policy, and/or a potentially more rapid than expected Fed, ECB or Bank of Japan (BoJ) normalisation of policy, coupled with political risks. A notable and persistent deterioration of the global economic outlook could also dampen our view.

The strategy aims to take advantage of excess volatility in market prices to add excess return whilst delivering the equity market premium. No changes in terms of portfolio construction as the HSBC Economic Scale Equity strategy uses systematic rebalancing to re-evaluate stock weights. In June 2018 annual rebalance, there were 137 additions and 159 deletions while each constituent was reweighted based on their contribution to Gross National Product (GNP).

<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 Global Equity Portfolio Fund	4.02	(0.15)	7.04	N.A.	N.A.	N.A.	32.31
Benchmark*	5.78	2.47	10.44	N.A.	N.A.	N.A.	39.99

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Global Equity Portfolio Fund	N.A.	N.A.	N.A.	12.54
Benchmark*	N.A.	N.A.	N.A.	14.99

\*Benchmark Details:

Inception to October 2017 - HSBC Economic Scale Index World

From October 2017 onwards - MSCI World Net

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

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
HSBC Global Investment Funds - Economic Scale Global Equity Fund	100.00	5.91
<b>Total</b>	<b>100.00</b>	<b>5.91</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	S\$
Subscription	4,181,848
Redemption	451,792

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

### I Allocation by Country

Country	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
United States	45.51	109.10
Japan	12.36	29.63
United Kingdom	7.78	18.64
France	6.69	16.03
Germany	6.06	14.54
Canada	2.74	6.56
Switzerland	2.53	6.07
Australia	2.33	5.58
Others*	13.21	31.66
Cash	0.79	1.90
<b>Total</b>	<b>100.00</b>	<b>239.71</b>

\*Includes other countries

<b>II Allocation by Industry</b>		<b>As at 30 Jun 2018</b>	
<b>Industry</b>	<b>% of NAV</b>	<b>MV S\$ mil</b>	
Financials	16.85	40.38	
Industrials	16.12	38.65	
Consumer Discretionary	14.77	35.41	
Consumer Staples	10.51	25.19	
Information Technology	9.17	21.97	
Health Care	8.51	20.41	
Energy	6.35	15.22	
Telecommunication Services	5.57	13.36	
Materials	5.31	12.72	
Utilities	4.41	10.56	
Real Estate	1.64	3.94	
Cash	0.79	1.90	
<b>Total</b>	<b>100.00</b>	<b>239.71</b>	

<b>III Allocation of Debt Securities by Credit Ratings</b>	<b>As at 30 Jun 2018</b>
N.A.	

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

<b>Top Ten Holdings of Underlying Sub-Fund</b>		<b>As at 30 Jun 2017</b>	
	<b>% of NAV</b>	<b>MV S\$ mil</b>	
Wal-Mart Stores Inc	1.79	3.67	
General Electric Co	1.06	2.18	
AT&T Inc	0.85	1.74	
Volkswagen Ag	0.82	1.68	
Exxon Mobil Corp	0.81	1.65	
Wells Fargo & Co	0.74	1.51	
Royal Dutch Shell Plc	0.73	1.49	
JPMorgan Chase & Co	0.70	1.43	
Apple Inc	0.68	1.38	
Nippon Telegraph & Telephone	0.62	1.26	

<b>V Exposure to Derivatives</b>	<b>As at 30 Jun 2018</b>
% of NAV	0.05%
Market value (S\$)	108,726
Realised Gains / (Losses) (S\$)	387,918
Unrealised Gains / (Losses) (S\$)	(42,590)

<b>VI Borrowings of Net Asset Value</b>	<b>As at 30 Jun 2018</b>
N.A.	

**D) Other Disclosure Items**

<b>I Expense/Turnover Ratios</b>	<b>HSBC Insurance Global Equity Portfolio Fund</b>		<b>Underlying Sub-Fund</b>	
	<b>As at 30-Jun-18</b>	<b>As at 30-Jun-17</b>	<b>As at 31-Mar-18*</b>	<b>As at 31-Mar-17**</b>
Expense Ratio	0.99%	0.99%	0.95%	0.95%
Turnover Ratio	1.61%	2.57%	<b>As at 30-Jun-18</b> 37.05%	<b>As at 30-Jun-17</b> 0.26%

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

\*\*Based on audited figure as at 31 Mar 2017 as the expense ratio of HSBC Global Investment Funds - Economic Scale Global Equity Fund for the financial year ended 30 Jun 2017 is not available.

**II Related-Party Transactions**

HSBC Insurance Global Equity Portfolio Fund S\$5.91 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Funds - Economic Scale Global Equity Fund, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2017 to 30 June 2018 amounts to S\$11,868.

**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 Global Equity Volatility Focused Fund

### Fund Objective

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

### FUND FACTS

Underlying Sub-Fund	HSBC Global Investment Funds – Global Equity Volatility Focused Fund	
Fund Manager	HSBC Global Asset Management (Singapore) Limited	
Launch Date	18 Jan 2016	
CPFIS/SRS	SRS	
CPFIS Risk	N.A.	
Classification		
As at 30 Jun 2018		
Offer Price	S\$	1.26326
Bid Price	S\$	1.20010
Fund Size	S\$	7.32 mil
Units in Issue		6.10 mil

### Investment and Market Review ^

During the period, world equity markets gained, with many touching record highs as the global economic recovery continued. The MSCI All Country World Index returned 10.7%, led by the IT and Energy sectors, whilst Telecommunications and Consumer Staples lagged. The fund delivered solid absolute returns but underperformed by 2.0% relative to the index. Sector and country allocation is residual to the stock selection process and was negative for the period. Underweight positions in IT, the US and an overweight exposure to Indonesia were the largest detractors, whilst an overweight position in China and underweight Utilities contributed. At the stock level, the main detractors included Amazon, not held in the portfolio, which advanced as QoQ profits more than doubled, fuelled by the company's cloud business and eclipsing analysts' expectations. Furthermore, the company reported an increase in Prime members and fees. Altria also detracted as the company saw disappointing sales amid weakening demand given increased sales of cigarette alternatives, which are now beginning to disrupt the US industry. The weakness was compounded by the overall underperformance of Staples in a rising yield environment.

Contributors included Cisco Systems, which saw its share price rise as the company announced revenues were up, a raise to its quarterly dividend, and a \$25bn increase to its share buy-back program. Additionally, Phillips 66 gained after reporting a positive set of results that came in ahead of analyst expectations, driven by higher equity earnings given a time benefit from US tax reform as well as improved joint venture volumes.

### Market Outlook and Investment Strategy ^

Our measure of the global equity risk premium (excess return over cash) is still reasonable given where we are in the profit cycle. Global economic growth momentum remains solid, driving global equity markets to deliver positive returns over the long term. Overall, support from still loose monetary policy and fiscal policy may, in the medium and longer term, likely outweigh any headwinds from more modest Chinese growth, monetary policy normalisation in developed markets, and political uncertainty in many regions.

While volatility appears benign, investors should not be complacent. Fairly narrow implied equity premia (excess return over cash) limit the ability of the market to absorb bad news. Episodic volatility may be triggered by concerns surrounding Chinese growth, US economic policy, and/or a potentially more rapid than expected Fed, ECB or BoJ normalisation of policy, coupled with political risks. A notable and persistent deterioration of the global economic outlook could also dampen our view.

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	(0.52)	(1.09)	4.98	N.A.	N.A.	N.A.	20.01

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Global Equity Volatility Focused Fund *	N.A.	N.A.	N.A.	7.86

\*This fund has no benchmark.

<sup>^</sup>Inception Date: 01 Feb 2016

## B) Fund Disclosure

### I Allocation by Asset Class

	As at 30 Jun 2018	
Asset Class	% of NAV	MV S\$ mil
HSBC Global Investment Funds – Global Equity Volatility Focused	100.00	7.32
<b>Total</b>	<b>100.00</b>	<b>7.32</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	S\$
Subscription	8,881,454
Redemption	1,719,118

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

### I Allocation by Country

	As at 30 Jun 2018	
Country	% of NAV	MV S\$ mil
United States	45.65	148.17
United Kingdom	13.52	43.88
Japan	10.53	34.18
China	4.94	16.02
Germany	4.48	14.53
France	2.95	9.59
Italy	2.69	8.74
Netherlands	2.44	7.92
Others*	9.03	29.32
Cash	3.77	12.23
<b>Total</b>	<b>100.00</b>	<b>324.58</b>

\*Includes other countries

### II Allocation by Industry

	As at 30 Jun 2018	
Industry	% of NAV	MV S\$ mil
Financials	20.04	65.07
Information Technology	18.63	60.46
Industrials	13.76	44.67
Health Care	10.72	34.78
Consumer Discretionary	10.29	33.41
Consumer Staples	9.47	30.73
Energy	6.20	20.14
Materials	3.01	9.76
Utilities	2.05	6.65
Telecommunication Services	1.59	5.16
Real Estate	0.47	1.52
Cash	3.77	12.23
<b>Total</b>	<b>100.00</b>	<b>324.58</b>



### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2018

N.A.

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

As at 30 Jun 2018

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

### Top Ten Holdings of Underlying Sub-Fund

As at 30 Jun 2017

	% of NAV	MV S\$ mil
Quintiles Transnational	2.59	6.53
Travelers Cos Inc	2.33	5.86
Compass Group	2.31	5.83
JPMorgan Chase & Co	2.29	5.75
Bae Systems Plc	2.21	5.58
Johnson & Johnson	2.17	5.45
Expeditors Intl Wash Inc	2.03	5.12
Altria Group Inc	2.03	5.11
DBS Group Holdings Ltd	2.02	5.09
Home Depot Inc	2.01	5.07

### V Exposure to Derivatives

As at 30 Jun 2018

% of NAV	0.04%
Market value (S\$)	116,189
Realised Gains / (Losses) (S\$)	1,448,757
Unrealised Gains / (Losses) (S\$)	(107,555)

### VI Borrowings of Net Asset Value

As at 30 Jun 2018

N.A.

### D) Other Disclosure Items

#### I Expense/Turnover Ratios

#### HSBC Insurance Global Equity Volatility Focused Fund

#### Underlying Sub-Fund

	As at 30-Jun-18	As at 30-Jun-17	As at 31-Mar-18*	As at 31-Mar-17**
Expense Ratio	1.94%	1.95%	1.91%	1.91%
Turnover Ratio	31.90%	12.01%	38.41%	0.45%

\*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of HSBC Global Investment Funds – Global Equity Volatility Focused for the financial year ended 30 Jun 2018 is not available.

\*\*Based on audited figure as at 31 Mar 2017 as the expense ratio of HSBC Global Investment Funds – Global Equity Volatility Focused for the financial year ended 30 Jun 2017 is not available.

#### II Related-Party Transactions

HSBC Insurance Global Equity Volatility Focused Fund invests S\$7.32 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 2017 to 30 June 2018 amounts to S\$36,179.

**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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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 Hedge Fund.

Underlying Sub-Fund

HSBC Global Investment Funds – Global High Income Bond Hedge 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 Jun 2018

Offer Price

S\$ 1.16009

Bid Price

S\$ 1.10209

Fund Size

S\$ 2.26 mil

Units in Issue

2.05 mil

### Investment and Market Review ^

In the 2H17 and as we moved into 2018 risk assets continued to rally driven by a pro-reflationary rise in stocks, receding macro concerns and optimism surrounding the GOP tax plan as well as continued solid corporate earnings. Risk assets saw a return of volatility in February however, driven by concerns over inflation and the US administration's protectionist policies. While rate volatility continued into 2Q17, underlying macro growth and credit fundamentals remained sound. Investors have however had to reconcile still solid global growth and a strong corporate earnings picture with geopolitical risks, trade tensions and country specific issues in Europe and EMs that have characterized markets in the latter half of 2Q18. USD strength also pressure commodity markets and EM assets.

The strategy delivered positive absolute performance outperforming its reference benchmark gross of fees over the period. Regional allocations were positive for relative performance with an underweight to EM and an overweight to ABS as EM was the worst performing segment while ABS was the best. Credit selection was a drag on performance as all sleeves except the US BBB underperformed their reference benchmarks during the period.

### Market Outlook and Investment Strategy ^

Regionally, the strategy is overweight the US at the expense of EUR and EM. Within USD bonds, the strategy is overweight the US BB sleeve and slightly underweight the US BBB sleeve. The strategy also has an off-benchmark position in ABS of 13%. The overall portfolio beta is close to 1. Following the recent rise in yields we have moved more neutral in our duration being broadly in line with the benchmark. The main sector overweight is to financials predominantly through the USD BBB and EUR bonds where we see value given their relatively strong fundamentals vs other sectors. The strategy is also overweight energy, mainly in USD and EM bonds with only a small exposure to EUR bonds. The main sector underweight is to communication taken through USD and EUR bonds where we remain cautious on tight valuations and event risk from potential M&A activity.

Looking forward to the 2H18, while still solid, global economic growth has moderated somewhat. In particular, the Eurozone, UK and Japanese economies have shown signs of having hit a soft patch; however, this appears to be temporary as growth seems to remain largely on trend. Despite the recent pick up in volatility, a shifting landscape with trade tensions escalating, and the risk for more macro driven weakness, credit specific metrics remain stable as defaults continue to be low and credit fundamentals and balance sheet health have held firm.

^ 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 High Income Bond Fund	(1.43)	(3.22)	(1.42)	N.A.	N.A.	N.A.	10.21

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Global High Income Bond Fund*	N.A.	N.A.	N.A.	4.08

\*This fund has no benchmark.

<sup>^</sup>Inception Date: 25 Jan 2016

## B) Fund Disclosure

### I Allocation by Asset Class

	As at 30 Jun 2018	
Asset Class	% of NAV	MV S\$ mil
HSBC Global Investment Funds – Global High Income Bond Fund	100.00	2.26
<b>Total</b>	<b>100.00</b>	<b>2.26</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	S\$
Subscription	1,938,102
Redemption	105,837

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

### I Allocation by Country

	As at 30 Jun 2018	
Country	% of NAV	MV S\$ mil
United States	35.48	712.50
France	5.72	114.85
United Kingdom	4.65	93.32
China	3.86	77.55
Germany	3.45	69.30
Cayman Islands	3.08	61.76
Brazil	2.91	58.45
Ireland	2.52	50.60
Others*	35.24	707.66
Cash	3.09	62.12
<b>Total</b>	<b>100.00</b>	<b>2,008.11</b>

\*Includes other countries

### II Allocation by Industry

	As at 30 Jun 2018	
Industry	% of NAV	MV S\$ mil
Financial Institutions	22.38	449.48
Sovereign	12.27	246.34
Agencies	9.72	195.17
Energy	7.91	158.76
Basic Industry	6.62	132.90
Communications	6.39	128.34
Consumer Cyclical	6.35	127.55
ABS	5.77	115.88
Consumer Non cyclical	5.00	100.40
CMBS	4.74	95.28
Others*	9.76	195.89
Cash	3.09	62.12
<b>Total</b>	<b>100.00</b>	<b>2,008.11</b>

\*Includes other industries

### III Allocation of Debt Securities by Credit Ratings

Rating	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
AAA	1.17	23.35
AA	1.19	23.95
A	9.87	198.16
BBB	40.69	817.16
BB	27.46	551.36
B	13.82	277.54
CCC	0.26	5.28
D	0.10	2.02
Unrated	2.35	47.17
Cash	3.09	62.12
<b>Total</b>	<b>100.00</b>	<b>2,008.11</b>

### IV Top Ten Holdings of Underlying Fund

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

#### Top Ten Holdings of Underlying Fund

	As at 30 Jun 2017	
	% of NAV	MV S\$ mil
Argentina (Republic Of) 7.5% 22/04/26	0.77	28.41
Kazakhstan (Republic Of) 5.125% 21/07/25	0.68	25.07
Argentina (Republic Of) 5.625% 26/01/22	0.65	24.15
Petrobras Intl Finance 5.375% 27/01/21	0.45	16.63
Cnooc Finance 2013 Ltd 3% 09/05/23	0.37	13.70
Ineos Group Holdings Sa 5.375% 01/08/24	0.35	13.01
Bank Of America Corp 4.183% 25/11/27	0.35	13.01
Brazil (Fed Rep Of)-Global 4.875% 22/01/21	0.34	12.43
Republic Of Indonesia 4.875% 05/05/21	0.33	12.00
Teva Pharmaceutical Ne 3.15% 01/10/26	0.32	11.82

### V Exposure to Derivatives

	As at 30 Jun 2018
	% of NAV
Market value (S\$)	0.47%
Realised Gains / (Losses) (S\$)	9,518,613
Unrealised Gains / (Losses) (S\$)	(59,585,804)
	3,056,602

### VI Borrowings of Net Asset Value

	As at 30 Jun 2018
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-18</b>	<b>As at 30-Jun-17</b>	<b>As at 31-Mar-18*</b>	<b>As at 31-Mar-17**</b>
Expense Ratio	1.59%	1.58%	1.56%	1.54%
Turnover Ratio	3.22%	14.03%	60.10%	0.64%

\*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of HSBC Global Investment Funds – Global High Income Bond Fund for the financial year ended 30 Jun 2018 is not available.

\*\*Based on audited figure as at 31 Mar 2017 as the expense ratio of HSBC Global Investment Funds – Global High Income Bond Fund for the financial year ended 30 Jun 2017 is not available.

**II Related-Party Transactions**

HSBC Insurance Global High Income Bond Fund invests S\$2.26 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 2017 to 30 June 2018 amounts to S\$7,410.

**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 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 market worldwide. The Sub-fund aims to provide a volatility (a measure of how much the Sub-Fund's returns may vary over a year) of between 5-7% per annum.

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

Equities were our preferred asset class over the year against a backdrop of synchronised global growth and improving earnings. As a result we increased our allocation by 10% since the end of 2016 to 40%, the highest since the fund's inception. This proved beneficial as broad global equities performed strongly over the year. We added to our EMD exposure, with a preference for local currency relative to USD denominated debt. Improving economic data and a weaker USD and stable Treasury yields for the majority of the year led to positive returns. Our US high yield exposure also contributed positively to returns due to global investors' ongoing search for yield. While we benefited from adding to equities as global markets have rallied, we were impacted by the underperformance of the high yielding and value stocks held by the fund relative to the broader index. The majority of the equity exposure within the fund is managed with a focus on high yielding stocks offering value and quality.

Following a more positive month for both markets in October, we reduced our exposure to both markets in favour of the US and EMs. In addition, we reduced the fund's equity exposure in May using options given the low levels of volatility. We expected earnings and economic data to slow down over the summer and impact asset prices temporarily before we increased the exposure again in September on signs of growth accelerating. Currency management has been negative over the year. Much of this impact came at the very beginning of the year from a long position in the USD as the currency reversed its gains from the end of 2016 due to uncertainty over President Trump's policies. This was gradually reduced in January and indeed has been between 80 and 90% over the rest of the year. While we benefited from reducing our equities allocation, we were impacted by the underperformance of cheap quality and high yielding stocks held by the fund relative to the broader index. YTD, we added financial stocks to reduce sensitivity to interest rates and added to quality growth stocks which helped mitigate the negative impact of the high dividend style.

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

In June, we reduced further our equities exposure from 32% to 25% to reflect a more cautious stance on the trade war rhetoric and for the fact that positive earnings revisions are more concentrated in the US and decreased elsewhere. As a result, we reduced risk mainly by decreasing our allocation to European and EM equities. We also increased our exposure to quality high yielding stocks and growing stocks. We kept a value bias to diversify our exposure from interest rate risks. The portfolio's net regional exposure is mainly in the US. We maintained our duration at 2.1 years by cutting 2.5% of EM local bonds (from 7.5% to 4.9%) and increased exposure to short maturity US IG and securitised debt. The remaining exposure to EM debt is invested in quality, low duration \$ bonds (5% Asia, 6% short dated government). US High yield remains our favourite fixed income asset class supported by positive corporate earnings and low default rates. We haven't owned Schroder ISF Global Multi-Asset Income 5 any European fixed income assets this year given the poor value and despite the ECB QE as the assets don't offer sufficient cushion against expected volatility. We own 25% of cash, cash equivalent (e.g. FRN), hedges or government bonds with low duration risk that could be redeployed opportunistically. The portfolio is primarily invested in US\$ (95% US\$ and HK\$), and safe heaven currencies (3.8% of JPY and 1.5% of CHF). The net EM FX exposure is 1% and is offset by 2% of long \$NZD. We remain cognisant of any development affecting global trade tariffs and their impact on growth and confidence. However we also recognise that global growth continues to be positive and inflation moderate. In this context, central banks are unlikely to tighten their policies aggressively.

<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 Jun 2018	
Offer Price	S\$ 1.13615
Bid Price	S\$ 1.07934
Fund Size	S\$ 0.79 mil
Units in Issue	0.73 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 Global Multi-Asset Fund	(0.89)	(2.54)	(0.41)	N.A.	N.A.	N.A.	7.93

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>A</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Global Multi-Asset Fund*	N.A.	N.A.	N.A.	3.41

\*This fund has no benchmark.

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

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2018 % of NAV	MV \$ mil
Schroder International Selection Fund - Global Multi-Asset Income	100.00	0.79
<b>Total</b>	<b>100.00</b>	<b>0.79</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	\$
Subscription	664,788
Redemption	46,174

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

### I Allocation by Country

Country	As at 30 Jun 2018 % of NAV	MV \$ mil
North America	54.31	2,956.36
Emerging Markets	17.45	949.89
Europe	10.24	557.41
UK	8.73	475.22
Asia Pacific	3.40	185.08
Japan	2.83	154.05
Others*	3.04	165.48
<b>Total</b>	<b>100.00</b>	<b>5,443.49</b>

\*Includes other countries.

### II Allocation by Industry

Industry	As at 30 Jun 2018 % of NAV	MV \$ mil
Government	17.24	938.46
Diversified Financials	13.90	756.65
Energy	7.31	397.92
Consumer Discretionary	6.47	352.19
Information Technology	5.05	274.90
Health Care	4.92	267.82
Telecommunication Services	4.37	237.88
Consumer Staples	4.28	232.98
Materials	3.18	173.10
Industrials	2.70	146.97
Others*	13.09	712.55
Cash	17.49	952.07
<b>Total</b>	<b>100.00</b>	<b>5,443.49</b>

\*Includes other industries



### III Allocation of Debt Securities by Credit Ratings

(For Debt securities portfolio only)

	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
AAA / Aaa	1.70	92.54
AA+ / Aa1	10.04	546.53
AA / Aa2	0.27	14.70
AA- / Aa3	0.20	10.89
A+ / A1	2.03	110.50
A / A2	0.84	45.73
A- / A3	3.15	171.47
BBB+ / Baa1	2.96	161.13
BBB / Baa2	2.37	129.01
BBB- / Baa3	3.88	211.21
BB+ / Ba1	3.30	179.64
BB / Ba2	3.02	164.39
BB- / Ba3	5.32	289.59
Unrated	3.01	163.85
Others*	9.18	499.70
<b>Total</b>	<b>51.27</b>	<b>2,790.88</b>

\*Includes lower rated debt securities

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

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

### Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2017	
	% of NAV	MV S\$ mil
Schroder ISF Global Dividend Maximiser I Dis	1.44	96.36
Schroder ISF European Dividend Maximiser I Dis	1.04	69.59
Nota Do Tesouro Nacional 10% 01/01/2023	1.02	68.25
iShares USD High Yield Corp Bond UCITS ETF USD Distribution	1.00	66.92
Indonesia Government 6.125% 15/05/2028	0.74	49.52
Republic of Turkey 8.5% 14/09/2022	0.66	44.16
Schroder ISF Emerging Multi-Asset Income I Dis	0.57	38.14
Republic of South Africa 6.25% 31/03/2036	0.54	36.13
Source Morningstar US Energy	0.51	34.13
Mexican Bonos De Desarrollo 7.75% 29/05/2031	0.50	33.46

### V Exposure to Derivatives

	As at 30 Jun 2018
% of NAV	(1.44%)
Market value (S\$)	(78,205,670)
Realised Gains / (Losses) (S\$)	50,482,640
Unrealised Gains / (Losses) (S\$)	(78,205,670)

### VI Borrowings of Net Asset Value

	As at 30 Jun 2018
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-18</b>	<b>As at 30-Jun-17</b>	<b>As at 31-Mar-18*</b>	<b>As at 31-Mar-17**</b>
Expense Ratio	1.58%	1.58%	1.55%	1.55%
Turnover Ratio	7.38%	24.61%	<b>As at 30-Jun-18</b> 110.22%	<b>As at 30-Jun-17</b> 132.18%

\*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of Schroder International Selection Fund - Global Multi-Asset Income for the financial year ended 30 Jun 2018 is not available.

\*\*Based on unaudited figure as at 31 Mar 2017 as the expense ratio of Schroder International Selection Fund - Global Multi-Asset Income for the financial year ended 30 Jun 2017 is not available.

**II Related-Party Transactions**

N.A.

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

N.A.

**IV Soft Dollar Commission Arrangement**

N.A.

**E) Financial Statements**

Refer to page 178.

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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 Fund rose 1.2% over the 12 months June 30 2018(gross of fees, USD terms), while its benchmark, the Standard and Poor (S&P) IFCI/India Gross Index rose by 7.2%. The period started strongly in helped

by strong flows, encouraging monsoons, expectation of a policy rate cut and upbeat sentiment aided by the landmark Goods and Service Tax (GST) reform implementation. The GST roll-out, however, had a negative effect on consumer staples and healthcare caused by some complications and destocking effects for distributors of consumer and healthcare products. The size of the long awaited recapitalisation plan for Indian public sector banks surprised on the upside, but the central bank also accelerated recognition of non-performing loans which was a headwind for the banking sector. In 2018 so far sentiment was negatively impacted by the rising price of oil (for which India is a major net importer), global trade tensions and an interest rate hike by the central bank to help contain inflation. The Rupee has also fallen versus the USD to historically low levels. There are concerns over the near term level of infrastructure spending, particularly given we are about 9-10 months out from the next general election. Fiscal slippage concerns on lower than expected tax receipts have also weakened sentiment around infrastructure spending. On the upside, India's GDP growth for the 1Q18 came in at 7.7% YOY, which was better than expectations.

The fund underperformed the index due to detracting stock selection in financials and consumer sectors. Stock selection was strong in industrials and energy.

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

The macro economic variables have deteriorated at the margin as the fiscal deficit may move marginally higher while inflation expectations have inched up. On the external front, the Current Account Deficit has widened in part due to higher global crude oil prices – as India is significant net importer of oil. The Central bank is acting proactively and decisively to manage inflation as demonstrated by the rate hike decision in the last policy meeting. On the global front, the rate hike process is expected to continue in the US and while this is broadly priced in as far markets are concerned, however there could be some impact of external flows drying up for EMs. The US - China trade spat remains a key risk for global trade and global growth if escalation ensues.

We remain constructive on the India story from a medium to long term perspective. Looking ahead, the GST regime will lead to faster formalization of the economy, broaden the tax base, improve the fiscal situation and improve the ease of doing business. Policies to structurally repair the banking sector will go a long way to help revive credit growth and move the economy forward.

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

<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 Jun 2018			
Offer Price	S\$	2.69825	
Bid Price	S\$	2.56334	
Fund Size	S\$	61.42	mil
Units in Issue		23.96	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	(0.91)	(11.30)	(1.95)	15.29	61.90	12.55	169.83
Benchmark*	2.64	(6.39)	6.19	28.94	96.85	90.20	353.71

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance India Equity Fund	4.86	10.12	1.19	7.27
Benchmark*	8.84	14.51	6.64	11.29

\*\*S&P/IFC India Gross

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

## B) Fund Disclosure

### I Allocation by Asset Class

	As at 30 Jun 2018	
Asset Class	% of NAV	MV \$ mil
HSBC Global Investment Fund - Indian Equity Fund	100.05	61.45
Other assets	0.58	0.36
Other liabilities	(0.63)	(0.39)
<b>Total</b>	<b>100.00</b>	<b>61.42</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	\$
Subscription	10,412,522
Redemption	16,149,879

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

### I Allocation by Country

	As at 30 Jun 2018	
Country	% of NAV	MV \$ mil
India	98.85	2,066.85
Cash	1.15	23.94
<b>Total</b>	<b>100.00</b>	<b>2,090.79</b>

### II Allocation by Industry

	As at 30 Jun 2018	
Industry	% of NAV	MV \$ mil
Financials	36.22	757.28
Consumer Discretionary	15.13	316.41
Information Technology	12.52	261.76
Materials	10.28	215.03
Industrials	5.91	123.66
Consumer Staples	5.51	115.22
Energy	4.86	101.60
Health Care	3.07	64.09
Utilities	2.78	58.06
Telecommunication Services	1.34	28.06
Real Estate	1.23	25.68
Cash	1.15	23.94
<b>Total</b>	<b>100.00</b>	<b>2,090.79</b>

### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2018

N.A.

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

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

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

	As at 30 Jun 2017	
	% of NAV	MV S\$ mil
Infosys Ltd	5.64	144.32
HDFC Bank Limited	5.37	137.62
ICICI Bank Ltd	5.17	132.37
Maruti Suzuki India Ltd	5.03	128.89
ITC Ltd	4.73	121.21
Axis Bank Limited	4.42	113.24
Housing Development Finance	3.76	96.19
HCL Technologies Ltd	3.58	91.75
LIC Housing Finance Ltd	3.23	82.63
Vedanta Ltd	3.15	80.65

#### V Exposure to Derivatives

N.A.

As at 30 Jun 2018

#### VI Borrowings of Net Asset Value

N.A.

As at 30 Jun 2018

#### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance India Equity Fund		Underlying Sub-Fund	
	As at 30-Jun-18	As at 30-Jun-17	As at 31-Mar-18*	As at 31-Mar-17**
Expense Ratio	1.93%	1.94%	1.90%	1.90%
Turnover Ratio	10.52%	11.74%	17.35%	0.70%
*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of HSBC Global Investment Fund - Indian Equity Fund for the financial year ended 30 Jun 2018 is not available.				
**Based on audited figure as at 31 Mar 2017 as the expense ratio of HSBC Global Investment Fund - Indian Equity Fund for the financial year ended 30 Jun 2017 is not available.				

#### II Related-Party Transactions

HSBC Insurance India Equity Fund invests S\$61.45 million, equivalent to 100.05% 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 2017 to 30 June 2018 amounts to S\$338,266.

#### 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 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 Select Portfolio – Aberdeen Pacific Equity Fund.

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

Asian equities gained over the review period, as synchronised global economic expansion lifted buoyed investment sentiment. Even though markets succumbed to escalating trade tensions between the US and major trading partners, currency fluctuations, and rising oil prices in the 2H17, they had made enough gains in the 1H18 to end the 12-month period higher.

China led the region. Healthy growth data, along with MSCI's decision to include A-shares to its influential indices and a relentless rise in Chinese internet stocks, drove the mainland market. This was despite escalating trade tensions between the US and China, and Beijing's increased regulatory scrutiny and efforts to tighten leverage. Thailand also did well, as positive global growth cues, a sustained recovery in oil prices and the prospect of US tax reform lifted the market.

On the other hand, the Philippine and Indonesian markets chalked up some of the biggest losses. The Philippines was dogged investors' worries that the weaker peso and higher inflation amid rising oil prices would eat into corporate earnings. Indonesia was another laggard. The slump was sparked by a confluence of factors, key of which was the weakening rupiah and expectations that Bank Indonesia would tighten liquidity further to stabilise the currency. An uptick in public spending ahead of next year's general elections also stoked worries about fiscal discipline.

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

Asian markets are expected to remain on tenterhooks, given geopolitical uncertainties and shifts in monetary policy over the next few months. Trade tensions between the US and its major trading partners and political uncertainty in Europe will weigh on investors' minds. They will also be keeping a close watch on how major central banks will manage liquidity and currency fluctuations. Upcoming general elections in India and Indonesia are taking on critical importance, and their outcome may decide the fortunes of these two vast economies.

Nevertheless, the global economy is still expanding at a steady pace. Increased economic activity will lift commodity prices and inflation and, if well-managed, will boost growth further. Amid this supportive macroeconomic backdrop, governments in Asia are taking the opportunity to engage in reforms that will strengthen their economies in the longer term. This should put economic growth in the region on a more stable footing. Asian central banks are also vigilant in ensuring that monetary policy remains appropriate and supportive of growth, which should help calm foreign-exchange volatility and keep inflation in check. These robust long-run fundamentals should continue to support corporate earnings. Our portfolios remain resilient and well-positioned for future growth. More broadly, as true active managers, our long-time focus on quality and value should serve us well, with our holdings having the wherewithal to withstand the short-term volatility.

<sup>^</sup> Source: Aberdeen Asset Management Asia Limited

## FUND FACTS

Underlying Sub-Fund	Aberdeen Select Portfolio - Aberdeen Pacific Equity Fund Aberdeen Asset Management Asia Limited
Fund Manager	01 Apr 2010
Launch Date	OA/SRS
CPFIS/SRS	Higher Risk – Narrowly
CPFIS Risk	Focused - Regional - Asia
Classification	

As at 30 Jun 2018

Offer Price	S\$ 1.45208
Bid Price	S\$ 1.37948
Fund Size	S\$ 169.46 mil
Units in Issue	122.84 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	(1.49)	(3.18)	3.16	14.47	23.82	N.A.	45.21
Benchmark*	0.32	(2.11)	8.79	25.42	56.14	N.A.	56.82

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Pacific Equity Fund	4.61	4.37	N.A.	4.63
Benchmark*	7.84	9.32	N.A.	5.61

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

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

## B) Fund Disclosure

### I Allocation by Asset Class

	As at 30 Jun 2018	
Asset Class	% of NAV	MV S\$ mil
Aberdeen Select Portfolio - Aberdeen Pacific Equity Fund	99.99	169.45
Other assets	0.46	0.78
Other liabilities	(0.45)	(0.77)
<b>Total</b>	<b>100.00</b>	<b>169.46</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	S\$
Subscription	35,193,762
Redemption	30,920,637

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

### I Allocation by Country

	As at 31 Mar 2018 <sup>†</sup>	
Country	% of NAV	MV S\$ mil
China	16.82	252.93
Singapore	14.73	221.49
Hong Kong	13.55	203.86
India	10.18	153.10
South Korea	9.89	148.77
United Kingdom	8.24	123.93
Taiwan	5.41	81.37
Indonesia	4.88	73.37
Others*	15.55	234.07
Cash	0.75	11.24
<b>Total</b>	<b>100.00</b>	<b>1,504.13</b>

\*Includes other countries

<sup>†</sup> Based on audited figures as at 31 Mar 2018 as the unaudited figures as at 31 Jun 2018 are not available



<b>II Allocation by Industry</b>	<b>As at 31 Mar 2018†</b>	
	<b>% of NAV</b>	<b>MV S\$ mil</b>
<b>Industry</b>		
Unit Trusts	28.24	424.77
Financials	21.34	321.00
Information Technology	17.31	260.39
Materials	8.88	133.55
Real Estate	8.71	131.05
Industrials	4.80	72.24
Telecommunication Services	4.04	60.73
Healthcare	2.14	32.21
Consumer Staples	2.00	30.01
Consumer Discretionary	1.79	26.94
Cash	0.75	11.24
<b>Total</b>	<b>100.00</b>	<b>1,504.13</b>

<b>III Allocation of Debt Securities by Credit Ratings</b>	<b>As at 31 Mar 2018†</b>
N.A.	

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

<b>Top Ten Holdings of Underlying Sub-Fund</b>	<b>As at 31 Mar 2017</b>	
	<b>% of NAV</b>	<b>MV S\$ mil</b>
Aberdeen China Opportunities Fund	10.20	151.14
Aberdeen Global – Indian Equity Fund*	9.56	141.70
Aberdeen Singapore Equity Fund	8.50	125.98
Samsung Electronics (Preference Shares)	4.92	72.97
Jardine Strategic Holdings	4.65	68.96
Aberdeen Indonesia Equity Fund	3.92	58.07
Taiwan Semiconductor Manufacturing Company	3.65	54.15
Aberdeen Thailand Equity Fund	3.50	51.84
AIA Group	3.20	47.38
Rio Tinto	2.67	39.56

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

<b>V Exposure to Derivatives</b>	<b>As at 31 Mar 2018†</b>
N.A.	

<b>VI Borrowings of Net Asset Value</b>	<b>As at 31 Mar 2018†</b>
N.A.	

† Based on audited figures as at 31 Mar 2018 as the unaudited figures as at 31 Jun 2018 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-18</b>	<b>As at 30-Jun-17</b>	<b>As at 31-Mar-18*</b>	<b>As at 31-Mar-17**</b>
Expense Ratio	1.71%	1.73%	1.68%	1.75%
Turnover Ratio	16.81%	9.36%	9.97%	3.04%

\*Based on unaudited figures as at 31 Mar 2018 as the expense and turnover ratios of Aberdeen Select Portfolio - Aberdeen Pacific Equity Fund for the financial year ended 30 Jun 2018 are not available.

\*\*Based on unaudited figures as at 31 Mar 2017 as the expense and turnover ratios of Aberdeen Select Portfolio - Aberdeen Pacific Equity Fund for the financial year ended 30 Jun 2017 are not available.

**II Related-Party Transactions**

Cash balances maintained with HSBC Bank as at 30 June 2018 amounts to S\$90,046.

**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 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 Deutsche Premier Select Trust.

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

Equities showed a rather muted performance in the first months of the summer. Tensions on the Korean peninsula and the lack of progress regarding reforms in the US led to markets trending sideways.

As the focus of investors moved further towards macroeconomic data that showed a continuation of growth in most regions of the world, and company reports tended to surprise on the upside, equity markets worldwide rose significantly in the 4Q17 and during the first weeks of 2018.

Starting in February of this year the fear of rising rates both on the short end of the curve through tightening of monetary policy and longer dated bonds in light of stable growth weighed on equities and risky assets overall. Tensions over trade between the U.S. on one hand and Europe and China on the other were also not helpful for sentiment.

Deutsche Premier Select Trust ("the Trust") fared well in this environment and gained +5.58% in the twelve months from July 1st 2017 to June 30th 2018 after cost. The benchmark added +4.60% in the same period of time.

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

With effect from 3 April 2018, the focus and approach of the Deutsche Premier Select Trust was revised to allow it to invest into global equity and Singapore fixed income markets; via collective investment schemes (including exchange traded funds) and/or directly in securities, fixed income and money market instruments, deposits and/or other investments.

Deutsche Premier Select Trust's current investment strategy is to invest into 2 ETFs i.e more than 70% of its net asset value into the Xtrackers II Singapore Government Bond UCITS ETF ("SGB-ETF") and less than 30% into the Xtrackers MSCI World UCITS ETF ("MSCI ETF").

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

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

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

As at 30 June 2018, the Trust as is 74.42% invested into SGB-ETF and 25.15% invested into MSCI ETF.

<sup>^</sup> Source: Deutsche Asset Management (Asia) Limited

## FUND FACTS

Underlying Fund  
Fund Manager

Deutsche Premier Select Trust  
Deutsche Asset Management  
(Asia) Limited  
02 Jan 2001  
SRS  
N.A

Launch Date  
CPFIS/SRS\*  
CPFIS Risk  
Classification

As at 30 Jun 2018

Offer Price	S\$ 1.76700
Bid Price	S\$ 1.67865
Fund Size	S\$ 119.59 mil
Units in Issue	71.24 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>A</sup>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Premium Balanced Fund	1.05	0.54	5.35	11.64	25.64	34.16	76.70

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>A</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Premium Balanced Fund	3.74	4.67	2.98	3.33

\*This fund has no benchmark.

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

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2018 % of NAV	MV S\$ mil
Deutsche Premier Select Trust	100.03	119.63
Other assets	0.10	0.12
Other liabilities	(0.13)	(0.16)
<b>Total</b>	<b>100.00</b>	<b>119.59</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	S\$
Subscription	6,931,963
Redemption	12,107,218

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

### I Allocation by Country

Country	As at 30 Jun 2018 % of NAV	MV S\$ mil
Luxembourg	74.71	134.98
Ireland	24.79	44.79
Other net assets	0.50	0.90
<b>Total</b>	<b>100.00</b>	<b>180.67</b>

### II Allocation by Industry

Industry	As at 30 Jun 2018 % of NAV	MV S\$ mil
Unit Trusts/Mutual Funds	99.50	179.77
Other net assets	0.50	0.90
<b>Total</b>	<b>100.00</b>	<b>180.67</b>

### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2018

N.A.

### IV Top Ten Holdings of Underlying Fund<sup>A</sup>

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

### Top Ten Holdings of Underlying Fund<sup>A</sup>

	As at 30 Jun 2017 % of NAV	MV S\$ mil
Deutsche Lion Bond Fund Class M	35.28	64.20
DWS Global Equity Focus Fund	29.35	53.41
Deutsche Singapore Equity Fund Class M	23.48	42.72
Deutsche Asian Small/Mid Cap Fund Class A	6.08	11.07
SPDR Gold Trust	3.25	5.92

<sup>A</sup>Less than Ten Holdings in the Underlying Fund.

<b>V Exposure to Derivatives</b>	<b>As at 30 Jun 2018</b>
% of NAV	-
Market value (S\$)	-
Realised Gains / (Losses) (S\$)	(100,854)
Unrealised Gains / (Losses) (S\$)	-

<b>VI Borrowings of Net Asset Value</b>	<b>As at 30 Jun 2018</b>
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-18</b>	<b>As at 30-Jun-17</b>	<b>As at 31-Mar-18*</b>	<b>As at 31-Mar-17*</b>
Expense Ratio	2.07%	1.69%	1.43%	1.49%
Turnover Ratio	5.33%	5.72%	<b>As at 30-Jun-18</b> 99.08%	<b>As at 30-Jun-17</b> 9.45%

\*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of Deutsche Premier Select Trust for the financial year ended 30 Jun 2018 is not available.

\*\*Based on unaudited figure as at 31 Mar 2017 as the expense ratio of Deutsche Premier Select Trust for the financial year ended 30 Jun 2017 is not available.

<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.

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

<b>E) Financial Statements</b>
Refer to page 179.

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

## HSBC Insurance Singapore Bond Fund

### Fund Objective

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

### Investment and Market Review ^

Markets had to contend with a combination of Trump's fiscal loosening and Fed monetary tightening. As major central banks continued their steady moves towards the end of QE and rate normalization, the added effect of offshore funds repatriation resulted in a liquidity outflow from EM markets.

Asia continued to benefit from an uptick in global demand as the region's exporters churned out quarters after quarter of export growth. However, there were looming signs of stress as Asian fixed income/FX suffered from EM outflows and escalating trade conflicts. Leading indicators suggested that many exporters in the region had front-loaded their order books to avoid sanctions. A prolonged trade slowdown is likely as consumption patterns and supply chains adjust.

For Singapore, external demand growth turned flat at the end of the review period as tariff began. The Jun'18 Purchasing Manager's Index (PMI) of 52.5 continued to indicate expansion but was at the lowest since Oct'17 and Electronic Exports had already begun to drop YoY from Dec'17. A rise in Singapore residential property prices accelerated through 2Q18, with URA Residential Property Price Index 9.1% higher YoY, prompting MAS to add macro-prudential tightening measures. This pre-emptive move is healthy for the market and economy, despite negative first-round effects on developers and second-round effects on banks/real estate services. MAS tweaked the S\$NEER towards a presumed 0.5% pa appreciation path in Apr'18, which served as mostly a signal. A combination of slower growth from trade and higher real estate inflation make MAS's policy considerations for the next MPC very finely balanced.

### Market Outlook and Investment Strategy ^

Market reaction to removal of QE and rates hikes has been fairly calm so far but there is now a real risk of dislocation between rising rates and a potential global trade recession. A combination of both might trigger the next market correction. Though most EM Asia economies have much safer macroeconomic positions than the Asian Financial Crisis or Great Financial Crisis, there are pockets of high debt levels. China's offshore and onshore debts have reached record levels but are still in a net creditor position offshore.

The Fund endured a general sell-off in fixed income as the Fed tightened. Sound credit selection and the return from credit spreads generally helped the Fund ride out rising yields. As yield curves continue to flatten even as the rate hikes cycle ages, we will look to turn active in our curve positioning. SGD credit spreads should remain relatively more resilient but we also remain on the lookout for over-sold USD Asia IG credits.

^ Source: Deutsche Asset Management (Asia) Limited

## FUND FACTS

Underlying Fund  
Fund Manager

Deutsche Lion Bond Fund  
Deutsche Asset  
Management (Asia) Limited  
02 May 2002  
SRS  
N.A

Launch Date  
CPFIS/SRS\*  
CPFIS Risk  
Classification

As at 30 Jun 2018

Offer Price	S\$ 1.45613
Bid Price	S\$ 1.38332
Fund Size	S\$ 33.26 mil
Units in Issue	24.04 mil

\*Note: With effect from 15 Apr 2018, the Fund has been delisted from CPFIS.

## A) Fund Performance

### I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance Singapore Bond Fund	0.08	(0.25)	0.37	4.47	7.99	24.93	41.16
Benchmark*	0.38	0.73	1.30	3.42	4.22	7.32	19.42

## II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Singapore Bond Fund	1.47	1.55	2.25	2.17
Benchmark*	1.13	0.83	0.71	1.11

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

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

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Deutsche Lion Bond Fund	100.03	33.27
Other assets	0.15	0.05
Other liabilities	(0.18)	(0.06)
<b>Total</b>	<b>100.00</b>	<b>33.26</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	S\$
Subscription	5,615,295
Redemption	11,365,618

## C) Underlying Fund Disclosure (Deutsche Lion Bond Fund)

### I Allocation by Country

Country	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Singapore	33.89	52.69
South Korea	18.17	28.25
Cayman Islands	9.42	14.64
China	8.35	12.98
Malaysia	8.01	12.45
Japan	5.41	8.41
British Virgin Islands	3.43	5.34
Indonesia	3.38	5.25
Australia	1.76	2.73
Others*	8.18	12.72
<b>Total</b>	<b>100.00</b>	<b>155.46</b>

\*Includes other countries and net assets

### II Allocation by Industry

Industry	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Banks	24.95	38.78
Real Estate	21.67	33.69
Government	8.70	13.52
Finance	5.13	7.97
Internet Service	4.37	6.79
Food & Beverage	3.60	5.60
Transport	3.05	4.74
Telecommunications	2.89	4.49
Investment	2.87	4.46
Commercial Services	2.64	4.10
Airlines	2.55	3.96
Others*	17.58	27.36
<b>Total</b>	<b>100.00</b>	<b>155.46</b>

\*Includes other industries and net assets

III Allocation of Debt Securities by Credit Ratings	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Aaa	3.13	4.87
AA+	1.27	1.98
AA	6.05	9.40
Aa2	12.96	20.15
AA-	1.78	2.76
Aa3	1.76	2.73
A+	7.17	11.14
A1	16.35	25.42
A2	1.63	2.54
A-	3.47	5.39
A3	15.41	23.96
Unrated	24.51	38.10
Accrued interest receivable on quoted bonds	0.73	1.13
Other net assets	3.78	5.89
<b>Total</b>	<b>100.00</b>	<b>155.46</b>

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

Top Ten Holdings of Underlying Fund	As at 30 Jun 2017	
	% of NAV	MV S\$ mil
CCT MTN Pte Limited Series EMTN 2.96% 13/08/2021	5.48	13.75
UOL Treasury Services Series MTN 2.5% 20/04/2018	3.10	7.79
Sun Hung Kai Properties Capital Market Limited MTN 3.25% 20/05/2021	3.08	7.75
Singapore Bus Services MTN 1.8% 12/09/2017	2.78	7.00
Bank of Communications HK EMTN 2.1% 24/07/2017	2.68	6.75
Singapore Management University MTN 3.155% 07/03/2024	2.49	6.27
BNP Paribas Series EMTN 3.65% 09/09/2024	2.47	6.21
CCT MTN Pte Limited Series EMTN 2.96% 13/08/2021	2.44	6.14
Petronas Capital Limited 5.25% 12/08/2019	2.33	5.85
Ascendas Real Estate Investment Trust Series MTN 2.5% 16/05/2019	2.22	5.57

V Exposure to Derivatives	As at 30 Jun 2018	
	% of NAV	(40.00%)
Market value (S\$)		(641,640)
Realised Gains / (Losses) (S\$)		40,728
Unrealised Gains / (Losses) (S\$)		(641,640)

VI Borrowings of Net Asset Value	As at 30 Jun 2018	
	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-18</b>	<b>As at 30-Jun-17</b>	<b>As at 31-Mar-18*</b>	<b>As at 31-Mar-17**</b>
Expense Ratio	0.72%	0.74%	0.68%	0.70%
Turnover Ratio	9.33%	17.73%	49.43%	20.55%

\*Based on unaudited figure at 31 Mar 2018 as the expense ratio of Deutsche Lion Bond Fund for the financial year ended 30 Jun 2018 is not available.

\*\*Based on unaudited figure as at 31 Mar 2017 as the expense ratio of Deutsche Lion Bond Fund for the financial year ended 30 Jun 2017 is not available.

**II Related-Party Transactions**

N.A.

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

N.A.

**IV Soft Dollar Commission Arrangement**

N.A.

**E) Financial Statements**

Refer to page 179.

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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 Jun 2018

Offer Price

S\$ 1.27276

Bid Price

S\$ 1.20912

Fund Size

S\$ 22.02 mil

Units in Issue

18.21 mil

### Investment and Market Review ^

Singapore stocks fell over the year-to-date period alongside the broader regional Asia ex Japan index which ended in losses on various macro concerns. Market sentiment swung into increasing pessimism as rising oil prices, US policy rate hikes, a strong USD against many currencies and rising trade tensions prompted a sea change in investor mood. Headwinds for markets came from trade wars initiated by the US which provoked retaliatory responses from key trading partners, tightening liquidity with China's efforts to contain financial leverage, and the Fed's reiteration of its policy tightening (quantitative tightening and rate-hike cycle).

Amongst sectors, Telecoms was the worst performing sector. Performance was weighed down by Starhub's share price plunge following disappointing Q417 results as well as weaker performance of Singtel which was sold down on concerns over the impact of MVNOs in Singapore introducing more aggressive pricing plans. Associates' contributions were also expected to disappoint with weaker results from Bharti Airtel and Telkomsel (two of Singtel's many regional associates) and adverse currency movements. Real Estate Developers were the second worst performing sector, weighed down by weaker performance of UOL Group and City Developments.

On the opposite side of returns, Banks was the only sector that ended in the positive territory. Its performance was buoyed by strong gains earlier in the year when all 3 banks outperformed on the back of solid 2017 operating data points and positive loan growth expectations. In particular, DBS was a key standout on the back of robust 2017 results and a hefty special dividend to rightsize capital. In other sectors, Transportation had also outperformed the index supported by strong performance of Comfortdelgro which saw its share price rallied on the back of Uber's exit from the market.

### Market Outlook and Investment Strategy ^

The Fund generated -1.49% outperforming the benchmark which returned -3.03%. Positive stock selection in Capital Goods, particularly with the overweight position in Jardine Matheson and Jardine Strategic helped. The Fund benefitted from both stocks' low beta nature which outperformed during the recent stock market correction. Conversely, the underweight exposure to selected REIT names also helped as the REITs pulled back following share price rally. On other notable contributors, the Fund also benefitted from underweight exposure to Starhub, as the share price had sold off following MSCI's deletion announcement.

Conversely, the underweight exposure to UOB weighed on some performance as UOB had outperformed over the period under review. Similarly, the underweight exposure to Comfortdelgro also weighed on some performance as it generated strong double-digit returns over the period while the index returned losses. Meanwhile, the overweight position in First Resources detracted as its share price was affected by weak sentiment in the Crude Palm Oil (CPO) sector around the relatively high CPO inventories in Malaysia.

^ 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	(4.65)	(2.16)	6.28	N.A.	N.A.	N.A.	20.91
Benchmark*	(3.82)	(3.03)	6.84	N.A.	N.A.	N.A.	18.23

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Singapore Equity Fund	N.A.	N.A.	N.A.	6.84
Benchmark*	N.A.	N.A.	N.A.	6.01

\*MSCI Singapore Free Index

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

## B) Fund Disclosure

### I Allocation by Asset Class

	As at 30 Jun 2018	
Asset Class	% of NAV	MV \$ mil
Schroder Singapore Trust	99.95	22.01
Other assets	0.28	0.06
Other liabilities	(0.23)	(0.05)
<b>Total</b>	<b>100.00</b>	<b>22.02</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	\$
Subscription	23,295,309
Redemption	3,186,111

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

### I Allocation by Country

	As at 30 Jun 2018	
Country	% of NAV	MV \$ mil
Singapore	95.68	768.39
Other net assets/(liabilities)	4.32	34.68
<b>Total</b>	<b>100.00</b>	<b>803.07</b>

### II Allocation by Industry

	As at 30 Jun 2018	
Industry	% of NAV	MV \$ mil
Finance	49.21	395.17
Real Estate	18.57	149.09
Telecommunications	9.37	75.25
Diversified Operations	7.29	58.51
Industrial and Transportation	4.95	39.79
Consumer	2.59	20.83
Agriculture	2.43	19.51
Health Care	0.80	6.44
Central Bank	0.47	3.80
Other net assets/(liabilities)	4.32	34.68
<b>Total</b>	<b>100.00</b>	<b>803.07</b>

### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2018

N.A.

#### IV Top Ten Holdings of Underlying Fund

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

#### Top Ten Holdings of Underlying Fund

	As at 30 Jun 2017	
	% of NAV	MV S\$ mil
DBS Group Hldg Ltd	14.42	111.18
Oversea-Chinese Banking Corp Ltd	13.64	105.17
Singapore Telecommunications Ltd	11.90	91.78
United Overseas Bank Ltd	11.40	87.87
CapitalLand Ltd	5.82	44.87
ComfortDelGro Corp Ltd	4.47	34.47
Keppel Corp Ltd	4.12	31.80
UOL Group Ltd	3.49	26.89
Hongkong Land Hldg Ltd	2.84	21.87
Mapletree Industrial Trust	2.59	19.94

#### V Exposure to Derivatives

	As at 30 Jun 2018
% of NAV	-
Market value (S\$)	-
Realised Gains / (Losses) (S\$)	(8,011)
Unrealised Gains / (Losses) (S\$)	-

#### VI Borrowings of Net Asset Value

	As at 30 Jun 2018
N.A.	

#### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Singapore Equity Fund		Underlying Fund	
	As at 30-Jun-18	As at 30-Jun-17	As at 31-Mar-18*	As at 31-Mar-17**
Expense Ratio	1.34%	1.37%	1.31%	1.33%
Turnover Ratio	18.77%	8.53%	15.52%	13.45%

\*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of Schroder Singapore Trust for the financial year ended 30 Jun 2018 is not available.

\*\*Based on unaudited figure as at 31 Mar 2017 as the expense ratio of Schroder Singapore Trust for the financial year ended 30 Jun 2017 is not available.

#### II Related-Party Transactions

The Manager of the Fund is Schroder Investment Management (Singapore) Ltd. The Registrar for the Fund is Schroder Investment Management (Europe) S.A., a related party of the Manager. The Trustee is HSBC Institutional Trust Services (Singapore) Limited, a subsidiary of the HSBC Group. The management fees paid to the Manager and registration fees paid to the Registrar; trustee fees, valuation fees and custodian fees charged by the HSBC Group are shown in the Statement of Total Return of the financial statements for the financial period ended 30 June 2018.

#### 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 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").

### Investment and Market Review ^

US equities advanced gained over the period, with the S&P, the Dow Jones and the Nasdaq all achieving record highs along the way. In the final months of 2017, markets were encouraged by news of long-awaited tax legislation, which will bring significant tax cuts for US corporations. Equities made a strong start to 2018, before better-than-expected wage growth in January led to concerns about inflation and a faster pace of US rate hikes. This caused a sell-off in equities in the 1Q18. By April, however, markets had gained ground, as US technology stocks recovered. The trend of encouraging corporate earnings continued, lending support to US markets. The review period saw increased jitters about President Trump's protectionist policies.

During the 12-month period to June 2018, the fund delivered solid absolute returns but underperformed its market cap weighed index. Both our asset allocation and stock selection weighed on relative performance.

On a sector basis, an overweight allocation to Consumer Discretionary coupled with our underweight exposures to Health Care, Utilities and Real Estate contributed to performance. Conversely, our overweight allocations to Industrials and Consumer Staples coupled with an underweight exposure to IT weighed on performance.

At the stock level, overweighting Tenet Healthcare corp. (Health Care) coupled with underweighting Johnson & Johnson (Health Care) and Celgene Corp (Health Care) contributed to performance. Conversely, underweighting Amazon.com Inc. (Consumer Discretionary) and Microsoft Corp. (IT) coupled with overweighting General electric Co. (Industrials) weighed on performance.

### Market Outlook and Investment Strategy ^

Despite a recent pickup in market volatility, corporate fundamentals remain strong, the earnings growth outlook looks solid (with upside risks from tax reform), and the US macroeconomic backdrop is still robust. The magnitude of the boost to GDP growth from tax reform is likely to be small given where we are in the cycle. A more rapid than expected tightening of Fed policy also poses risks. We are getting closer to the critical point where we need to reassess whether we are being offered enough return to take on equity risk in this market. Risks from US protectionism also need to be considered, especially if further rounds of tit-for-tat actions materialise.

The strategy aims to take advantage of excess volatility in market prices to add excess return whilst delivering the equity market premium. No changes in terms of portfolio construction as the HSBC Economic Scale Equity strategy uses systematic rebalancing to re-evaluate stock weights. In June 2018 annual rebalance, there were 144 additions and 153 deletions while each constituent was reweighted based on their contribution to GNP.

^ Source: HSBC Global Asset Management (HK) Limited

## 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 Jun 2018

### Offer Price

S\$ 1.52946

### Bid Price

S\$ 1.45299

### Fund Size

S\$ 5.72 mil

### Units in Issue

3.94 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 US Equity Portfolio Fund	7.55	1.92	9.68	N.A.	N.A.	N.A.	45.30
Benchmark*	7.40	4.43	11.65	N.A.	N.A.	N.A.	44.55

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance US Equity Portfolio Fund	N.A.	N.A.	N.A.	17.08
Benchmark*	N.A.	N.A.	N.A.	16.43

\* Benchmark Details:

Inception to October 2017 - HSBC Economic Scale US Net

From October 2017 onwards - S&P 500 Net

<sup>^</sup>Inception Date: 28 Jan 2016

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
HSBC Global Investment Funds – Economic Scale US Equity Fund	100.00	5.72
<b>Total</b>	<b>100.00</b>	<b>5.72</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	S\$
Subscription	3,857,505
Redemption	535,561

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

### I Allocation by Country

Country	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
United States	98.39	1,198.76
Cash	1.61	19.63
<b>Total</b>	<b>100.00</b>	<b>1,218.39</b>

### II Allocation by Industry

Industry	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
Consumer Discretionary	16.66	202.89
Industrials	15.66	190.76
Financials	14.04	171.12
Information Technology	13.97	170.24
Consumer Staples	11.31	137.77
Health Care	9.66	117.65
Energy	6.48	78.97
Materials	3.56	43.39
Telecommunication Services	2.87	34.93
Real Estate	2.23	27.23
Utilities	1.95	23.81
Cash	1.61	19.63
<b>Total</b>	<b>100.00</b>	<b>1,218.39</b>

### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2018

N.A.

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

As at 30 Jun 2018

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

### Top Ten Holdings of Underlying Sub-Fund

As at 30 Jun 2017

	% of NAV	MV S\$ mil
Wal-Mart Stores Inc	3.15	33.91
General Electric Co	1.85	19.87
AT&T Inc	1.48	15.90
Exxon Mobil Corp	1.42	15.32
Wells Fargo & Co	1.29	13.88
JPMorgan Chase & Co	1.21	13.05
Apple Inc	1.18	12.71
Bank Of America Corp	1.05	11.30
United Parcel Service	1.02	10.94
Berkshire Hathaway Inc	0.88	9.46

### V Exposure to Derivatives

As at 30 Jun 2018

% of NAV	0.08%
Market value (S\$)	998,654
Realised Gains / (Losses) (S\$)	-
Unrealised Gains / (Losses) (S\$)	398,942

### VI Borrowings of Net Asset Value

As at 30 Jun 2018

N.A.

### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance US Equity Portfolio Fund		Underlying Sub-Fund	
	As at 30-Jun-18	As at 30-Jun-17	As at 31-Mar-18*	As at 31-Mar-17**
Expense Ratio	0.79%	0.79%	0.75%	0.75%
Turnover Ratio	7.39%	5.71%	25.63%	0.19%

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

\*\*Based on audited figure as at 31 Mar 2017 as the expense ratio of HSBC Global Investment Funds – Economic Scale Index US Equity Fund for the financial year ended 30 Jun 2017 is not available.

### II Related-Party Transactions

HSBC Insurance US Equity Portfolio Fund invests S\$5.72 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 2017 to 30 June 2018 amounts to S\$7,559.

### 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 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 <sup>^</sup>

## FUND FACTS

Underlying Fund

Franklin US Opportunities Fund

Fund Manager

Templeton Asset Management

Launch Date

18 Jan 2016

CPFIS/SRS

SRS

CPFIS Risk

N.A.

Classification

As at 30 Jun 2018

Offer Price

S\$ 1.61707

Bid Price

S\$ 1.53622

Fund Size

S\$ 1.60 mil

Units in Issue

1.04 mil

Following a weak 1Q18, the US equity market's momentum in the 2Q18 was supported by robust corporate earnings that showed few signs of unraveling. However, investors also contended with higher interest rates, deepening trade disputes and weakening overseas economic activity. Escalating trade skirmishes also weighed on commodities and foreign currencies. Stock market volatility moved up to levels more consistent with longer-term history, and sector rotation increased. US equities were kept afloat by a solid trend of upward earnings revisions among key domestic companies, following one of the best quarterly earnings seasons in years.

The fund's overweight allocation to IT and stock selection within the sector were the primary drivers of relative performance as the sector continued to post strong returns bolstered by strong corporate earnings and plans for share buyback plans from several technology firms. Top absolute contributors include Amazon.com, Mastercard and ABIOMED. Amazon.com continues to see acceleration of its cloud computing business, which we consider a leader in the infrastructure-as-a-service space. The Fund's stock selection within consumer discretionary and underweight to consumer staples also aided relative performance.

Stock selection in health care was the primary detractor from relative returns on an aggregate basis. The top detractor for the period was the Fund's holdings in Celgene, which declined in late 2017 due to the halting of one of its phase 3 trials, which led to several downgrades for the stock. Other detractors included the Fund's holdings in Incyte Corporation and underweight position relative to the benchmark to Netflix.

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

While trade friction, political uncertainty, rising interest rates and inflation may lead to market volatility, we believe the fundamental picture for the US economy appears healthy and US equity performance remains constructive. Domestic data indicates the US economy has made a solid start to the 2Q18, underpinned by a strong labor market and positive trends in retail sales and manufacturing. We are also encouraged by signs that the Fed will maintain gradual moves towards appropriate monetary policy.

At Franklin Equity Group, we apply a disciplined, bottom-up research process to identify companies that show growth potential based on innovation, whether in technology or market approach. These companies serve as platforms upon which further business can be based, potentially driving a continuous cycle of growth. For example, digital payments have become a cornerstone in highly attractive secular growth themes, such as the expansion of cashless transactions; faster growth of e-commerce versus overall retail sales; and the swifter rise of smartphone digital shopping compared with general e-commerce. Health care innovation is another long-term investment theme, as the global aging population will drive up demand for improved treatments. For example, immuno-oncology is an innovative approach that aims to harness the body's own immune system to recognize and attack cancerous tumors, which may result in safer and more effective cancer treatments.

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

## A) Fund Performance

### I Cumulative Total Returns

	3-Mth	6-Mth	1-Year	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
HSBC Insurance US Opportunities Equity Fund	5.93	10.97	21.68	N.A.	N.A.	N.A.	53.62
Benchmark*	10.04	9.45	21.19	N.A.	N.A.	N.A.	55.45

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance US Opportunities Equity Fund	N.A.	N.A.	N.A.	19.39
Benchmark*	N.A.	N.A.	N.A.	19.98

\*Russell 3000 Growth Index

^Inception Date: 28 Jan 2016

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2018	
	% of NAV	MV \$ mil
Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund	100.00	1.60
<b>Total</b>	<b>100.00</b>	<b>1.60</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	\$
Subscription	1,075,368
Redemption	147,930

## C) Underlying Fund Disclosure

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

### I Allocation by Country

Country	As at 30 Jun 2018	
	% of NAV	MV \$ mil
United States	94.03	4,976.84
China	1.54	81.46
Netherlands	1.01	53.62
Cash & Cash Equivalents	3.42	181.02
<b>Total</b>	<b>100.00</b>	<b>5,292.94</b>

### II Allocation by Industry

Industry	As at 30 Jun 2018	
	% of NAV	MV \$ mil
Information Technology	46.08	2,440.21
Consumer Discretionary	14.38	760.94
Industrials	10.73	567.69
Health Care	9.10	481.50
Financials	6.63	350.67
Consumer Staples	4.15	219.49
Real Estate	3.43	181.59
Energy	1.08	56.96
Materials	1.00	52.87
Cash & Cash Equivalents	3.42	181.02
<b>Total</b>	<b>100.00</b>	<b>5,292.94</b>

### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2018

N.A.

#### IV Top Ten Holdings of Underlying Fund

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

#### Top Ten Holdings of Underlying Fund

	As at 30 Jun 2017	
	% of NAV	MV S\$ mil
Amazon.Com Inc	5.79	234.17
Apple Inc	5.03	203.62
Facebook Inc	4.68	189.16
MasterCard Inc	3.99	161.39
Alphabet Inc	3.74	151.16
Microsoft Corp	3.58	144.73
VISA Inc	3.48	140.84
Celgene Corp	3.14	126.99
SBA Communications Corp	2.35	95.20
Broadcom Ltd	2.14	86.48

#### V Exposure to Derivatives

N.A. As at 30 Jun 2018

#### VI Borrowings of Net Asset Value

N.A. As at 30 Jun 2018

#### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance US Opportunities Equity Fund		Underlying Fund	
	As at 30-Jun-18	As at 30-Jun-17	As at 31-Mar-18*	As at 31-Mar-17**
Expense Ratio	1.85%	1.86%	1.82%	1.82%
Turnover Ratio	8.55%	13.63%	25.63%†	59.79%†
*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund for the financial year ended 30 Jun 2018 is not available.				
**Based on unaudited figure as at 31 Mar 2017 as the expense ratio of Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund for the financial year ended 30 Jun 2017 is not available.				
†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 January 2018 to 30 June 2018, the Franklin Templeton Investment Funds – Franklin U.S. Opportunities Fund paid US\$169,765 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 180.

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## HSBC Insurance World Selection Funds

Fund Facts	HSBC Insurance World Selection 1 Fund	HSBC Insurance World Selection 3 Fund	HSBC Insurance World Selection 5 Fund
Launch Date	01 Apr 2010	01 Apr 2010	01 Apr 2010
Fund Manager	HSBC Global Asset Management (Singapore) Limited		
Underlying Sub-Fund	HSBC Portfolios – World Selection 1	HSBC Portfolios – World Selection 3	HSBC Portfolios – World Selection 5
CPFIS/SRS		SRS	
CPFIS Risk Classification		N.A.	
As at 30 Jun 2018			
Offer Price	S\$ 1.25345	S\$ 1.39422	S\$ 1.48966
Bid Price	S\$ 1.19078	S\$ 1.32451	S\$ 1.41518
Fund Size	S\$ 2.68 mil	S\$ 7.01 mil	S\$ 17.24 mil
Units in Issue	2.25 mil	5.29 mil	12.18 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 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 5 Fund seeks to provide capital growth through investment in a broad range of asset classes across global markets, consistent with a high risk investment strategy.

### Investment and Market Review ^

Global equities continued to move higher over the review period buoyed by good global economic data, subdued inflation, positive corporate earnings and tax reform in the US. However, following a period of good returns and low volatility for equity markets in 2017 and January 2018, markets have subsequently been more volatile. Market volatility has come in waves, but has broadly been associated with questions over US interest rates and inflation, a moderation in economic growth from 2017's strong levels, and political risks with respect to Italy, Spain and more recently talk of US trade tariffs and a potential trade war. The MSCI All Country World Index increased by 10.73% in USD terms over the period.

The Fed raised interest rates by 0.25% in December 2017, March and June and the new interest rate projection points to two more hikes for 2018, and a total of three hikes in 2019. The US 10 year treasury yield rose from 2.30% to 2.86% reflecting these changes. Political risks in Europe have caused some divergence in European bonds: the yield on German 10 year bonds fell from 0.47% to 0.30% whereas the yield on 10 year Italian bonds increased from 2.15% to 2.67%. EM market equities, bonds and currencies have come under pressure, in particular during 2Q18, due to a stronger USD, trade war fears and idiosyncratic risks in some markets such as Turkey, Argentina and Brazil.

### Market Outlook and Investment Strategy ^

For the time being, global growth remains robust. We think the risk of recession is very low and we are currently forecasting global growth of over 3.5%. However, the outlook around global trade policy is very unclear, with the risk of a further escalation in tensions. Positively, however, measures announced thus far should have a small economic impact. We remain underweight global government bonds, global investment grade corporate and high yield bonds. The current environment of potentially higher inflation and yields is not a friendly one for government bonds, while the additional yields on corporate and high yield bonds do not offer adequate compensation for taking credit risk. Recent volatility in EMD markets has created buying opportunities, but it's important to be selective. We prefer EMD in local currency over hard currency and employ active stock selection to navigate this market. Current valuations suggest that global equities remain the best way to benefit from the positive economic backdrop. We therefore remain overweight compared to our long term position. Within equities, we continue to prefer EMs and Japan due to current valuations. We see these markets as offering participation in growth at a reasonable price.

^ 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*	2.66	0.28	0.17	7.89	22.64	N.A.	25.35
HSBC Insurance World Selection 3 Fund*	3.18	(0.27)	3.02	14.96	35.47	N.A.	39.42
HSBC Insurance World Selection 5 Fund*	3.84	0.11	6.11	18.80	46.23	N.A.	48.97

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance World Selection 1 Fund*	2.56	4.17	N.A.	2.81
HSBC Insurance World Selection 3 Fund*	4.76	6.26	N.A.	4.13
HSBC Insurance World Selection 5 Fund*	5.91	7.90	N.A.	4.98

\*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 Inception Date: 12 May 2010

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

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 2018	
	% of NAV	MV S\$ mil
HSBC Portfolios - World Selection 1	100.00	2.68
<b>Total</b>	<b>100.00</b>	<b>2.68</b>

#### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	S\$
Subscription	1,768,939
Redemption	418,886

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

#### I Allocation by Country

As at 30 Jun 2018

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

#### II Allocation by Industry

As at 30 Jun 2018

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

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

As at 30 Jun 2018

N.A.

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

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

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

	As at 30 Jun 2017	
	% of NAV	MV \$ mil
HSBC Global Government Bond Strategy	25.74	163.35
HSBC Global Corporate Bond Strategy	12.52	79.46
HSBC FTSE All-World Index	10.95	69.49
HSBC GIF Global Government Bond	8.68	55.09
HSBC GIF Global Emerging Market Local Debt	7.19	45.63
HSBC Global Asset Backed Bond	4.91	31.16
HSBC GIF Global High Yield Bond	4.66	29.57
HSBC GIF Global Corporate Bond	4.58	29.07
HSBC GIF Global Real Estate Equity	3.91	24.81
Cash	5.72	36.30

#### V Exposure to Derivatives

	As at 30 Jun 2018
% of NAV	2.34%
Market value (\$)	15,811,440
Realised Gains / (Losses) (\$)	(8,451,900)
Unrealised Gains / (Losses) (\$)	2,163,892

#### VI Borrowings of Net Asset Value

N.A.

#### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance World Selection 1 Fund		Underlying Sub-Fund	
	As at 30-Jun-18	As at 30-Jun-17	As at 31-Mar-18*	As at 31-Jan-17**
Expense Ratio	1.66%	1.76%	1.28%	1.37%
Turnover Ratio	23.88%	14.62%	39.53%	0.55%

\*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of HSBC Portfolios - World Selection 1 for the financial year ended 30 Jun 2018 is not available.

\*\*Based on unaudited figure as at 31 Jan 2017 as the expense ratio of HSBC Portfolios - World Selection 1 for the financial year ended 30 Jun 2017 is not available.

#### II Related-Party Transactions

The HSBC Insurance World Selection 1 Fund invests \$2.68 million, equivalent to 100.00% of its net asset value in HSBC Portfolios - World Selection 1, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2017 to 30 June 2018 amounts to S\$6,149.

#### 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 3 Fund

### B) Fund Disclosure

#### I Allocation by Asset Class

Asset Class	As at 30 Jun 2018	
	% of NAV	MV S\$ mil
HSBC Portfolios - World Selection 3	100.00	7.01
<b>Total</b>	<b>100.00</b>	<b>7.01</b>

#### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	S\$
Subscription	3,808,293
Redemption	838,300

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

#### I Allocation by Country

As at 30 Jun 2018

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

#### II Allocation by Industry

As at 30 Jun 2018

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

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

As at 30 Jun 2018

N.A.

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

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

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

	As at 30 Jun 2017	
	% of NAV	MV S\$ mil
HSBC FTSE All-World Index	19.60	199.39
HSBC Global Corporate Bond Strategy	11.27	114.64
HSBC American Index	10.17	103.45
HSBC GIF Global Emerging Market Local Debt	8.32	84.63
HSBC GIF Global High Yield Bond	5.13	52.18
HSBC GIF Global Real Estate Equity	4.98	50.66
HSBC GIF Global Emerging Markets Bond	4.88	49.64
HSBC GIF Global Corporate Bond	4.83	49.13
HSBC ESI Worldwide Equity ETF	4.72	48.01
Cash	3.92	39.88

#### V Exposure to Derivatives

As at 30 Jun 2018

% of NAV	1.31%
Market value (S\$)	19,511,945
Realised Gains / (Losses) (S\$)	16,326,235
Unrealised Gains / (Losses) (S\$)	(4,574,051)

#### VI Borrowings of Net Asset Value

N.A.

## D) Other Disclosure Items

### I Expense/Turnover Ratios

	HSBC Insurance World Selection 3 Fund		Underlying Sub-Fund	
	As at 30-Jun-18	As at 30-Jun-17	As at 31-Mar-18*	As at 31-Jan-17**
Expense Ratio	1.73%	1.88%	1.45%	1.59%
Turnover Ratio	16.66%	13.13%	As at 30-Jun-18	As at 30-Jun-17
			28.23%	0.39%

\*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of HSBC Portfolios - World Selection 3 for the financial year ended 30 Jun 2018 is not available.

\*\*Based on unaudited figure as at 31 Jan 2017 as the expense ratio of HSBC Portfolios - World Selection 3 for the financial year ended 30 Jun 2017 is not available.

### II Related-Party Transactions

HSBC Insurance World Selection 3 Fund invests S\$7.01 million, equivalent to 100.00% of its net asset value in HSBC Portfolios - World Selection 3, which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2017 to 30 June 2018 amounts to S\$19,562.

### 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 2018 % of NAV	MV S\$ mil
HSBC Portfolios - World Selection 5	100.23	17.28
Other assets	0.18	0.03
Other liabilities	(0.41)	(0.07)
<b>Total</b>	<b>100.00</b>	<b>17.24</b>

#### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	S\$
Subscription	9,022,932
Redemption	2,029,628

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

#### I Allocation by Country

As at 30 Jun 2018

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

#### II Allocation by Industry

As at 30 Jun 2018

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

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

As at 30 Jun 2018

N.A.

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

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

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

	As at 30 Jun 2017 % of NAV	MV S\$ mil
HSBC American Index	17.59	63.53
HSBC Worldwide Equity ETF	14.26	51.51
HSBC FTSE All-World Index	12.26	44.28
HSBC ESI Worldwide Equity ETF	8.40	30.34
iShares Core S&P 500	7.83	28.28
HSBC European Index	7.41	26.76
iShares Core MSCI Emerging Markets	5.19	18.75
HSBC GIF Global Real Estate Equity	4.88	17.63
HSBC GIF Global Emerging Market Local Debt	4.42	15.96
HSBC Japan Index	3.96	14.30

### V Exposure to Derivatives

As at 30 Jun 2018

% of NAV	1.57%
Market value (S\$)	7,597,732
Realised Gains / (Losses) (S\$)	(922,529)
Unrealised Gains / (Losses) (S\$)	(1,800,846)

### VI Borrowings of Net Asset Value

As at 30 Jun 2018

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-18</b>	<b>As at 30-Jun-17</b>	<b>As at 31-Mar-18*</b>	<b>As at 31-Jan-17**</b>
Expense Ratio	1.79%	1.71%	1.51%	1.42%
Turnover Ratio	12.46%	22.27%	38.23%	0.34%

\*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of HSBC Portfolios - World Selection 5 for the financial year ended 30 Jun 2018 is not available.

\*\*Based on unaudited figure as at 31 Jan 2017 as the expense ratio of HSBC Portfolios - World Selection 5 for the financial year ended 30 Jun 2017 is not available.

**II Related-Party Transactions**

The HSBC Insurance World Selection 5 Fund invests S\$17.28 million, equivalent to 100.23% 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 2017 to 30 June 2018 amounts to S\$54,143.

**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 <sup>^</sup>

An overweight position in Wirecard, a technology payments company, contributed to returns over the over the quarter due to better-than-expected financial results. Preliminary group revenues were up around 52% on 2017, driven by new high-profile clients such as Allianz and Banca Afirme. An overweight in Logitech helped relative returns over the quarter as the shares performed strongly on the back of a positive earnings update. Results for the quarter came in above expectations and topline growth for the fiscal year exceeded double digits for the second consecutive year, while management reiterated high single-digit revenue growth for the next year. An overweight in BE Semiconductor, the semiconductor manufacturer, negatively impacted performance this quarter over concerns that smartphone sales, in particular Apple's, were moderating. Approximately 35% of the company's sales come from smartphones. Sentiment was also shaken by a profit warning from AMS, which makes sensors for Apple iPhones, as well as a poor outlook statement from Taiwan Semiconductor Manufacturing Company. Our overweight position in the Danish Bank Danske was also negative for relative returns. The bank fell along with the sector as a whole, following comments from the ECB that interest rates will not rise until at least the summer of next year.

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

The largest purchase over the quarter was to Moët Hennessy Louis Vuitton, with the fund moving from an underweight to an overweight position. 1Q18 sales were greater than expected, leading to consensus upgrades to forecasts. On the other hand, the largest decrease was to Erste, the Austrian bank. The 1Q18 net profit beat expectations, but only due to a significant impairment write back, which covered the pre-provision profit miss. The operating income growth was lower than expected due to weakness in net interest income. Relationships between the US and its Western allies are being tested, but it is too early to predict the wider effects of President Trump's America First strategy. There is nothing to suggest, however, that the current economic recovery is on the way to being derailed, and valuations have become more attractive since equity markets are static but earnings are rising.

<sup>^</sup> Source: JPMorgan Asset Management (Singapore) Limited

## FUND FACTS

Underlying Sub-Fund	JPMorgan Funds – Europe Dynamic Fund (USD)
Fund Manager	J.P. Morgan Asset Management.
Launch Date	17 Oct 2016
CPFIS/SRS	N.A.
CPFIS Risk	N.A.
Classification	
As at 30 Jun 2018	
Offer Price	USD 1.16608
Bid Price	USD 1.16608
Fund Size	USD 0.68 mil
Units in Issue	0.58 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 Europe Dynamic Equity Fund (USD)	5.43	0.74	3.53	N.A.	N.A.	N.A.	16.61
Benchmark*	4.62	0.72	6.45	N.A.	N.A.	N.A.	24.06

## II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception^
	(%)	(%)	(%)	(%)
HSBC Insurance Europe Dynamic Equity Fund (USD)	N.A.	N.A.	N.A.	9.87
Benchmark*	N.A.	N.A.	N.A.	14.11

\*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 2018	
	% of NAV	MV USD mil
JPMorgan Funds – Europe Dynamic Fund (USD)	100.00	0.68
<b>Total</b>	<b>100.00</b>	<b>0.68</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	USD
Subscription	609,643
Redemption	-

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

### I Allocation by Country

Country	As at 30 Jun 2018	
	% of NAV	MV USD mil
United Kingdom	20.10	362.64
France	20.00	360.83
Switzerland	13.10	236.35
Germany	9.00	162.37
Italy	7.10	128.10
Sweden	5.70	102.84
Finland	5.40	97.42
Others*	17.20	310.32
Net Liquidity	2.40	43.30
<b>Total</b>	<b>100.00</b>	<b>1,804.17</b>

\*Includes other countries

### II Allocation by Industry

Industry	As at 30 Jun 2018	
	% of NAV	MV USD mil
Consumer Discretionary	16.70	301.30
Financials	15.90	286.86
Industrials	13.40	241.76
Materials	11.80	212.89
Information Technology	10.80	194.85
Energy	9.60	173.20
Health Care	9.20	165.98
Others*	10.20	184.03
Net Liquidity	2.40	43.30
<b>Total</b>	<b>100.00</b>	<b>1,804.17</b>

\*Includes other industries

### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2018

N.A.

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

	As at 30 Jun 2018	
	% of NAV	MV USD mil
Novartis	3.53	63.68
Repsol	2.42	43.66
Allianz	2.22	40.05
Tesco	2.15	38.79
Capgemini	2.10	37.89
BASF	2.07	37.35
Vinci	2.05	36.99
LVMH	2.00	36.08
Novo Nordisk	1.96	35.36
Logitech International	1.84	33.20

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

	As at 30 Jun 2017	
	% of NAV	MV USD mil
Sanofi	3.91	54.67
Siemens	3.11	43.49
Kering	2.94	41.11
Allianz	2.84	39.71
Unilever	2.54	35.52
ING	2.46	34.40
KBC	2.35	32.86
Lloyds Banking	2.23	31.18
Volvo	2.20	30.76
Electrolux	2.07	28.94

#### V Exposure to Derivatives

	As at 30 Jun 2018
% of NAV	(0.12%)
Market value (USD)	(2,138,112)
Realised Gains / (Losses) (USD)	-
Unrealised Gains / (Losses) (USD)	(2,138,112)

#### VI Borrowings of Net Asset Value

	As at 30 Jun 2018
N.A.	

#### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Europe Dynamic Equity Fund (USD)		Underlying Sub-Fund	
	As at 30-Jun-18	As at 30-Jun-17	As at 31-Mar-18*	As at 31-Mar-17**
Expense Ratio	1.84%	1.84%	1.80%	1.80%
Turnover Ratio	199.39%	481.05%	141.31%	169.30%

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

\*\*Based on unaudited figure as at 31 Mar 2017 as the expense ratio of JPMorgan Funds – Europe Dynamic Fund (USD) for the financial year ended 30 Jun 2017 is not available.

#### II Related-Party Transactions

N.A.

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

N.A.

#### IV Soft Dollar Commission Arrangement

N.A.



**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 HSBC Global Investment Funds – Global Emerging Markets Bond (USD).

### FUND FACTS

Underlying Sub-Fund	HSBC Global Investment Funds – Global Emerging Markets Bond (USD)		
Fund Manager	HSBC Global Asset Management (Singapore) Limited		
Launch Date	17 Oct 2016		
CPFIS/SRS	N.A.		
CPFIS Risk	N.A.		
Classification			
As at 30 Jun 2018			
Offer Price	USD	1.01158	
Bid Price	USD	1.01158	
Fund Size	USD	0.55	mil
Units in Issue		0.55	mil

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

EMD posted negative performance in the first six months of 2018 more than offsetting the gains made towards the end of 2017. During this period a confluence of factors, including rising UST yields, heightened levels of issuance, greater market volatility and subsequent risk off-sentiment caused a disruption to investor flows and spread levels widened. The largest detractor of performance was the overweight to the high yield sector as investors sold their riskier assets in favor of lower beta, higher quality investment grade securities. Consequently, underweights to China, Poland and Malaysia were among the largest detractors. However some of these losses were tempered by underweights to those IG countries with longer duration profiles, including Peru and Uruguay, which struggled as UST yields rose.

Within high yield, the largest detractor has been security selection in Venezuela as a slight underweight to the quasi-sovereign Pedvesa and a preference for lower-dollar priced bonds dragged on performance following the debt restructuring announcement in November. Other significant underperformance came from the overweight exposure to twin deficit countries, Argentina and Turkey, as technical pressures from a stronger USD prompted a sell-off in risk assets. However, some of these losses have been partially offset by gains from tactical positioning in oil-linked countries such as Iraq, Nigeria and Russia, benefitting from an increase in oil prices. The largest contributor was portfolio's underweight to Lebanon as debt servicing pressure from a stronger USD as heightened geo-political risks has seen bond yields steadily rise.

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

While recent EMD market volatility has seen a slight souring of risk appetite in the 1H18, the re-pricing of EMD has resulted in a meaningful cheapening in valuations, particularly in hard currency where spreads are at their widest levels in 18 months. Against the backdrop of what is still a strong underlying fundamental story, supported by higher levels of global trade activity, and a compelling yield differential to developed markets, the asset class appears attractive on a relative basis.

This sentiment has been reflected in the positioning of the portfolio, moving from an underweight to spread duration at the beginning of 2018, incrementally adding spread duration risk as EMD assets have re-priced, and moving to a slight overweight by the end of the period. From a portfolio construction perspective, we continue to believe that we are better compensated for risk in higher yield assets relative to expensive investment grade issues, exercising greater selectivity in this space by targeting those credits with solid fundamentals or attractive relative valuations. This is reflected by our overweight positioning in the likes of Turkey, Indonesia, Argentina and Romania versus underweights to more expensive low yielding names like China and the Philippines. We have also added a basket of higher yielding, higher beta currencies which have contributed to overall carry within the portfolio as well as offering the opportunity for generating meaningful alpha should we see a reversal of the recent USD strengthening.

<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 Global Emerging Markets Bond Fund (USD)	(4.60)	(6.67)	(4.56)	N.A.	N.A.	N.A.	1.16
Benchmark*	(3.51)	(5.23)	(2.45)	N.A.	N.A.	N.A.	5.05

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Global Emerging Markets Bond Fund (USD)	N.A.	N.A.	N.A.	0.72
Benchmark*	N.A.	N.A.	N.A.	3.12

\*JP Morgan EMBI Global

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

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2018	
	% of NAV	MV USD mil
HSBC Global Investment Funds – Global Emerging Markets Bond (USD)	100.00	0.55
<b>Total</b>	<b>100.00</b>	<b>0.55</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	USD
Subscription	463,563
Redemption	8,458

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

### I Allocation by Country

Country	As at 30 Jun 2018	
	% of NAV	MV USD mil
Mexico	11.83	440.77
Turkey	11.01	410.27
Argentina	7.81	290.93
Russian Federation	6.08	226.64
Indonesia	5.68	211.58
Brazil	5.04	188.02
Egypt	3.40	126.78
Colombia	3.20	119.25
China	3.15	117.26
Others*	42.80	1,595.62
<b>Total</b>	<b>100.00</b>	<b>3,727.12</b>

\*Includes other countries

### II Allocation by Industry

Industry	As at 30 Jun 2018	
	% of NAV	MV USD mil
Sovereign (Hard Ccy)	66.85	2,491.55
Quasi (Hard Ccy)	20.80	775.37
Corporate (Hard Ccy)	8.51	317.04
Local FX	4.66	173.86
Local Sovereign Bonds	0.24	8.76
Cash	(1.06)	(39.46)
<b>Total</b>	<b>100.00</b>	<b>3,727.12</b>

### III Allocation of Debt Securities by Credit Ratings

	As at 30 Jun 2018	
	% of NAV	MV USD mil
AAA	(7.32)	(272.90)
AA-	0.01	0.47
A+	4.52	168.52
A	0.19	7.05
A-	7.40	275.71
BBB+	5.32	198.25
BBB	11.42	425.70
BBB-	22.07	822.64
BB+	11.01	410.32
BB	2.60	96.75
BB-	9.77	364.26
B+	7.78	289.99
B	8.63	321.56
Others*	16.09	817.64
Unrated	0.51	26.09
<b>Total</b>	<b>100.00</b>	<b>3,727.12</b>

\*Includes lower rated debt securities

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

	As at 30 Jun 2018	
	% of NAV	MV USD mil
Argentina (Republic of) 5.875 01/11/2028	2.47	92.19
Turkey (Republic of) 4.875 10/09/2026	1.80	67.03
Dominican Republic 6.875 01/29/2026	1.37	51.19
Ecuador (Republic of) 7.875 01/23/2028	1.35	50.44
Argentina (Republic of) 6.875 01/26/2027	1.35	50.25
Petroleos Mexicanos 4.500 01/23/2026	1.33	49.56
Argentina (Republic of) 7.625 04/22/2046	1.28	47.82
United Mex States-Global 6.050 01/11/2040	1.18	43.87
Republic of Indonesia 5.250 01/17/2042	1.12	41.70
Pemex Proj Fdg Master TR-Globa 6.625 06/15/2035	1.12	41.69

### Top Ten Holdings of Underlying Sub-Fund

	As at 30 Jun 2017	
	% of NAV	MV USD mil
Argentina (Republic Of) 7.5% 04/22/26	3.61	161.12
Republic Of Indonesia 4.875% 05/05/21	2.24	100.09
Argentina (Republic Of) 5.625% 01/26/22	2.04	90.94
Petroleos Mexicanos 4.5% 01/23/26	1.78	79.21
Russia Global 4.875% 09/16/23	1.66	74.15
Dominican Republic 6.875% 01/29/26	1.48	66.26
Hungary Republic Of - Global 6.375% 03/29/21	1.45	64.65
Kazakhstan (Republic Of) 5.125% 07/21/25	1.35	60.29
Hungary Republic Of - Global 6.25% 01/29/20	1.19	52.89
Turkey (Republic Of)-Global 5.625% 03/30/21	1.13	50.62

### V Exposure to Derivatives

	As at 30 Jun 2018
% of NAV	(0.15%)
Market value (USD)	(5,724,981)
Realised Gains / (Losses) (USD)	43,442,679
Unrealised Gains / (Losses) (USD)	(6,907,325)

### VI Borrowings of Net Asset Value

	As at 30 Jun 2018
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-18</b>	<b>As at 30-Jun-17</b>	<b>As at 31-Mar-18*</b>	<b>As at 31-Mar-17**</b>
Expense Ratio	1.64%	1.65%	1.60%	1.60%

			<b>As at 30-Jun-18</b>	<b>As at 30-Jun-17</b>
Turnover Ratio	2.77%	230.49%	70.92%	0.56%

\*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of HSBC Global Investment Funds – Global Emerging Markets Bond (USD) for the financial year ended 30 Jun 2018 is not available.

\*\*Based on audited figure as at 31 Mar 2017 as the expense ratio of HSBC Global Investment Funds – Global Emerging Markets Bond (USD) for the financial year ended 30 Jun 2017 is not available.

**II Related-Party Transactions**

The HSBC Insurance Global Emerging Market Bond Fund (USD) invests USD 0.55 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Funds – Global Emerging Markets Bond (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2017 to 30 June 2018 amounts to USD 1,925.

**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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## 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 Fund (USD).

### Investment and Market Review ^

EMs closed down for a fifth consecutive month, falling 4.2% in June, despite a rally on the last day of the month. In contrast Developed Markets were more resilient and finished the month flat in USD terms. Although the USD only edged up mildly against major DM currencies and the US 10-year bond yield remained unchanged at 2.86% in June, EM assets came under immense pressure as the Fed continues to shrink its balance sheet though at a gradual pace, while remaining in a rate-hike cycle. Portfolio activity was limited in June, in-line with our long term investment focus. We initiated a position in Han's Lasers, the largest industrial laser equipment maker in China, where we see significant upside for the company to upgrade their products to address expanding demand. We maintain our bias to companies with sustainable competitive advantages, consistent cash flow generation, and strong management teams. This has worked well for the portfolio over the long-term and we remain confident that it is the right strategy to pursue in current market conditions.

### Market Outlook and Investment Strategy ^

Though EM equities have come under pressure lately, we believe current EM weakness may prove to be a reasonable buying opportunity, if the more bearish trade war scenarios can be avoided. Commodity strength and decent underlying growth in most EM economies continue to support earnings and valuations are also now well below long-term averages, at roughly 1.5x book value, a level that has proven to be a good non-crisis entry point for long-term investors. The fund uses our comprehensive research platform to identify high quality businesses that compound earnings sustainably over long periods, resulting in a long-term, high conviction portfolio with a quality and growth bias.

^ Source: JPMorgan Asset Management (Singapore) 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 Emerging Markets Equity Fund (USD)	(6.38)	(6.97)	7.92	N.A.	N.A.	N.A.	31.39
Benchmark*	(7.83)	(6.66)	8.20	N.A.	N.A.	N.A.	32.13

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Global Emerging Markets Equity Fund (USD)	N.A.	N.A.	N.A.	18.30
Benchmark*	N.A.	N.A.	N.A.	18.71

\*MSCI Emerging Markets Index (Total Return Net)

<sup>^</sup>Inception Date: 14 Nov 2016

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2018	
	% of NAV	MV USD mil
JPMorgan Funds – Emerging Markets Equity Fund (USD)	100.00	1.15
<b>Total</b>	<b>100.00</b>	<b>1.15</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	USD
Subscription	1,156,876
Redemption	-

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

### I Allocation by Country

Country	As at 30 Jun 2018	
	% of NAV	MV USD mil
China	37.50	2,571.29
India	18.20	1,247.93
Brazil	7.40	507.40
Taiwan	6.90	473.12
South Korea	6.40	438.83
South Africa	5.10	349.69
Russia	3.90	267.41
Others*	14.30	980.52
Net Liquidity	0.30	20.57
<b>Total</b>	<b>100.00</b>	<b>6,856.76</b>

\*Includes other countries

### II Allocation by Industry

Industry	As at 30 Jun 2018	
	% of NAV	MV USD mil
Financials	35.90	2,461.57
Information Technology	30.40	2,084.46
Consumer Discretionary	15.20	1,042.23
Consumer Staples	10.50	719.96
Industrials	4.00	274.27
Materials	1.70	116.56
Energy	1.30	89.14
Utilities	0.70	48.00
Net Liquidity	0.30	20.57
<b>Total</b>	<b>100.00</b>	<b>6,856.76</b>

### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2018

N.A.

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

As at 30 Jun 2018  
% of NAV MV USD mil

Tencent	6.90	473.12
Alibaba	5.54	379.86
AIA	5.18	355.18
Samsung Electronics	4.89	335.30
Housing Development Finance	4.71	322.95
HDFC Bank	4.49	307.87
Ping An Insurance	4.25	291.41
Taiwan Semiconductor Manufacturing Company	4.14	283.87
Sberbank Russia OJSC	3.41	233.82
JD.com	2.40	164.56

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

	<b>As at 30 Jun 2017</b>	
	<b>% of NAV</b>	<b>MV USD mil</b>
Tencent	6.62	351.18
Taiwan Semiconductor Manufacturing Company	4.79	254.12
Housing Development Finance	4.09	216.98
Alibaba	4.09	216.98
HDFC Bank	4.01	212.74
AIA	3.64	193.11
Samsung Electronics	3.10	164.46
Tata Consultancy Services	2.76	146.42
BID	2.69	142.71
ITC	2.18	115.65

**V Exposure to Derivatives**

**As at 30 Jun 2018**

N.A.

**VI Borrowings of Net Asset Value**

**As at 30 Jun 2018**

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-18</b>	<b>As at 30-Jun-17</b>	<b>As at 31-Mar-18*</b>	<b>As at 31-Mar-17**</b>
Expense Ratio	1.84%	1.84%	1.80%	1.80%
			<b>As at 30-Jun-18</b>	<b>As at 30-Jun-17</b>
Turnover Ratio	3.49%	287.63%	21.29%	7.85%

\*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of JPMorgan Funds – Emerging Markets Equity Fund (USD) for the financial year ended 30 Jun 2018 is not available.

\*\*Based on unaudited figure as at 31 Mar 2017 as the expense ratio of JPMorgan Funds – Emerging Markets Equity Fund (USD) for the financial year ended 30 Jun 2017 is not available.

**II Related-Party Transactions**

N.A.

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

N.A.

**IV Soft Dollar Commission Arrangement**

N.A.

**E) Financial Statements**

Refer to page 182.

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## HSBC Insurance Global Equity Portfolio Fund (USD)

### Fund Objective

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

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

### FUND FACTS

Underlying Sub-Fund	HSBC Global Investment Funds – Economic Scale Global Equity Fund (USD)		
Fund Manager	HSBC Global Asset Management (Singapore) Limited		
Launch Date	17 Oct 2016		
CPFIS/SRS	N.A.		
CPFIS Risk Classification	N.A.		
As at 30 Jun 2018			
Offer Price	USD	1.24773	
Bid Price	USD	1.24773	
Fund Size	USD	1.33	mil
Units in Issue		1.07	mil

### Investment and Market Review ^

The world equity markets made gains – with many touching record highs – as the global economic recovery continued. However, the 1Q18 saw market falls, brought on by concerns that the loose monetary policies major central banks have run for the past eight years may now be set to tighten. Worries about US-Chinese trade relations also contributed to market falls. In April and early May, however, markets regained some ground. During the 12-month period to June 2018, the fund delivered solid absolute returns but underperformed its market cap weighted index. Both our asset allocation and stock selection weighed on relative performance. On a country basis, our overweight allocations to Norway and Finland coupled with our underweight exposures to Switzerland and Canada contributed to performance. Conversely, our overweight allocations to Germany, France and Spain coupled with an underweight exposure to USA weighed on performance. On a sector basis, an overweight allocation to Consumer Discretionary coupled with our underweight exposures to Real Estate and Financials contributed to performance. Conversely, our overweight allocations to Industrials and Telecommunications coupled with an underweight exposure to IT weighed on performance. At the stock level, overweighting Fiat Chrysler Automobiles (Consumer Discretionary, UK) and Walmart Inc. (Consumer Staples, USA) coupled with underweighting Celgene Corp. (Health Care, USA) contributed to performance. Conversely, underweighting Amazon.com Inc. (Consumer Discretionary, USA) and Microsoft Corp. (IT, USA) coupled with overweighting General electric Co. (Industrials, USA) weighed on performance.

### Market Outlook and Investment Strategy ^

Our measure of the global equity risk premium (excess return over cash) is still reasonable given where we are in the profit cycle. Global economic growth momentum remains solid, driving global equity markets to deliver positive returns over the long term. Overall, support from still loose monetary policy and fiscal policy may, in the medium and longer term, likely outweigh any headwinds from more modest Chinese growth, monetary policy normalisation in developed markets, and political uncertainty in many regions. While volatility appears benign, investors should not be complacent. Fairly narrow implied equity premia (excess return over cash) limit the ability of the market to absorb bad news. Episodic volatility may be triggered by concerns surrounding Chinese growth, US economic policy, and/or a potentially more rapid than expected Fed, ECB or BoJ normalisation of policy, coupled with political risks. A notable and persistent deterioration of the global economic outlook could also dampen our view.

The strategy aims to take advantage of excess volatility in market prices to add excess return whilst delivering the equity market premium. No changes in terms of portfolio construction as the HSBC Economic Scale Equity strategy uses systematic rebalancing to re-evaluate stock weights. In June 2018 annual rebalance, there were 137 additions and 159 deletions while each constituent was reweighted based on their contribution to GNP.

^ 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 Portfolio Fund (USD)	0.06	(1.99)	8.09	N.A.	N.A.	N.A.	24.77
Benchmark*	1.73	0.43	11.52	N.A.	N.A.	N.A.	30.68

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Global Equity Portfolio Fund (USD)	N.A.	N.A.	N.A.	14.31
Benchmark*	N.A.	N.A.	N.A.	17.55

\*Benchmark Details:

Inception to October 2017 - HSBC Economic Scale Index World

From October 2017 onwards - MSCI World Net

<sup>^</sup>Inception Date: 03 Nov 2016

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2018	
	% of NAV	MV USD mil
HSBC Global Investment Funds - Economic Scale Global Equity Fund (USD)	100.00	1.33
<b>Total</b>	<b>100.00</b>	<b>1.33</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	USD
Subscription	1,087,032
Redemption	11,833

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

### I Allocation by Country

Country	As at 30 Jun 2018	
	% of NAV	MV USD mil
United States	45.51	80.01
Japan	12.36	21.73
United Kingdom	7.78	13.67
France	6.69	11.76
Germany	6.06	10.66
Canada	2.74	4.81
Switzerland	2.53	4.45
Australia	2.33	4.09
Others*	13.21	23.24
Cash	0.79	1.39
<b>Total</b>	<b>100.00</b>	<b>175.81</b>

\*Includes other countries

<b>II Allocation by Industry</b>	<b>As at 30 Jun 2018</b>	
	<b>% of NAV</b>	<b>MV USD mil</b>
Financials	16.85	29.62
Industrials	16.12	28.35
Consumer Discretionary	14.77	25.97
Consumer Staples	10.51	18.47
Information Technology	9.17	16.11
Health Care	8.51	14.97
Energy	6.35	11.16
Telecommunication Services	5.57	9.80
Materials	5.31	9.33
Utilities	4.41	7.75
Real Estate	1.64	2.89
Cash	0.79	1.39
<b>Total</b>	<b>100.00</b>	<b>175.81</b>

<b>III Allocation of Debt Securities by Credit Ratings</b>	<b>As at 30 Jun 2018</b>
N.A.	

<b>IV Top Ten Holdings of Underlying Sub- Fund</b>	<b>As at 30 Jun 2018</b>	
	<b>% of NAV</b>	<b>MV USD mil</b>
WALMART INC	1.76	3.10
General Electric Co	0.96	1.69
Royal Dutch Shell PLC	0.82	1.44
Wells Fargo & Co	0.81	1.41
Apple Inc	0.78	1.38
AT&T Inc	0.73	1.29
JP Morgan Chase & Co	0.69	1.22
Exxon Mobil Corp	0.63	1.10
Volkswagen AG	0.63	1.10
Nippon Telegraph & Tel Corp	0.59	1.04

<b>Top Ten Holdings of Underlying Sub- Fund</b>	<b>As at 30 Jun 2017</b>	
	<b>% of NAV</b>	<b>MV USD mil</b>
Wal-Mart Stores Inc	1.79	2.67
General Electric Co	1.06	1.58
AT&T Inc	0.85	1.26
Volkswagen Ag	0.82	1.22
Exxon Mobil Corp	0.81	1.20
Wells Fargo & Co	0.74	1.10
Royal Dutch Shell Plc	0.73	1.08
JPMorgan Chase & Co	0.70	1.04
Apple Inc	0.68	1.01
Nippon Telegraph & Telephone	0.62	0.92

<b>V Exposure to Derivatives</b>	<b>As at 30 Jun 2018</b>
% of NAV	0.05%
Market value (USD)	79,740
Realised Gains / (Losses) (USD)	284,501
Unrealised Gains / (Losses) (USD)	(31,236)

<b>VI Borrowings of Net Asset Value</b>	<b>As at 30 Jun 2018</b>
N.A.	

#### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance Global Equity Portfolio Fund (USD)		Underlying Sub-Fund	
	As at 30-Jun-18	As at 30-Jun-17	As at 31-Mar-18*	As at 31-Mar-17**
Expense Ratio	0.99%	0.99%	0.95%	0.95%
Turnover Ratio	5.10%	2.97%	37.05%	0.26%

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

\*\*Based on audited figure as at 31 Mar 2017 as the expense ratio of HSBC Global Investment Funds - Economic Scale Global Equity Fund (USD) for the financial year ended 30 Jun 2017 is not available.

#### II Related-Party Transactions

HSBC Insurance Global Equity Portfolio Fund (USD) invests USD 1.33 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Funds - Economic Scale Global Equity Fund (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2017 to 30 June 2018 amounts to USD 2,182.

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

N.A.

#### IV Soft Dollar Commission Arrangement

N.A.

#### E) Financial Statements

Refer to page 183.

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## HSBC Insurance Global Equity Volatility Focused Fund (USD)

### Fund Objective

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

### FUND FACTS

Underlying Sub-Fund	HSBC Global Investment Funds – Global Equity Volatility Focused Fund (USD)		
Fund Manager	HSBC Global Asset Management (Singapore) Limited		
Launch Date	17 Oct 2016		
CPFIS/SRS	N.A.		
CPFIS Risk	N.A.		
Classification			
As at 30 Jun 2018			
Offer Price	USD	1.15638	
Bid Price	USD	1.15638	
Fund Size	USD	0.03	mil
Units in Issue		0.02	mil

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

During the period, world equity markets gained, with many touching record highs as the global economic recovery continued. The MSCI All Country World Index returned 10.7%, led by the IT and Energy sectors, whilst Telecommunications and Consumer Staples lagged. The fund delivered solid absolute returns but underperformed by 2.0% relative to the index. Sector and country allocation is residual to the stock selection process and was negative for the period. Underweight positions in IT, the US and an overweight exposure to Indonesia were the largest detractors, whilst an overweight position in China and underweight Utilities contributed.

At the stock level, the main detractors included Amazon, not held in the portfolio, which advanced as QoQ profits more than doubled, fuelled by the company's cloud business and eclipsing analysts' expectations. Furthermore, the company reported an increase in Prime members and fees. Altria also detracted as the company saw disappointing sales amid weakening demand given increased sales of cigarette alternatives, which are now beginning to disrupt the US industry. The weakness was compounded by the overall underperformance of Staples in a rising yield environment. Contributors included Cisco Systems, which saw its share price rise as the company announced revenues were up, a raise to its quarterly dividend, and a \$25bn increase to its share buy-back program. Additionally, Phillips 66 gained after reporting a positive set of results that came in ahead of analyst expectations, driven by higher equity earnings given a time benefit from US tax reform as well as improved joint venture volumes.

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

Our measure of the global equity risk premium (excess return over cash) is still reasonable given where we are in the profit cycle. Global economic growth momentum remains solid, driving global equity markets to deliver positive returns over the long term. Overall, support from still loose monetary policy and fiscal policy may, in the medium and longer term, likely outweigh any headwinds from more modest Chinese growth, monetary policy normalisation in developed markets, and political uncertainty in many regions.

While volatility appears benign, investors should not be complacent. Fairly narrow implied equity premia (excess return over cash) limit the ability of the market to absorb bad news. Episodic volatility may be triggered by concerns surrounding Chinese growth, US economic policy, and/or a potentially more rapid than expected Fed, ECB or BoJ normalisation of policy, coupled with political risks. A notable and persistent deterioration of the global economic outlook could also dampen our view. 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.

<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 Global Equity Volatility Focused Fund (USD)	(0.13)	(0.25)	7.50	N.A.	N.A.	N.A.	15.64
Benchmark*	0.53	(0.43)	10.73	N.A.	N.A.	N.A.	21.87

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Global Equity Volatility Focused Fund (USD)	N.A.	N.A.	N.A.	10.28
Benchmark*	N.A.	N.A.	N.A.	14.25

\*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 2018	
	% of NAV	MV USD mil
HSBC Global Investment Funds – Global Equity Volatility Focused (USD)	100.00	0.03
<b>Total</b>	<b>100.00</b>	<b>0.03</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	USD
Subscription	32,323
Redemption	19,115

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

### I Allocation by Country

Country	As at 30 Jun 2018	
	% of NAV	MV USD mil
United States	45.65	108.67
United Kingdom	13.52	32.19
Japan	10.53	25.07
China	4.94	11.75
Germany	4.48	10.65
France	2.95	7.03
Italy	2.69	6.41
Netherlands	2.44	5.81
Others*	9.03	21.50
Cash	3.77	8.97
<b>Total</b>	<b>100.00</b>	<b>238.05</b>

\*Includes other countries

## II Allocation by Industry

Industry	As at 30 Jun 2018	
	% of NAV	MV USD mil
Financials	20.04	47.72
Information Technology	18.63	44.34
Industrials	13.76	32.76
Health Care	10.72	25.51
Consumer Discretionary	10.29	24.51
Consumer Staples	9.47	22.53
Energy	6.20	14.77
Materials	3.01	7.16
Utilities	2.05	4.88
Telecommunication Services	1.59	3.78
Real Estate	0.47	1.12
Cash	3.77	8.97
<b>Total</b>	<b>100.00</b>	<b>238.05</b>

## III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2018

N.A.

## IV Top Ten Holdings of Underlying Fund

	As at 30 Jun 2018	
	% of NAV	MV USD mil
Kao Corp	2.51	5.93
Home Depot Inc	2.47	5.89
Cisco Systems Inc	2.44	5.80
Apple Inc	2.42	5.77
Phillips 66	2.34	5.58
Compass Group PLC	2.27	5.40
BAE Systems PLC	2.22	5.29
UnitedHealth Group Inc	2.18	5.20
Microsoft Corp	2.13	5.07
Bank of America Corp	2.10	5.00

## Top Ten Holdings of Underlying Fund

	As at 30 Jun 2017	
	% of NAV	MV USD mil
Quintiles Transnational	2.59	4.74
Travelers Cos Inc	2.33	4.26
Compass Group	2.31	4.23
JPMorgan Chase & Co	2.29	4.18
Bae Systems Plc	2.21	4.05
Johnson & Johnson	2.17	3.96
Expeditors Intl Wash Inc	2.03	3.72
Altria Group Inc	2.03	3.71
DBS Group Holdings Ltd	2.02	3.69
Home Depot Inc	2.01	3.68

## V Exposure to Derivatives

As at 30 Jun 2018

% of NAV	0.04%
Market value (USD)	85,214
Realised Gains / (Losses) (USD)	1,062,528
Unrealised Gains / (Losses) (USD)	(78,882)

## VI Borrowings of Net Asset Value

As at 30 Jun 2018

N.A.

#### D) Other Disclosure Items

##### I Expense/Turnover Ratios

	HSBC Insurance Global Equity Volatility Focused Fund (USD)		Underlying Sub-Fund	
	As at 30-Jun-18	As at 30-Jun-17	As at 31-Mar-18*	As at 31-Mar-17**
Expense Ratio	1.89%	1.88%	1.85%	1.85%
Turnover Ratio	104.84%	173.90%	38.41%	0.45%

\*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of HSBC Global Investment Funds – Global Equity Volatility Focused (USD) for the financial year ended 30 Jun 2018 is not available.

\*\*Based on audited figure as at 31 Mar 2017 as the expense ratio of HSBC Global Investment Funds – Global Equity Volatility Focused (USD) for the financial year ended 30 Jun 2017 is not available.

##### II Related-Party Transactions

The HSBC Insurance Global Equity Volatility Focused Fund (USD) invests USD 0.03 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Funds – Global Equity Volatility Focused (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2017 to 30 June 2018 amounts to USD 137.

##### 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.

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 (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 Hedge Fund (USD).

### FUND FACTS

Underlying Sub-Fund	HSBC Global Investment Funds – Global High Income Bond Hedge Fund (USD)		
Fund Manager	HSBC Global Asset Management (Singapore) Limited		
Launch Date	17 Oct 2016		
CPFIS/SRS	N.A.		
CPFIS Risk Classification	N.A.		
As at 30 Jun 2018			
Offer Price	USD	1.02766	
Bid Price	USD	1.02766	
Fund Size	USD	0.63	mil
Units in Issue		0.62	mil

### Investment and Market Review ^

In the 2H17 and as we moved into 2018 risk assets continued to rally driven by a pro-reflationary rise in stocks, receding macro concerns and optimism surrounding the GOP tax plan as well as continued solid corporate earnings. Risk assets saw a return of volatility in February however, driven by concerns over inflation and the US administration's protectionist policies. While rate volatility continued into Q2, underlying macro growth and credit fundamentals remained sound. Investors have however had to reconcile still solid global growth and a strong corporate earnings picture with geopolitical risks, trade tensions and country specific issues in Europe and EMs that have characterized markets in the latter half of Q2. USD strength also pressure commodity markets and EM assets.

The strategy delivered positive absolute performance outperforming its reference benchmark gross of fees over the period. Regional allocations were positive for relative performance with an underweight to EM and an overweight to ABS as EM was the worst performing segment while ABS was the best. Credit selection was a drag on performance as all sleeves except the US BBB underperformed their reference benchmarks during the period.

### Market Outlook and Investment Strategy ^

Regionally, the strategy is overweight the US at the expense of EUR and EM. Within USD bonds, the strategy is overweight the US BB sleeve and slightly underweight the US BBB sleeve. The strategy also has an off-benchmark position in ABS of 13%. The overall portfolio beta is close to 1. Following the recent rise in yields we have moved more neutral in our duration being broadly in line with the benchmark. The main sector overweight is to financials predominantly through the USD BBB and EUR bonds where we see value given their relatively strong fundamentals vs other sectors. The strategy is also overweight energy, mainly in USD and EM bonds with only a small exposure to EUR bonds. The main sector underweight is to communication taken through USD and EUR bonds where we remain cautious on tight valuations and event risk from potential M&A activity.

Looking forward to the 2H18, while still solid, global economic growth has moderated somewhat. In particular, the Eurozone, UK and Japanese economies have shown signs of having hit a soft patch; however, this appears to be temporary as growth seems to remain largely on trend. Despite the recent pick up in volatility, a shifting landscape with trade tensions escalating, and the risk for more macro driven weakness, credit specific metrics remain stable as defaults continue to be low and credit fundamentals and balance sheet health have held firm.

^ 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 High Income Bond Fund (USD)	(1.04)	(2.66)	(0.79)	N.A.	N.A.	N.A.	2.77
Benchmark*	(1.21)	(2.36)	0.53	N.A.	N.A.	N.A.	4.26

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Global High Income Bond Fund (USD)	N.A.	N.A.	N.A.	1.66
Benchmark*	N.A.	N.A.	N.A.	2.55

\*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.

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

## B) Fund Disclosure

### I Allocation by Asset Class

Asset Class	As at 30 Jun 2018	
	% of NAV	MV USD mil
HSBC Global Investment Funds – Global High Income Bond (USD)	100.00	0.63
<b>Total</b>	<b>100.00</b>	<b>0.63</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	USD
Subscription	523,379
Redemption	15,394

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

### I Allocation by Country

Country	As at 30 Jun 2018	
	% of NAV	MV USD mil
United States	35.48	522.55
France	5.72	84.23
United Kingdom	4.65	68.44
China	3.86	56.88
Germany	3.45	50.82
Cayman Islands	3.08	45.30
Brazil	2.91	42.87
Ireland	2.52	37.11
Others*	35.24	519.00
Cash	3.09	45.56
<b>Total</b>	<b>100.00</b>	<b>1,472.76</b>

\*Includes other countries

<b>II Allocation by Industry</b>		<b>As at 30 Jun 2018</b>	
<b>Industry</b>	<b>% of NAV</b>	<b>MV USD mil</b>	
Financial Institutions	22.38	329.65	
Sovereign	12.27	180.67	
Agencies	9.72	143.14	
Energy	7.91	116.44	
Basic Industry	6.62	97.47	
Communications	6.39	94.12	
Consumer Cyclical	6.35	93.55	
ABS	5.77	84.98	
Consumer Non cyclical	5.00	73.63	
CMBS	4.74	69.88	
Others*	9.76	143.67	
Cash	3.09	45.56	
<b>Total</b>	<b>100.00</b>	<b>1,472.76</b>	

\*Includes other industries

<b>III Allocation of Debt Securities by Credit Ratings</b>		<b>As at 30 Jun 2018</b>	
<b>Rating</b>	<b>% of NAV</b>	<b>MV USD mil</b>	
AAA	1.17	17.13	
AA	1.19	17.57	
A	9.87	145.33	
BBB	40.69	599.31	
BB	27.46	404.37	
B	13.82	203.55	
CCC	0.26	3.87	
D	0.10	1.48	
Unrated	2.35	34.59	
Cash	3.09	45.56	
<b>Total</b>	<b>100.00</b>	<b>1,472.76</b>	

<b>V Top Ten Holdings of Underlying Sub-Fund</b>		<b>As at 30 Jun 2018</b>	
	<b>% of NAV</b>	<b>MV USD mil</b>	
AT&T Inc 5.250 01/03/2037	0.56	8.03	
Argentina (Republic of) 7.625 22/04/2046	0.51	7.52	
Sberbank 6.125 07/02/2022	0.46	6.79	
Sinopec Capital 3.125 24/04/2023	0.45	6.63	
Brazil (Fed Rep of)-Global 4.875 22/01/2021	0.45	6.62	
Turkey (Republic of) 5.750 11/05/2047	0.44	6.52	
Union Bank Of Switzerland 4.750 12/02/2021	0.43	6.40	
Mpt Operating Partnership L 5.000 15/10/2027	0.43	6.40	
Ineos Group Holdings SA 5.375 01/08/2024	0.43	6.39	
Mpt Operating Partnership L 4.000 19/08/2022	0.43	6.26	

<b>Top Ten Holdings of Underlying Sub-Fund</b>		<b>As at 30 Jun 2017</b>	
	<b>% of NAV</b>	<b>MV USD mil</b>	
Argentina (Republic Of) 7.5% 22/04/26	0.77	20.64	
Kazakhstan (Republic Of) 5.125% 21/07/25	0.68	18.21	
Argentina (Republic Of) 5.625% 26/01/22	0.65	17.54	
Petrobras Intl Finance 5.375% 27/01/21	0.45	12.08	
Cnooc Finance 2013 Ltd 3% 09/05/23	0.37	9.95	
Ineos Group Holdings Sa 5.375% 01/08/24	0.35	9.45	
Bank Of America Corp 4.183% 25/11/27	0.35	9.45	
Brazil (Fed Rep Of)-Global 4.875% 22/01/21	0.34	9.02	
Republic Of Indonesia 4.875% 05/05/21	0.33	8.71	
Teva Pharmaceutical Ne 3.15% 01/10/26	0.32	8.59	

<b>V Exposure to Derivatives</b>	<b>As at 30 Jun 2018</b>
% of NAV	0.47%
Market value (USD)	6,981,014
Realised Gains / (Losses) (USD)	(43,700,627)
Unrealised Gains / (Losses) (USD)	2,241,733

<b>VI Borrowings of Net Asset Value</b>	<b>As at 30 Jun 2018</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-18</b>	<b>As at 30-Jun-17</b>	<b>As at 31-Mar-18*</b>	<b>As at 31-Mar-17**</b>
Expense Ratio	1.54%	1.55%	1.50%	1.50%
Turnover Ratio	3.98%	227.76%	<b>As at 30-Jun-18</b> 60.10%	<b>As at 30-Jun-17</b> 0.64%

\*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of HSBC Global Investment Funds – Global High Income Bond (USD) for the financial year ended 30 Jun 2018 is not available.

\*\*Based on audited figure as at 31 Mar 2017 as the expense ratio of HSBC Global Investment Funds – Global High Income Bond (USD) for the financial year ended 30 Jun 2017 is not available.

**II Related-Party Transactions**

The HSBC Insurance Global High Income Bond Fund (USD) invests USD 0.63 million, equivalent to 100.00% of its net asset value in HSBC Global Investment Funds – Global High Income Bond (USD), which is managed by HSBC Global Asset Management (Singapore) Ltd.

The management fees earned by HSBC Global Asset Management (Singapore) Ltd from 01 July 2017 to 30 June 2018 amounts to USD 1,828.

<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.

**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 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 <sup>^</sup>

The Fund rose 1.2% over the 1H18 (gross of fees, (USD terms), while its benchmark, the S&P IFCI/India Gross Index rose by 7.2%. The period started strongly in helped by strong flows, encouraging monsoons, expectation of a policy rate cut and upbeat sentiment aided by the landmark GST reform implementation. The GST roll-out, however, had a negative effect on consumer staples and healthcare caused by some complications and destocking effects for distributors of consumer and healthcare products. The size of the long awaited recapitalisation plan for Indian public sector banks surprised on the upside, but the central bank also accelerated recognition of non-performing loans which was a headwind for the banking sector. In 2018 so far sentiment was negatively impacted by the rising price of oil (for which India is a major net importer), global trade tensions and an interest rate hike by the central bank to help contain inflation. The Rupee has also fallen versus the USD to historically low levels. There are concerns over the near term level of infrastructure spending, particularly given we are about 9-10 months out from the next general election. Fiscal slippage concerns on lower than expected tax receipts have also weakened sentiment around infrastructure spending. On the upside, India's GDP growth for the 1Q18 came in at 7.7% YOY, which was better than expectations.

The fund underperformed the index due to detracting stock selection in financials and consumer sectors. Stock selection was strong in industrials and energy.

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

The macro economic variables have deteriorated at the margin as the fiscal deficit may move marginally higher while inflation expectations have inched up. On the external front, the Current Account Deficit has widened in part due to higher global crude oil prices – as India is significant net importer of oil. The Central bank is acting proactively and decisively to manage inflation as demonstrated by the rate hike decision in the last policy meeting. On the global front, the rate hike process is expected to continue in the US and while this is broadly priced in as far markets are concerned, however there could be some impact of external flows drying up for EMs. The US - China trade spat remains a key risk for global trade and global growth if escalation ensues.

We remain constructive on the India story from a medium to long term perspective. Looking ahead, the GST regime will lead to faster formalization of the economy, broaden the tax base, improve the fiscal situation and improve the ease of doing business. Policies to structurally repair the banking sector will go a long way to help revive credit growth and move the economy forward.

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

<sup>^</sup> 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	N.A.		
CPFIS Risk	N.A.		
Classification			
As at 30 Jun 2018			
Offer Price	USD	1.13713	
Bid Price	USD	1.13713	
Fund Size	USD	0.59	mil
Units in Issue		0.52	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 India Equity Fund (USD)	(4.63)	(12.77)	(0.70)	N.A.	N.A.	N.A.	13.71
Benchmark*	(1.29)	(8.25)	7.23	N.A.	N.A.	N.A.	24.47

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance India Equity Fund (USD)	N.A.	N.A.	N.A.	8.06
Benchmark*	N.A.	N.A.	N.A.	14.12

\* S&P / IFCI India Gross

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

## B) Fund Disclosure

### I Allocation by Asset Class

	As at 30 Jun 2018	
Asset Class	% of NAV	MV USD mil
HSBC Global Investment Funds - Indian Equity Fund (USD)	100.00	0.59
<b>Total</b>	<b>100.00</b>	<b>0.59</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)  
USD

Subscription	552,641
Redemption	-

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

### I Allocation by Country

	As at 30 Jun 2018	
Country	% of NAV	MV USD mil
India	98.85	1,515.84
Cash	1.15	17.56
<b>Total</b>	<b>100.00</b>	<b>1,533.40</b>

### II Allocation by Industry

	As at 30 Jun 2018	
Industry	% of NAV	MV USD mil
Financials	36.22	555.37
Consumer Discretionary	15.13	232.06
Information Technology	12.52	191.98
Materials	10.28	157.71
Industrials	5.91	90.69
Consumer Staples	5.51	84.51
Energy	4.86	74.52
Health Care	3.07	47.01
Utilities	2.78	42.58
Telecommunication Services	1.34	20.58
Real Estate	1.23	18.83
Cash	1.15	17.56
<b>Total</b>	<b>100.00</b>	<b>1,533.40</b>

### III Allocation of Debt Securities by Credit Ratings

As at 30 Jun 2018

N.A.

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

	As at 30 Jun 2018	
	% of NAV	MV USD mil
Infosys Ltd	8.83	135.50
HDFC Bank Ltd	8.57	131.47
ICICI Bank Ltd	5.26	80.59
Axis Bank Ltd	4.85	74.32
Maruti Suzuki India Ltd	4.52	69.35
Housing Development Finance Corp	4.41	67.60
ITC Ltd	4.17	63.98
Reliance Industries Ltd	3.89	59.59
HCL Technologies Ltd	3.68	56.47
Grasim Industries Ltd	3.48	53.29

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

	As at 30 Jun 2017	
	% of NAV	MV USD mil
Infosys Ltd	5.64	104.80
HDFC Bank Limited	5.37	99.96
Icici Bank Ltd	5.17	96.14
Maruti Suzuki India Ltd	5.03	93.62
ITC Ltd	4.73	88.04
Axis Bank Limited	4.42	82.24
Housing Development Finance	3.76	69.87
HCL Technologies Ltd	3.58	66.64
LIC Housing Finance Ltd	3.23	60.01
Vedanta Ltd	3.15	58.58

#### V Exposure to Derivatives

As at 30 Jun 2018

N.A.

#### VI Borrowings of Net Asset Value

As at 30 Jun 2018

N.A.

#### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance India Equity Fund (USD)		Underlying Sub-Fund	
	As at 30-Jun-18	As at 30-Jun-17	As at 31-Mar-18*	As at 31-Mar-17**
Expense Ratio	1.94%	1.93%	1.90%	1.90%
Turnover Ratio	2.17%	349.85%	17.35%	0.70%

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

\*\*Based on audited figure as at 31 Mar 2017 as the expense ratio of HSBC Global Investment Funds - Indian Equity Fund (USD) for the financial year ended 30 Jun 2017 is not available.

#### II Related-Party Transactions

The HSBC Insurance India Equity Fund (USD) invests USD 0.59 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 2017 to 30 June 2018 amounts to USD 1,483.

#### 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 Select Portfolio – Aberdeen Pacific Equity Fund (USD)

### Investment and Market Review ^

Asian equities gained over the review period, as synchronised global economic expansion lifted buoyed investment sentiment. Even though markets succumbed to escalating trade tensions between the US and major trading partners, currency fluctuations, and rising oil prices in the 2H17, they had made enough gains in 1H18 to end the 12-month period higher.

China led the region. Healthy growth data, along with MSCI's decision to include A-shares to its influential indices and a relentless rise in Chinese internet stocks, drove the mainland market. This was despite escalating trade tensions between the US and China, and Beijing's increased regulatory scrutiny and efforts to tighten leverage. Thailand also did well, as positive global growth cues, a sustained recovery in oil prices and the prospect of US tax reform lifted the market.

On the other hand, the Philippine and Indonesian markets chalked up some of the biggest losses. The Philippines was dogged investors' worries that the weaker peso and higher inflation amid rising oil prices would eat into corporate earnings. Indonesia was another laggard. The slump was sparked by a confluence of factors, key of which was the weakening rupiah and expectations that Bank Indonesia would tighten liquidity further to stabilise the currency. An uptick in public spending ahead of next year's general elections also stoked worries about fiscal discipline.

### Market Outlook and Investment Strategy ^

Asian markets are expected to remain on tenterhooks, given geopolitical uncertainties and shifts in monetary policy over the next few months. Trade tensions between the US and its major trading partners and political uncertainty in Europe will weigh on investors' minds. They will also be keeping a close watch on how major central banks will manage liquidity and currency fluctuations. Upcoming general elections in India and Indonesia are taking on critical importance, and their outcome may decide the fortunes of these two vast economies.

Nevertheless, the global economy is still expanding at a steady pace. Increased economic activity will lift commodity prices and inflation and, if well-managed, will boost growth further. Amid this supportive macroeconomic backdrop, governments in Asia are taking the opportunity to engage in reforms that will strengthen their economies in the longer term. This should put economic growth in the region on a more stable footing. Asian central banks are also vigilant in ensuring that monetary policy remains appropriate and supportive of growth, which should help calm foreign-exchange volatility and keep inflation in check. These robust long-run fundamentals should continue to support corporate earnings. Our portfolios remain resilient and well-positioned for future growth. More broadly, as true active managers, our long-time focus on quality and value should serve us well, with our holdings having the wherewithal to withstand the short-term volatility.

^ Source: Aberdeen Asset Management Asia Limited

## FUND FACTS

Underlying Sub-Fund	Aberdeen Select Portfolio - Aberdeen Pacific Equity Fund (USD)	
Fund Manager	Aberdeen Asset Management Asia Limited	
Launch Date	17 Oct 2016	
CPFIS/SRS	N.A.	
CPFIS Risk Classification	N.A.	
As at 30 Jun 2018		
Offer Price	USD	1.19268
Bid Price	USD	1.19268
Fund Size	USD	2.49 mil
Units in Issue		2.09 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 (USD)	(5.05)	(4.85)	4.34	N.A.	N.A.	N.A.	19.27
Benchmark*	(3.52)	(4.05)	9.86	N.A.	N.A.	N.A.	28.79

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance Pacific Equity Fund (USD)	N.A.	N.A.	N.A.	11.22
Benchmark*	N.A.	N.A.	N.A.	16.49

\*MSCI AC Asia Pacific ex Japan TR USD

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

## B) Fund Disclosure

### I Allocation by Asset Class

	As at 30 Jun 2018	
Asset Class	% of NAV	MV USD mil
Aberdeen Select Portfolio - Aberdeen Pacific Equity Fund	100.00	2.49
<b>Total</b>	<b>100.00</b>	<b>2.49</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	USD
Subscription	2,318,574
Redemption	72,143

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

### I Allocation by Country

	As at 31 Mar 2018†	
Country	% of NAV	MV USD mil
China	16.82	185.50
Singapore	14.73	162.44
Hong Kong	13.55	149.51
India	10.18	112.28
South Korea	9.89	109.11
United Kingdom	8.24	90.89
Taiwan	5.41	59.68
Indonesia	4.88	53.81
Others*	15.55	171.67
Cash	0.75	8.25
<b>Total</b>	<b>100.00</b>	<b>1,103.14</b>

\*Includes other countries

† Based on audited figures as at 31 Mar 2018 as the unaudited figures as at 31 Jun 2018 are not available

<b>II Allocation by Industry</b>		<b>As at 31 Mar 2018†</b>	
<b>Industry</b>	<b>% of NAV</b>	<b>MV USD mil</b>	
Unit Trusts	28.24	311.52	
Financials	21.34	235.42	
Information Technology	17.31	190.98	
Materials	8.88	97.94	
Real Estate	8.71	96.11	
Industrials	4.80	52.98	
Telecommunication Services	4.04	44.54	
Healthcare	2.14	23.63	
Consumer Staples	2.00	22.01	
Consumer Discretionary	1.79	19.76	
Cash	0.75	8.25	
<b>Total</b>	<b>100.00</b>	<b>1,103.14</b>	

<b>III Allocation of Debt Securities by Credit Ratings</b>	<b>As at 31 Mar 2018†</b>
N.A.	

<b>IV Top Ten Holdings of Underlying Sub-Fund</b>		<b>As at 31 Mar 2018†</b>	
	<b>% of NAV</b>	<b>MV USD mil</b>	
Aberdeen Global - Indian Equity Fund*	7.39	81.54	
Aberdeen Singapore Equity Fund	7.30	80.52	
Samsung Electronics (Preference Shares)	5.83	64.33	
Aberdeen China Opportunities Fund	5.42	59.74	
Taiwan Semiconductor Manufacturing Company	4.36	48.07	
Tencent	4.02	44.40	
AIA Group	3.21	35.45	
China Resources Land	3.18	35.03	
Aberdeen Thailand Equity Fund	3.17	35.02	
Aberdeen Indonesia Equity Fund	3.08	33.94	

<b>Top Ten Holdings of Underlying Sub-Fund</b>		<b>As at 31 Mar 2017</b>	
	<b>% of NAV</b>	<b>MV USD mil</b>	
Aberdeen China Opportunities Fund	10.20	109.77	
Aberdeen Global – Indian Equity Fund*	9.56	102.92	
Aberdeen Singapore Equity Fund	8.50	91.50	
Samsung Electronics (Preference Shares)	4.92	53.00	
Jardine Strategic Holdings	4.65	50.08	
Aberdeen Indonesia Equity Fund	3.92	42.17	
Taiwan Semiconductor Manufacturing Company	3.65	39.33	
Aberdeen Thailand Equity Fund	3.50	37.65	
AIA Group	3.20	34.41	
Rio Tinto	2.67	28.73	

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

<b>V Exposure to Derivatives</b>	<b>As at 31 Mar 2018†</b>
N.A.	

<b>VI Borrowings of Net Asset Value</b>	<b>As at 31 Mar 2018†</b>
N.A.	

**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-18</b>	<b>As at 30-Jun-17</b>	<b>As at 31-Mar-18*</b>	<b>As at 31-Mar-17**</b>
Expense Ratio	1.76%	1.79%	1.72%	1.75%
Turnover Ratio	8.41%	6.09%	9.97%	3.04%

\*Based on unaudited figures as at 31 Mar 2018 as the expense and turnover ratios of Aberdeen Select Portfolio - Aberdeen Pacific Equity Fund for the financial year ended 30 Jun 2018 are not available.

\*\*Based on unaudited figures as at 31 Mar 2017 as the expense and turnover ratios of Aberdeen Select Portfolio - Aberdeen Pacific Equity Fund for the financial year ended 30 Jun 2017 are not available.

**II Related-Party Transactions**

Cash balances maintained with HSBC Bank as at 30 Jun 2018 amounts to USD 1,488.27

**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 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)		
Fund Manager	HSBC Global Asset Management (Singapore) Limited		
Launch Date	17 Oct 2016		
CPFIS/SRS	N.A.		
CPFIS Risk	N.A.		
Classification			
As at 30 Jun 2018			
Offer Price	USD	1.26644	
Bid Price	USD	1.26644	
Fund Size	USD	0.87	mil
Units in Issue		0.69	mil

### Investment and Market Review ^

US equities advanced gained over the period, with the S&P, the Dow Jones and the Nasdaq all achieving record highs along the way. In the final months of 2017, markets were encouraged by news of long-awaited tax legislation, which will bring significant tax cuts for US corporations. Equities made a strong start to 2018, before better-than-expected wage growth in January led to concerns about inflation and a faster pace of US rate hikes. This caused a sell-off in equities in the 1Q18. By April, however, markets had gained ground, as US technology stocks recovered. The trend of encouraging corporate earnings continued, lending support to US markets. The review period saw increased jitters about President Trump's protectionist policies.

During the 12-month period to June 2018, the fund delivered solid absolute returns but underperformed its market cap weighed index. Both our asset allocation and stock selection weighed on relative performance. On a sector basis, an overweight allocation to Consumer Discretionary coupled with our underweight exposures to Health Care, Utilities and Real Estate contributed to performance. Conversely, our overweight allocations to Industrials and Consumer Staples coupled with an underweight exposure to IT weighed on performance.

At the stock level, overweighting Tenet Healthcare corp. (Health Care) coupled with underweighting Johnson & Johnson (Health Care) and Celgene Corp (Health Care) contributed to performance. Conversely, underweighting Amazon.com Inc. (Consumer Discretionary) and Microsoft Corp. (IT) coupled with overweighting General electric Co. (Industrials) weighed on performance.

### Market Outlook and Investment Strategy ^

Despite a recent pickup in market volatility, corporate fundamentals remain strong, the earnings growth outlook looks solid (with upside risks from tax reform), and the US macroeconomic backdrop is still robust. The magnitude of the boost to GDP growth from tax reform is likely to be small given where we are in the cycle. A more rapid than expected tightening of Fed policy also poses risks. We are getting closer to the critical point where we need to reassess whether we are being offered enough return to take on equity risk in this market. Risks from US protectionism also need to be considered, especially if further rounds of tit-for-tat actions materialise.

The strategy aims to take advantage of excess volatility in market prices to add excess return whilst delivering the equity market premium. No changes in terms of portfolio construction as the HSBC Economic Scale Equity strategy uses systematic rebalancing to re-evaluate stock weights. In June 2018 annual rebalance, there were 144 additions and 153 deletions while each constituent was reweighted based on their contribution to GNP.

^ 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)	3.42	0.18	10.70	N.A.	N.A.	N.A.	26.64
Benchmark*	3.28	2.36	12.75	N.A.	N.A.	N.A.	30.98

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>A</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance US Equity Portfolio Fund (USD)	N.A.	N.A.	N.A.	15.32
Benchmark*	N.A.	N.A.	N.A.	17.68

\* Benchmark Details:

Inception to October 2017 - HSBC Economic Scale US Net

From October 2017 onwards - 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 2018	
	% of NAV	MV USD mil
HSBC Global Investment Funds - Economic Scale US Equity Fund (USD)	100.00	0.87
<b>Total</b>	<b>100.00</b>	<b>0.87</b>

### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)	
	USD
Subscription	689,929
Redemption	1,996

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

### I Allocation by Country

Country	As at 30 Jun 2018	
	% of NAV	MV USD mil
United States	98.39	879.17
Cash	1.61	14.40
<b>Total</b>	<b>100.00</b>	<b>893.57</b>

### II Allocation by Industry

Industry	As at 30 Jun 2018	
	% of NAV	MV USD mil
Consumer Discretionary	16.66	148.80
Industrials	15.66	139.90
Financials	14.04	125.50
Information Technology	13.97	124.85
Consumer Staples	11.31	101.05
Health Care	9.66	86.29
Energy	6.48	57.92
Materials	3.56	31.82
Telecommunication Services	2.87	25.61
Real Estate	2.23	19.97
Utilities	1.95	17.46
Cash	1.61	14.40
<b>Total</b>	<b>100.00</b>	<b>893.57</b>

### III Allocation of Debt Securities by Credit Ratings

	As at 30 Jun 2018
N.A.	

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

	As at 30 Jun 2018	
	% of NAV	MV USD mil
WALMART INC	3.73	33.24
General Electric Co	1.75	15.63
AT&T Inc	1.23	11.02
Wells Fargo & Co	1.21	10.81
Apple Inc	1.18	10.57
JP Morgan Chase & Co	1.09	9.69
Bank of America Corp	1.08	9.66
Exxon Mobil Corp	1.06	9.51
United Parcel Service Inc	0.98	8.77
Hewlett-Packard Co	0.84	7.54

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

	As at 30 Jun 2017	
	% of NAV	MV USD mil
Wal-Mart Stores Inc	3.15	24.63
General Electric Co	1.85	14.43
At&T Inc	1.48	11.55
Exxon Mobil Corp	1.42	11.12
Wells Fargo & Co	1.29	10.08
JPMorgan Chase & Co	1.21	9.48
Apple Inc	1.18	9.23
Bank Of America Corp	1.05	8.21
United Parcel Service	1.02	7.95
Berkshire Hathaway Inc	0.88	6.87

#### V Exposure to Derivatives

	As at 30 Jun 2018
% of NAV	0.08%
Market value (USD)	732,419
Realised Gains / (Losses) (USD)	1,871,077
Unrealised Gains / (Losses) (USD)	292,587

#### VI Borrowings of Net Asset Value

	As at 30 Jun 2018
N.A.	

#### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance US Equity Portfolio Fund (USD)		Underlying Sub-Fund	
	As at 30-Jun-18	As at 30-Jun-17	As at 31-Mar-18*	As at 31-Mar-17**
Expense Ratio	0.79%	0.79%	0.75%	0.75%
Turnover Ratio	5.17%	295.56%	22.35%	0.19%

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

\*\*Based on audited figure as at 31 Mar 2017 as the expense ratio of HSBC Global Investment Funds - Economic Scale US Equity Fund (USD) for the financial year ended 30 Jun 2017 is not available.

#### II Related-Party Transactions

The HSBC Insurance US Equity Portfolio Fund (USD) invests USD 0.87 million, equivalent to 100.00% 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 2017 to 30 June 2018 amounts to USD 885.

#### 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)

Fund Facts	HSBC Insurance World Selection 1 Fund (USD)			HSBC Insurance World Selection 3 Fund (USD)			HSBC Insurance World Selection 5 Fund (USD)		
Launch Date	17 Oct 2016			17 Oct 2016			17 Oct 2016		
Fund Manager	HSBC Global			Asset Management (Singapore) Limited					
Underlying Sub-Fund	HSBC Portfolios – World Selection 1 USD			HSBC Portfolios – World Selection 3 USD			HSBC Portfolios - World Selection 5 USD		
CPFIS/SRS				N.A.					
CPFIS Risk Classification				N.A.					
As at 30 Jun 2018									
Offer Price	USD	1.03580		USD	1.11535		USD	1.18988	
Bid Price	USD	1.03580		USD	1.11535		USD	1.18988	
Fund Size	USD	0.13	mil	USD	0.41	mil	USD	0.38	mil
Units in Issue		0.13	mil		0.36	mil		0.32	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 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 5 Fund (USD) seeks to provide capital growth through investment in a broad range of asset classes across global markets, consistent with a high risk investment strategy.

### Investment and Market Review ^

Global equities continued to move higher over the review period buoyed by good global economic data, subdued inflation, positive corporate earnings and tax reform in the US. However, following a period of good returns and low volatility for equity markets in 2017 and January 2018, markets have subsequently been more volatile. Market volatility has come in waves, but has broadly been associated with questions over US interest rates and inflation, a moderation in economic growth from 2017's strong levels, and political risks with respect to Italy, Spain and more recently talk of US trade tariffs and a potential trade war. The MSCI All Country World Index increased by 10.73% in USD terms over the period. The Fed raised interest rates by 0.25% in December 2017, March and June and the new interest rate projection points to two more hikes for 2018, and a total of three hikes in 2019. The US 10 year treasury yield rose from 2.30% to 2.86% reflecting these changes. Political risks in Europe have caused some divergence in European bonds: the yield on German 10 year bonds fell from 0.47% to 0.30% whereas the yield on 10 year Italian bonds increased from 2.15% to 2.67%. EM equities, bonds and currencies have come under pressure, in particular during Q2 2018, due to a stronger USD, trade war fears and idiosyncratic risks in some markets such as Turkey, Argentina and Brazil.

### Market Outlook and Investment Strategy ^

For the time being, global growth remains robust. We think the risk of recession is very low and we are currently forecasting global growth of over 3.5%. However, the outlook around global trade policy is very unclear, with the risk of a further escalation in tensions. Positively, however, measures announced thus far should have a small economic impact. We remain underweight global government bonds, global investment grade corporate and high yield bonds. The current environment of potentially higher inflation and yields is not a friendly one for government bonds, while the additional yields on corporate and high yield bonds do not offer adequate compensation for taking credit risk. Recent volatility in EMD markets has created buying opportunities, but it's important to be selective. We prefer EMD in local currency over hard currency and employ active stock selection to navigate this market. Current valuations suggest that global equities remain the best way to benefit from the positive economic backdrop. We therefore remain overweight compared to our long term position. Within equities, we continue to prefer EMs and Japan due to current valuations. We see these markets as offering participation in growth at a reasonable price.

^ 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)*	(1.16)	(1.64)	1.16	N.A.	N.A.	N.A.	3.58
HSBC Insurance World Selection 3 Fund (USD)*	(0.47)	(1.75)	3.79	N.A.	N.A.	N.A.	11.54
HSBC insurance World Selection 5 Fund (USD)*	(0.06)	(1.69)	7.41	N.A.	N.A.	N.A.	18.99

### II Average Annual Compounded Returns

	3-Year	5-Year	10-Year	Since Inception <sup>^</sup>
	(%)	(%)	(%)	(%)
HSBC Insurance World Selection 1 Fund (USD)*	N.A.	N.A.	N.A.	2.50
HSBC Insurance World Selection 3 Fund (USD)*	N.A.	N.A.	N.A.	6.82
HSBC Insurance World Selection 5 Fund (USD)*	N.A.	N.A.	N.A.	11.33

\*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 3 Fund (USD) Inception Date: 03 Nov 2016

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 2018	
	% of NAV	MV USD mil
HSBC Portfolios - World Selection 1 (USD)	100.00	0.13
<b>Total</b>	<b>100.00</b>	<b>0.13</b>

#### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	USD
Subscription	94,277
Redemption	-

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

#### I Allocation by Country

As at 30 Jun 2018

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

#### II Allocation by Industry

As at 30 Jun 2018

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

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

As at 30 Jun 2018

N.A.

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

	As at 30 Jun 2018	
	% of NAV	MV USD mil
HSBC Global Government Bond Strategy	24.49	121.31
HSBC FTSE All-World Index	13.65	67.61
HSBC GIF Global Government Bond	13.32	65.98
HSBC Global Corporate Bond Strategy	9.18	45.47
HSBC GIF Global Emerging Market Local Debt	8.71	43.14
HSBC US Dollar Liquidity Y	5.25	26.01
HSBC Global Asset Backed Bond	5.07	25.11
HSBC GIF Global Real Estate Equity	3.64	18.03
HSBC GIF Global High Yield Bond	3.49	17.29
HSBC GIF Global Emerging Markets Bond	3.04	15.06

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

	As at 30 Jun 2017	
	% of NAV	MV USD mil
HSBC Global Government Bond Strategy	25.74	118.64
HSBC Global Corporate Bond Strategy	12.52	57.71
HSBC FTSE All-World Index	10.95	50.47
HSBC GIF Global Government Bond	8.68	40.01
HSBC GIF Global Emerging Market Local Debt	7.19	33.14
HSBC Global Asset Backed Bond	4.91	22.63
HSBC GIF Global High Yield Bond	4.66	21.48
HSBC GIF Global Corporate Bond	4.58	21.11
HSBC GIF Global Real Estate Equity	3.91	18.02
Cash	5.72	26.36

#### V Exposure to Derivatives

As at 30 Jun 2018

% of NAV	2.34%
Market value (USD)	11,596,216
Realised Gains / (Losses) (USD)	(6,198,680)
Unrealised Gains / (Losses) (USD)	1,587,013

#### VI Borrowings of Net Asset Value

As at 30 Jun 2018

N.A.

#### D) Other Disclosure Items

I Expense/Turnover Ratios	HSBC Insurance World Selection 1 Fund (USD)		Underlying Sub-Fund	
	As at 30-Jun-18	As at 30-Jun-17	As at 31-Mar-18*	As at 31-Jan-17**
Expense Ratio	1.66%	1.70%	1.28%	1.30%
Turnover Ratio	124.23%	613.38%	39.53%	0.55%

\*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of HSBC Portfolios - World Selection 1 (USD) for the financial year ended 30 Jun 2018 is not available.

\*\*Based on unaudited figure as at 31 Jan 2017 as the expense ratio of HSBC Portfolios - World Selection 1 (USD) for the financial year ended 30 Jun 2017 is not available.

#### II Related-Party Transactions

The HSBC Insurance World Selection 1 Fund (USD) invests USD 0.13 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 2017 to 30 June 2018 amounts to USD 227.

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

## HSBC Insurance World Selection 3 Fund (USD)

### B) Fund Disclosure

#### I Allocation by Asset Class

Asset Class	As at 30 Jun 2018	
	% of NAV	MV USD mil
HSBC Portfolios - World Selection 3 (USD)	100.00	0.41
<b>Total</b>	<b>100.00</b>	<b>0.41</b>

#### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	USD
Subscription	374,049
Redemption	25,813

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

##### I Allocation by Country

As at 30 Jun 2018

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

##### II Allocation by Industry

As at 30 Jun 2018

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

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

As at 30 Jun 2018

N.A.

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

	As at 30 Jun 2018	
	% of NAV	MV USD mil
HSBC FTSE All-World Index	19.37	211.56
HSBC American Index	10.40	113.59
HSBC GIF Global Emerging Market Local Debt	8.63	94.26
HSBC Global Corporate Bond Strategy	7.79	85.09
HSBC GIF Global High Yield Bond	5.79	63.24
HSBC GIF Global Real Estate Equity	5.20	56.80
HSBC GIF Global Emerging Markets Bond	4.63	50.57
Vanguard FTSE All-World ETF	4.46	48.71
HSBC ESI Worldwide Equity ETF	3.91	42.71
HSBC European Index	3.33	36.37

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

	As at 30 Jun 2017	
	% of NAV	MV USD mil
HSBC FTSE All-World Index	19.60	144.82
HSBC Global Corporate Bond Strategy	11.27	83.26
HSBC American Index	10.17	75.14
HSBC GIF Global Emerging Market Local Debt	8.32	61.47
HSBC GIF Global High Yield Bond	5.13	37.90
HSBC GIF Global Real Estate Equity	4.98	36.79
HSBC GIF Global Emerging Markets Bond	4.88	36.05
HSBC GIF Global Corporate Bond	4.83	35.68
HSBC ESI Worldwide Equity ETF	4.72	34.87
Cash	3.92	28.96

#### V Exposure to Derivatives

As at 30 Jun 2018

% of NAV	1.31%
Market value (USD)	14,310,191
Realised Gains / (Losses) (USD)	11,973,769
Unrealised Gains / (Losses) (USD)	(3,354,639)

#### VI Borrowings of Net Asset Value

As at 30 Jun 2018

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-18</b>	<b>As at 30-Jun-17</b>	<b>As at 31-Mar-18*</b>	<b>As at 31-Jan-17**</b>
Expense Ratio	1.74%	1.73%	1.45%	1.43%
Turnover Ratio	12.02%	262.14%	28.23%	0.39%

\*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of HSBC Portfolios - World Selection 3 (USD) for the financial year ended 30 Jun 2018 is not available.

\*\*Based on unaudited figure as at 31 Jan 2017 as the expense ratio of HSBC Portfolios - World Selection 3 (USD) for the financial year ended 30 Jun 2017 is not available.

**II Related-Party Transactions**

The HSBC Insurance World Selection 3 Fund (USD) invests USD 0.41 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 2017 to 30 June 2018 amounts to USD 718.

**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 5 Fund (USD)

### B) Fund Disclosure

#### I Allocation by Asset Class

Asset Class	As at 30 Jun 2018	
	% of NAV	MV USD mil
HSBC Portfolios - World Selection 5 (USD)	100.00	0.38
<b>Total</b>	<b>100.00</b>	<b>0.38</b>

#### II Fund Movement

(01 Jul 2017 - 30 Jun 2018)

	USD
Subscription	319,440
Redemption	1,417

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

#### I Allocation by Country

As at 30 Jun 2018

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

#### II Allocation by Industry

As at 30 Jun 2018

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

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

As at 30 Jun 2018

N.A.

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

	As at 30 Jun 2018	
	% of NAV	MV USD mil
HSBC FTSE All-World Index	19.02	67.41
HSBC American Index	16.48	58.40
iShares Core S&P 500	8.46	29.98
HSBC ESI Worldwide Equity ETF	7.66	27.14
HSBC European Index	7.55	26.75
iShares Core MSCI Emerging Markets	6.43	22.78
HSBC GIF Global Real Estate Equity	5.01	17.75
Vanguard FTSE All-World ETF	4.90	17.36
HSBC GIF Global Emerging Market Local Debt	4.79	16.97
HSBC Japan Index	4.18	14.81

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

	As at 30 Jun 2017	
	% of NAV	MV USD mil
HSBC American Index	17.59	46.14
HSBC Worldwide Equity ETF	14.26	37.41
HSBC FTSE All-World Index	12.26	32.16
HSBC ESI Worldwide Equity ETF	8.40	22.04
iShares Core S&P 500	7.83	20.54
HSBC European Index	7.41	19.44
iShares Core MSCI Emerging Markets	5.19	13.61
HSBC GIF Global Real Estate Equity	4.88	12.80
HSBC GIF Global Emerging Market Local Debt	4.42	11.59
HSBC Japan Index	3.96	10.39

#### V Exposure to Derivatives

As at 30 Jun 2018

% of NAV	1.57%
Market value (USD)	5,572,227
Realised Gains / (Losses) (USD)	(676,589)
Unrealised Gains / (Losses) (USD)	(1,320,753)

#### VI Borrowings of Net Asset Value

As at 30 Jun 2018

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-18</b>	<b>As at 30-Jun-17</b>	<b>As at 31-Mar-18*</b>	<b>As at 31-Jan-17**</b>
Expense Ratio	1.80%	1.81%	1.51%	1.51%
Turnover Ratio	9.19%	305.46%	38.23%	0.34%

\*Based on unaudited figure as at 31 Mar 2018 as the expense ratio of HSBC Portfolios - World Selection 5 (USD) for the financial year ended 30 Jun 2018 is not available.

\*\*Based on unaudited figure as at 31 Jan 2017 as the expense ratio of HSBC Portfolios - World Selection 5 (USD) for the financial year ended 30 Jun 2017 is not available.

**II Related-Party Transactions**

The HSBC Insurance World Selection 5 Fund (USD) invests USD 0.38 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 2017 to 30 June 2018 amounts to USD 798.

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

**IV Soft Dollar Commission Arrangement**  
N.A.

**E) Financial Statements**  
Refer to page 185.

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## **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 171 to 172 of HSBC Insurance (Singapore) Pte. Limited ("the Company") for the financial year ended 30 June 2018 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 2018;
- the Capital and Income Accounts for the financial year 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. The report is intended for the sole benefit and use of the Company and is not intended to nor may it be relied upon by any other party, other than the Company. We accept no liability or responsibility to any other party to whom this report is disclosed or otherwise made available to. This report relates solely to the financial statements of the Investment Linked Sub-Funds of the Company and does not extend to the financial statements of the Company taken as a whole. Our report is not modified in respect of this matter.

## **INDEPENDENT AUDITOR'S REPORT TO HSBC INSURANCE (SINGAPORE) PTE. LIMITED (continued)**

### **Other Information**

Management is responsible for the other information. The other information comprises the fund updates, fund performance summary, notes to the fund disclosures, fund disclosures in respect of each Investment Linked Sub-Fund, and excludes the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management 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 provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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.

Management is responsible for 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 management 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, 27 September 2018

The Statements of Assets and Liabilities and Capital and Income Accounts of the following Investment-Linked Funds are covered in this report:

HSBC Insurance Asia Equity Fund	HSBC Insurance Global Equity Volatility Focused Fund
HSBC Insurance Asia Focused Income Fund	HSBC Insurance Global High Income Bond Fund
HSBC Insurance Asian Bond Fund	HSBC Insurance Global Multi-Asset Fund
HSBC Insurance China Equity Fund	HSBC Insurance India Equity Fund
HSBC Insurance Chinese Equity Fund	HSBC Insurance Pacific Equity Fund
HSBC Insurance Emerging Markets Equity Fund	HSBC Insurance Premium Balanced Fund
HSBC Insurance Ethical Global Equity Fund	HSBC Insurance Singapore Bond Fund
HSBC Insurance Ethical Global Sukuk Fund	HSBC Insurance Singapore Equity Fund
HSBC Insurance Europe Dynamic Equity Fund	HSBC Insurance US Equity Portfolio Fund
HSBC Insurance Global Bond Fund	HSBC Insurance US Opportunities Equity Fund
HSBC Insurance Global Emerging Markets Bond Fund	HSBC Insurance World Selection 1 Fund
HSBC Insurance Global Emerging Markets Equity Fund	HSBC Insurance World Selection 3 Fund
HSBC Insurance Global Equity Fund	HSBC Insurance World Selection 5 Fund
HSBC Insurance Global Equity Portfolio Fund	

The Statements of Assets and Liabilities and Capital and Income Accounts of the following Investment-Linked Funds are covered in this report (Cont) :

HSBC Insurance Europe Dynamic Equity Fund (USD)	HSBC Insurance India Equity Fund (USD)
HSBC Insurance Global Emerging Markets Bond Fund (USD)	HSBC Insurance Pacific Equity Fund (USD)
HSBC Insurance Global Emerging Markets Equity Fund (USD)	HSBC Insurance US Equity Portfolio Fund (USD)
HSBC Insurance Global Equity Portfolio Fund (USD)	HSBC Insurance World selection 1 Fund (USD)
HSBC Insurance Global Equity Volatility Focused Fund (USD)	HSBC Insurance World Selection 3 Fund (USD)
HSBC Insurance Global High Income Bond Fund (USD)	HSBC Insurance World Selection 5 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 2018</b>			
Value of Fund as at 1 July 2017	109,591,277	1,532,230	31,649,928
Amounts received by the Fund for creation of units	11,451,473	10,033,514	4,631,182
Amounts paid by the Fund for liquidation of units	(22,326,944)	(1,392,206)	(7,259,855)
Net cash into/(out of) Fund	(10,875,471)	8,641,308	(2,628,673)
Unrealised appreciation/(diminution) in value of investments	5,333,802	(294,538)	(863,089)
Gain/(Loss) on sale of investments	7,107,490	49,183	625,933
Management fees	(1,742,136)	(83,073)	(302,628)
Other expenses	(43,495)	(2,489)	(11,333)
Increase/(Decrease) in net asset value for the period	(219,810)	8,310,391	(3,179,790)
<b>Value of Fund as at 30 June 2018</b>	<b>109,371,467</b>	<b>9,842,621</b>	<b>28,470,138</b>
<b>Statement of Assets and Liabilities</b>			
<b>As at 30 June 2018</b>			
<u>Assets</u>			
Investments in funds	109,414,594	9,844,537	28,467,801
Other debtors	184,178	11,663	45,081
Total assets	109,598,772	9,856,200	28,512,882
<u>Liabilities</u>			
Other creditors	(227,305)	(13,579)	(42,744)
<b>Value of Fund as at 30 June 2018</b>	<b>109,371,467</b>	<b>9,842,621</b>	<b>28,470,138</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</b>			
<b>For The Financial Year Ended 30 June 2018</b>			
Value of Fund as at 1 July 2017	105,003,413	1,473,364	37,315,840
Amounts received by the Fund for creation of units	9,760,839	6,252,059	3,532,796
Amounts paid by the Fund for liquidation of units	(25,904,369)	(415,893)	(10,807,662)
Net cash into/(out of) Fund	(16,143,530)	5,836,166	(7,274,866)
Unrealised appreciation/(diminution) in value of investments	9,114,481	179,922	1,379,506
Gain/(Loss) on sale of investments	8,614,705	26,125	2,287,969
Dividend Income	-	6,190	-
Management fees	(1,668,105)	(63,340)	(557,005)
Other expenses	(41,647)	(1,581)	(13,906)
Increase/(Decrease) in net asset value for the period	(124,096)	5,983,482	(4,178,302)
<b>Value of Fund as at 30 June 2018</b>	<b>104,879,317</b>	<b>7,456,846</b>	<b>33,137,538</b>
<b>Statement of Assets and Liabilities</b>			
<b>As at 30 June 2018</b>			
<u>Assets</u>			
Investments in funds	104,956,424	7,446,504	33,137,386
Other debtors	292,041	74,499	160,079
Total assets	105,248,465	7,521,003	33,297,465
<u>Liabilities</u>			
Other creditors	(369,148)	(64,157)	(159,927)
<b>Value of Fund as at 30 June 2018</b>	<b>104,879,317</b>	<b>7,456,846</b>	<b>33,137,538</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 For The Financial Year Ended 30 June 2018</b>			
Value of Fund as at 1 July 2017	58,105,556	17,209,326	1,118,526
Amounts received by the Fund for creation of units	1,200,304	177,222	43,850,778
Amounts paid by the Fund for liquidation of units	(8,538,460)	(1,780,040)	(7,642,891)
Net cash into/(out of) Fund	(7,338,156)	(1,602,818)	36,207,887
Unrealised appreciation/(diminution) in value of investments	4,572,604	(847,873)	241,777
Gain/(Loss) on sale of investments	1,147,840	10,294	(17,458)
Dividend Income	-	650,023	-
Other Income	70,000	-	-
Management fees	(865,512)	(208,383)	(350,502)
Other expenses	-	(11,284)	(8,751)
Increase/(Decrease) in net asset value for the period	(2,413,224)	(2,010,041)	36,072,953
<b>Value of Fund as at 30 June 2018</b>	<b>55,692,332</b>	<b>15,199,285</b>	<b>37,191,479</b>

## Statement of Assets and Liabilities As at 30 June 2018

<u>Assets</u>			
Investments in funds	55,639,383	15,194,603	37,189,382
Cash and bank balances	-	9,496	-
Other debtors	130,081	-	139,939
Total assets	55,769,464	15,204,099	37,329,321
<u>Liabilities</u>			
Other creditors	(77,132)	(4,814)	(137,842)
<b>Value of Fund as at 30 June 2018</b>	<b>55,692,332</b>	<b>15,199,285</b>	<b>37,191,479</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 2018</b>			
Value of Fund as at 1 July 2017	9,127,751	1,579,750	534,082
Amounts received by the Fund for creation of units	3,312,557	945,440	3,451,800
Amounts paid by the Fund for liquidation of units	(2,995,718)	(248,146)	(217,332)
Net cash into/(out of) Fund	316,839	697,294	3,234,468
Unrealised appreciation/(diminution) in value of investments	(259,024)	(184,315)	(35,754)
Gain/(Loss) on sale of investments	252,758	(16,804)	2,542
Dividend Income	-	98,441	-
Other income	1,000	-	-
Management fees	(79,401)	(25,772)	(29,327)
Other expenses	(3,717)	(772)	(732)
Increase/(Decrease) in net asset value for the period	228,455	568,072	3,171,197
<b>Value of Fund as at 30 June 2018</b>	<b>9,356,206</b>	<b>2,147,822</b>	<b>3,705,279</b>
<b>Statement of Assets and Liabilities</b>			
<b>As at 30 June 2018</b>			
<u>Assets</u>			
Investments in funds	9,350,768	2,136,851	3,695,051
Dividend Receivable	-	11,036	-
Other debtors	45,576	9,995	35,958
Total assets	9,396,344	2,157,882	3,731,009
<u>Liabilities</u>			
Other creditors	(40,138)	(10,060)	(25,730)
<b>Value of Fund as at 30 June 2018</b>	<b>9,356,206</b>	<b>2,147,822</b>	<b>3,705,279</b>

The accompanying notes form an integral part of these financial statements.

**Financial Statements (Cont)**

	HSBC Insurance Global Equity Fund S\$	HSBC Insurance Global Equity Portfolio Fund S\$	HSBC Insurance Global Equity Volatility Focused Fund S\$
<b>Capital and Income Account For The Financial Year Ended 30 June 2018</b>			
Value of Fund as at 1 July 2017	79,381,563	1,950,244	147,242
Amounts received by the Fund for creation of units	4,019,191	4,181,848	8,881,454
Amounts paid by the Fund for liquidation of units	(10,264,047)	(451,792)	(1,719,118)
Net cash into/(out of) Fund	(6,244,856)	3,730,056	7,162,336
Unrealised appreciation/(diminution) in value of investments	2,666,441	221,231	58,934
Gain/(Loss) on sale of investments	4,197,427	5,128	18,663
Dividend income	-	23,843	-
Other Income	-	-	2,127
Management fees	(1,287,282)	(23,736)	(72,358)
Other expenses	(30,130)	(1,482)	(1,807)
Increase/(Decrease) in net asset value for the period	(698,400)	3,955,040	7,167,895
<b>Value of Fund as at 30 June 2018</b>	<b>78,683,163</b>	<b>5,905,284</b>	<b>7,315,137</b>
<b>Statement of Assets and Liabilities As at 30 June 2018</b>			
<u>Assets</u>			
Investments in funds	78,732,006	5,905,311	7,317,049
Other debtors	83,622	11,109	71,072
Total assets	78,815,628	5,916,420	7,388,121
<u>Liabilities</u>			
Other creditors	(132,465)	(11,136)	(72,984)
<b>Value of Fund as at 30 June 2018</b>	<b>78,683,163</b>	<b>5,905,284</b>	<b>7,315,137</b>

The accompanying notes form an integral part of these financial statements.

**Financial Statements (Cont)**

	<b>HSBC Insurance Global High Income Bond Fund S\$</b>	<b>HSBC Insurance Global Multi-Asset Fund S\$</b>	<b>HSBC Insurance India Equity Fund S\$</b>
<b>Capital and Income Account For The Financial Year Ended 30 June 2018</b>			
Value of Fund as at 1 July 2017	469,637	181,819	68,136,191
Amounts received by the Fund for creation of units	1,938,102	664,788	10,412,522
Amounts paid by the Fund for liquidation of units	(105,837)	(46,174)	(16,149,879)
Net cash into/(out of) Fund	1,832,265	618,614	(5,737,357)
Unrealised appreciation/(diminution) in value of investments	(27,698)	(4,869)	(3,257,393)
Gain/(Loss) on sale of investments	137	478	3,315,442
Management fees	(17,785)	(6,198)	(1,014,797)
Other expenses	(533)	(186)	(25,336)
Increase/(Decrease) in net asset value for the period	1,786,386	607,839	(6,719,441)
<b>Value of Fund as at 30 June 2018</b>	<b>2,256,023</b>	<b>789,658</b>	<b>61,416,750</b>
<b>Statement of Assets and Liabilities As at 30 June 2018</b>			
<u>Assets</u>			
Investments in funds	2,255,675	789,684	61,452,543
Other debtors	418	13,770	362,992
Total assets	2,256,093	803,454	61,815,535
<u>Liabilities</u>			
Other creditors	(70)	(13,796)	(398,785)
<b>Value of Fund as at 30 June 2018</b>	<b>2,256,023</b>	<b>789,658</b>	<b>61,416,750</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 For The Financial Year Ended 30 June 2018</b>			
Value of Fund as at 1 July 2017	160,061,669	118,498,867	38,870,108
Amounts received by the Fund for creation of units	35,193,762	6,931,963	5,615,295
Amounts paid by the Fund for liquidation of units	(30,920,637)	(12,107,218)	(11,365,618)
Net cash into/(out of) Fund	4,273,125	(5,175,255)	(5,750,323)
Unrealised appreciation/(diminution) in value of investments	2,438,057	4,185,490	(383,807)
Gain/(Loss) on sale of investments	5,324,300	3,425,222	721,088
Management fees	(2,572,457)	(1,298,380)	(183,506)
Other expenses	(64,226)	(45,030)	(13,745)
Increase/(Decrease) in net asset value for the period	9,398,799	1,092,047	(5,610,293)
<b>Value of Fund as at 30 June 2018</b>	<b>169,460,468</b>	<b>119,590,914</b>	<b>33,259,815</b>

## Statement of Assets and Liabilities As at 30 June 2018

<u>Assets</u>			
Investments in funds	169,450,235	119,630,410	33,260,130
Cash and bank balances	90,046	-	-
Other debtors	693,335	115,872	63,221
Total assets	170,233,616	119,746,282	33,323,351
<u>Liabilities</u>			
Other creditors	(773,148)	(155,368)	(63,536)
<b>Value of Fund as at 30 June 2018</b>	<b>169,460,468</b>	<b>119,590,914</b>	<b>33,259,815</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 For The Financial Year Ended 30 June 2018</b>			
Value of Fund as at 1 July 2017	2,174,711	2,025,014	492,963
Amounts received by the Fund for creation of units	23,295,309	3,857,505	1,075,368
Amounts paid by the Fund for liquidation of units	(3,186,111)	(535,561)	(147,930)
Net cash into/(out of) Fund	20,109,198	3,321,944	927,438
Unrealised appreciation/(diminution) in value of investments	(777,114)	358,848	189,120
Gain/(Loss) on sale of investments	69,315	16,731	9,153
Dividend Income	614,611	16,082	-
Management fees	(164,383)	(15,118)	(14,917)
Other expenses	(5,472)	(1,415)	(373)
Increase/(Decrease) in net asset value for the period	19,846,155	3,697,072	1,110,421
<b>Value of Fund as at 30 June 2018</b>	<b>22,020,866</b>	<b>5,722,086</b>	<b>1,603,384</b>
<b>Statement of Assets and Liabilities As at 30 June 2018</b>			
<u>Assets</u>			
Investments in funds	22,008,955	5,721,109	1,600,236
Other debtors	64,231	7,118	5,504
Total assets	22,073,186	5,728,227	1,605,740
<u>Liabilities</u>			
Other creditors	(52,320)	(6,141)	(2,356)
<b>Value of Fund as at 30 June 2018</b>	<b>22,020,866</b>	<b>5,722,086</b>	<b>1,603,384</b>

The accompanying notes form an integral part of these financial statements.

**Financial Statements (Cont)**

	<b>HSBC Insurance World Selection 1 Fund S\$</b>	<b>HSBC Insurance World Selection 3 Fund S\$</b>	<b>HSBC Insurance World Selection 5 Fund S\$</b>
<b>Capital and Income Account For The Financial Year Ended 30 June 2018</b>			
Value of Fund as at 1 July 2017	1,315,054	3,888,415	9,562,484
Amounts received by the Fund for creation of units	1,768,939	3,808,293	9,022,932
Amounts paid by the Fund for liquidation of units	(418,886)	(838,300)	(2,029,628)
Net cash into/(out of) Fund	1,350,053	2,969,993	6,993,304
Unrealised appreciation/(diminution) in value of investments	36,857	169,035	724,524
Gain/(Loss) on sale of investments	10,618	63,404	181,344
Management fees	(27,669)	(78,793)	(215,184)
Other expenses	(767)	(2,035)	(5,199)
Increase/(Decrease) in net asset value for the period	1,369,092	3,121,604	7,678,789
<b>Value of Fund as at 30 June 2018</b>	<b>2,684,146</b>	<b>7,010,019</b>	<b>17,241,273</b>
<b>Statement of Assets and Liabilities As at 30 June 2018</b>			
<u>Assets</u>			
Investments in funds	2,684,910	7,011,895	17,241,862
Other debtors	53,408	-	64,187
Total assets	2,738,318	7,011,895	17,306,049
<u>Liabilities</u>			
Other creditors	(54,172)	(1,876)	(64,776)
<b>Value of Fund as at 30 June 2018</b>	<b>2,684,146</b>	<b>7,010,019</b>	<b>17,241,273</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</b>			
<b>For The Financial Year Ended 30 June 2018</b>			
Value of Fund as at 1 July 2017	65,951	123,615	52,938
Amounts received by the Fund for creation of units	609,643	463,563	1,156,876
Amounts paid by the Fund for liquidation of units	-	(8,458)	-
Net cash into/(out of) Fund	609,643	455,105	1,156,876
Unrealised appreciation/(diminution) in value of investments	9,599	(21,766)	(51,653)
Gain/(Loss) on sale of investments	-	(366)	1,496
Management fees	(4,591)	(3,850)	(7,747)
Other expenses	(115)	(115)	(193)
Increase/(Decrease) in net asset value for the period	614,536	429,008	1,098,779
<b>Value of Fund as at 30 June 2018</b>	<b>680,487</b>	<b>552,623</b>	<b>1,151,717</b>
<b>Statement of Assets and Liabilities</b>			
<b>As at 30 June 2018</b>			
<u>Assets</u>			
Investments in funds	680,758	552,625	1,151,826
Other debtors	-	8,548	-
Total assets	680,758	561,173	1,151,826
<u>Liabilities</u>			
Other creditors	(271)	(8,550)	(109)
<b>Value of Fund as at 30 June 2018</b>	<b>680,487</b>	<b>552,623</b>	<b>1,151,717</b>

The accompanying notes form an integral part of these financial statements.

**Financial Statements (Cont)**

	HSBC Insurance Global Equity Portfolio Fund (USD) US\$	HSBC Insurance Global Equity Volatility Focused Fund (USD) US\$	HSBC Insurance Global High Income Bond Fund (USD) US\$
<b>Capital and Income Account For The Financial Year Ended 30 June 2018</b>			
Value of Fund as at 1 July 2017	241,381	12,379	134,782
Amounts received by the Fund for creation of units	1,087,032	32,323	523,379
Amounts paid by the Fund for liquidation of units	(11,833)	(19,115)	(15,394)
Net cash into/(out of) Fund	1,075,199	13,208	507,985
Unrealised appreciation/(diminution) in value of investments	13,095	173	(4,930)
Gain/(Loss) on sale of investments	2,642	1,063	42
Dividend Income	2,973	-	-
Management fees	(4,363)	(273)	(4,388)
Other expenses	(272)	(7)	(131)
Increase/(Decrease) in net asset value for the period	1,089,274	14,164	498,578
<b>Value of Fund as at 30 June 2018</b>	<b>1,330,655</b>	<b>26,543</b>	<b>633,360</b>
<b>Statement of Assets and Liabilities As at 30 June 2018</b>			
<u>Assets</u>			
Investments in funds	1,329,990	26,561	633,417
Other debtors	710	-	8,366
Total assets	1,330,700	26,561	641,783
<u>Liabilities</u>			
Other creditors	(45)	(18)	(8,423)
<b>Value of Fund as at 30 June 2018</b>	<b>1,330,655</b>	<b>26,543</b>	<b>633,360</b>

The accompanying notes form an integral part of these financial statements.



**Financial Statements (Cont)**

	<b>HSBC Insurance India Equity Fund (USD)</b>	<b>HSBC Insurance Pacific Equity Fund (USD)</b>	<b>HSBC Insurance US Equity Portfolio Fund (USD)</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Capital and Income Account For The Financial Year Ended 30 June 2018</b>			
Value of Fund as at 1 July 2017	73,185	325,838	152,132
Amounts received by the Fund for creation of units	552,641	2,318,574	689,929
Amounts paid by the Fund for liquidation of units	-	(72,143)	(1,996)
Net cash into/(out of) Fund	552,641	2,246,431	687,933
Unrealised appreciation/(diminution) in value of investments	(32,911)	(67,504)	30,464
Gain/(Loss) on sale of investments	48	4,817	1,661
Dividend Income	-	-	1,206
Management fees	(4,449)	(19,213)	(1,769)
Other expenses	(111)	(480)	(166)
Increase/(Decrease) in net asset value for the period	515,218	2,164,051	719,329
<b>Value of Fund as at 30 June 2018</b>	<b>588,403</b>	<b>2,489,889</b>	<b>871,461</b>
<b>Statement of Assets and Liabilities As at 30 June 2018</b>			
<u>Assets</u>			
Investments in funds	588,521	2,487,832	871,770
Cash and bank balances	-	1,488	-
Other debtors	-	13,314	-
Total assets	588,521	2,502,634	871,770
<u>Liabilities</u>			
Other creditors	(118)	(12,745)	(309)
<b>Value of Fund as at 30 June 2018</b>	<b>588,403</b>	<b>2,489,889</b>	<b>871,461</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 3 Fund (USD) US\$	HSBC Insurance World Selection 5 Fund (USD) US\$
<b>Capital and Income Account</b>			
<b>For The Financial Year Ended 30 June 2018</b>			
Value of Fund as at 1 July 2017	37,879	59,953	59,871
Amounts received by the Fund for creation of units	94,277	374,049	319,440
Amounts paid by the Fund for liquidation of units	-	(25,813)	(1,417)
Net cash into/(out of) Fund	94,277	348,236	318,023
Unrealised appreciation/(diminution) in value of investments	484	228	4,277
Gain/(Loss) on sale of investments	-	940	939
Management fees	(1,020)	(2,892)	(3,173)
Other expenses	(28)	(75)	(77)
Increase/(Decrease) in net asset value for the period	93,713	346,437	319,989
<b>Value of Fund as at 30 June 2018</b>	<b>131,592</b>	<b>406,390</b>	<b>379,860</b>
<b>Statement of Assets and Liabilities</b>			
<b>As at 30 June 2018</b>			
<u>Assets</u>			
Investments in funds	131,695	405,976	380,126
Other debtors	-	511	-
Total assets	131,695	406,487	380,126
<u>Liabilities</u>			
Other creditors	(103)	(97)	(266)
<b>Value of Fund as at 30 June 2018</b>	<b>131,592</b>	<b>406,390</b>	<b>379,860</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:

Funds	Units in issue as at 30 June 2018
HSBC Insurance Asia Equity Fund	36,600,065
HSBC Insurance Asia Focused Income Fund	9,154,710
HSBC Insurance Asian Bond Fund	15,655,755
HSBC Insurance China Equity Fund	36,714,922
HSBC Insurance Chinese Equity Fund	4,805,205
HSBC Insurance Emerging Markets Equity Fund	25,791,430
HSBC Insurance Ethical Global Equity Fund	39,167,314
HSBC Insurance Ethical Global Sukuk Fund	13,805,526
HSBC Insurance Europe Dynamic Equity Fund	29,293,657
HSBC Insurance Global Bond Fund	8,118,723
HSBC Insurance Global Emerging Markets Bond Fund	2,187,679
HSBC Insurance Global Emerging Markets Equity Fund	2,401,120
HSBC Insurance Global Equity Fund	47,650,011
HSBC Insurance Global Equity Portfolio Fund	4,463,310
HSBC Insurance Global Equity Volatility Focused Fund	6,095,423
HSBC Insurance Global High Income Bond Fund	2,047,046
HSBC Insurance Global Multi-Asset Fund	731,611
HSBC Insurance India Equity Fund	23,959,688
HSBC Insurance Pacific Equity Fund	122,843,850
HSBC Insurance Premium Balanced Fund	71,242,305
HSBC Insurance Singapore Bond Fund	24,043,452
HSBC Insurance Singapore Equity Fund	18,212,241
HSBC Insurance US Equity Portfolio Fund	3,938,133
HSBC Insurance US Opportunities Equity Fund	1,043,722
HSBC Insurance World Selection 1 Fund	2,254,116
HSBC Insurance World Selection 3 Fund	5,292,555
HSBC Insurance World Selection 5 Fund	12,183,103

# **HSBC Insurance (Singapore) Pte. Limited Investment-Linked Funds (Cont)**

<u>Funds</u>	<u>Units in issue as at 30 June 2018</u>
HSBC Insurance Europe Dynamic Equity Fund (USD)	583,567
HSBC Insurance Global Emerging Markets Equity Fund (USD)	876,558
HSBC Insurance Global Equity Portfolio Fund (USD)	1,066,463
HSBC Global Equity Volatility Focused Fund (USD)	22,953
HSBC Insurance Global High Income Bond Fund (USD)	616,311
HSBC Insurance Global Emerging Markets Bond Fund (USD)	546,296
HSBC Insurance India Equity Fund (USD)	517,447
HSBC Insurance Pacific Equity Fund (USD)	2,087,644
HSBC Insurance US Equity Portfolio Fund (USD)	688,120
HSBC Insurance World selection 1 Fund (USD)	127,043
HSBC Insurance World Selection 3 Fund (USD)	364,362
HSBC Insurance World Selection 5 Fund (USD)	319,244

## **2. Summary of significant accounting policies**

### **2.1 Basis of preparation**

The financial statements of the HSBC Insurance Investment-Linked Funds are presented in the currencies of the respective underlying funds, which includes Singapore and United States Dollars. The financial statements have been prepared on the historical cost basis, except for investments which are measured at fair value.

### **2.2 Investments**

All purchases of investments, which only comprise of unit trusts, are recognised on their trade dates, i.e. the date the commitment exists to purchase the investments. The investments are initially recorded at cost, being the consideration given and excluding acquisition charges associated with the investments. After initial recognition, the investments are subsequently measured at fair value. The unrealised gains or losses on re-measurement to fair value are taken to the Capital and Income Account within unrealised appreciation/ (diminution) in value of investments after being adjusted for management fees at the underlying invested unit trust. The fair value is determined by using open market valuation at the reporting date. The quoted market price used for these investments is the quoted net asset value per unit of the unit trusts.

### **2.3 Amounts received by the funds for creation of units**

The amounts received by the funds comprise the gross premiums received by the Company (after deducting charges which include bid-offer spread) and switches by the policyholders from other funds.

### **2.4 Amounts paid by the funds for liquidation of units**

The amounts paid by the funds for liquidation of units comprise of the sale of units in the investment-linked funds for the payment of death claims or surrenders and for switches by the policyholders to the other funds.

### **2.5 The amount due to and due from unitholders are calculated based on net amount basis.**

### **2.6 The amount due to and due from brokers are calculated based on net amount basis.**

### **2.7 Policy fees, mortality charges and other administrative fees**

Policy fees, mortality charges and other administrative fees are charged to the Capital and Income Accounts by way of unit deductions.

### **2.8 Gains/losses from sale of investments**

All sales of investments are recognised on their trade dates, the date the fund commits to sell the investments. The cost of disposal of investments is determined on the weighted-average cost basis. Realised gains/losses from the sale of investments are taken to the Capital and Income Account.

### **2.9 Income and expenses recognition**

Dividend income is recognised in the Capital and Income Account when the right to receive payment is established.

Expenses are recognised on an accrual basis.

### **2.10 Foreign currencies**

Transactions in foreign currencies are translated into their functional currencies being Singapore dollars or United States Dollars at the exchange rate at the date of the transaction. Financial assets and liabilities denominated in foreign currencies at the reporting date are translated into their respective functional currencies at the exchange rate at the reporting date. Foreign currency differences are recognised in Other expenses in the Capital and Income Account.

## **About Us**

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HSBC Insurance (Singapore) Pte. Limited ("HSBC Insurance (Singapore)") is a wholly owned subsidiary of HSBC Insurance (Asia Pacific) Holdings Limited, which is ultimately owned by HSBC Holdings plc, the London-based holding company of the HSBC Group. HSBC Insurance (Singapore) provides a wide range of solutions to cater to retirement, protection, legacy planning, education and growing your wealth needs.

### **HSBC Insurance Singapore's financial strength**

- Our financial strength currently stands at S\$8.1 billion in assets as at 31 December 2017.
- Our Capital Adequacy Ratio (CAR) as at 31 December 2017 was 277%, more than the statutory capital requirement.
- A+ rating from Standard & Poor's in 2018 thanks to our continued growth, strength of management and sound financial condition.

## Important Notes

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*HSBC Insurance (Singapore) Pte. Limited  
21 Collyer Quay #02-01  
HSBC Building  
Singapore 049320  
Tel: (65) 6225 6111 Fax: (65) 6221 2188  
Company Registration Number 195400150N*

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

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