

1. Description of the ILP Sub-Fund

Allianz China A-Shares (the "**ILP Sub-Fund**") is an investment-linked policy sub-fund offered by HSBC Insurance (Singapore) Pte. Limited ("**HSBC Life**").

Investment risk rating is a guide to determine the ILP Sub-Fund that is suitable to the risk profile as indicated in the HSBC Bank (Singapore) Limited's (the "**Bank**") Risk Profile Questionnaire (RPQ). It is currently only applicable to customers of the Bank.

2. Structure of the ILP Sub-Fund

The ILP Sub-Fund is a single ILP sub-fund which invests 100% into Allianz China A-Shares (the "**Fund**"). The Fund is a collective investment scheme constituted in Luxembourg that aims to provide long-term capital growth by investing in China A-Shares equity markets of the PRC.

ILP Sub-Fund	Currency	Share Class	Investment Risk Rating
Allianz China A-Shares	SGD	Allianz China A-Shares – AT SGD	5
Allianz China A-Shares	USD	Allianz China A-Shares – AT USD	5

The ILP Sub-Fund is not classified as an Excluded Investment Product (as defined within the MAS Notice 307 on Investment-Linked Policies (the "**MAS Notice 307**")).

3. Information on the Manager

The Management Company of the Fund is Allianz Global Investors GmbH (the "**Management Company**"). The Management Company is responsible, subject to the supervision of the Directors, for the provision of investment management services, administrative services and marketing services to the Fund.

The Management Company has been managing collective investment schemes and discretionary funds since 1956. The Management Company is authorised and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin). The Management Company is part of Allianz Global Investors.

Allianz Global Investors is a diversified active investment manager with total assets under management over EUR 535 billion as of 31 March 2019. Its teams can be found in 25 locations in 18 countries, with a strong presence in the US, Europe and Asia-Pacific. With around 730 investment professionals and an integrated investment platform, it covers all major business centers and growth markets. Allianz Global Investors' global capabilities are delivered through local teams to ensure best-in-class service.

The Investment Manager is Allianz Global Investors Asia Pacific Limited (the "**Investment Manager**"). The Investment Manager is part of Allianz Global Investors with its registered office at 27/F, ICBC Tower, 3 Garden Road, Central, Hong Kong and is domiciled in Hong Kong. The Investment Manager is regulated by the Hong Kong Securities and Futures Commission and has been managing collective investment schemes and discretionary funds since its establishment in 2007.

The Investment Advisor is Allianz Global Investors Singapore Limited (the "**Investment Advisor**"). The Investment Advisor is part of Allianz Global Investors, with its registered office at 79 Robinson Road, #09-03, Singapore 068897 and is domiciled in Singapore. It was established in 1999 as Allianz Asset Management (Singapore) Limited and has been managing collective investment schemes and discretionary funds since its establishment. The Investment Advisor is regulated by the Monetary Authority of Singapore.

The monies and assets of the ILP Sub-Fund are not expected to be affected by the insolvency of the Manager as monies and assets belonging to the ILP Sub-Fund are segregated from the Manager's assets through the maintenance of separate bank and custodian accounts for the ILP Sub-Fund, and it is not permissible for monies and assets of the ILP Sub-Fund to be used for payment of the Manager's debts and liabilities under law.

3.1 Information on the Depositary and Administrator of the Fund

The Depositary, Registrar and Transfer Agent is State Street Bank International GmbH, Luxembourg Branch.

4. The Auditor of the Fund

The auditor of the Fund is PricewaterhouseCoopers Société cooperative.

5. Investment Objectives, Focus and Approach

5.1 Investment Objectives

The Fund aims to provide long-term capital growth by investing in China A-Shares equity markets of the PRC.

5.2 Investment Focus and Approach

- A minimum of 70% of Fund assets are invested in China A-Shares equity markets of the PRC.
- Fund assets may be invested in Emerging Markets.
- A maximum of 69% of Fund assets may be invested via RQFII.
- Fund assets may not be invested in convertible debt securities including contingent convertible bonds.
- A maximum of 10% of Fund assets may be held directly in deposits and/or invested in money-market instruments and/or in Debt Securities and/or in money market funds for liquidity management.
- This Fund applies the Climate Engagement Strategy.
- The Fund may use financial derivative instruments for efficient portfolio management (including for hedging) purposes and/or for the purpose of optimising returns or in other words investment purposes.

5.3 Investor Profile

The ILP Sub-Fund is only suitable for potential investors who:

- pursue the objective of general capital appreciation/asset optimization and/or above-average participation in price changes;
- have basic knowledge and/or experience of financial products; and
- are capable of bearing a financial loss.

The ILP Sub-Fund may not be suitable for investors who wish to withdraw their capital from the Fund within a short or medium timeframe.

6. Central Provident Fund ("CPF") Investment Scheme

The ILP Sub-Fund is currently not included under the CPF Investment Scheme.

7. Risks

7.1 General Risks

Investors should consider and satisfy themselves as to the risks of investing in the ILP Sub-Fund. While the ILP Sub-Fund offers potential for capital appreciation, no assurance can be given that this objective will be achieved.

Investors should also be aware that the price of units in the ILP Sub-Fund may fall or rise and investors may not get back their original investment. Investments in the ILP-Sub Fund are designed to produce returns over the long-term and are not suitable for short-term speculation. Investors should not expect to obtain short-term gains from such investments.

The ILP Sub-Fund may be subject to different degrees of economic, political, foreign exchange rate, interest rate, liquidity, default, regulatory and possible repatriation risks depending on the countries and asset classes that the Portfolio invests into or has exposure to.

There are general uncertainties and risks associated with investments and transactions in transferable securities and other financial instruments, including investments in financial derivative instruments for the purposes of hedging or as direct investments.

The ILP Sub-Fund may also be exposed to foreign exchange rate risks where it feeds into a portfolio which invests in assets denominated in foreign currencies, or where the share class is denominated in a currency other than the Singapore dollar. Where the share class is the Singapore dollar hedged share class, the ILP Sub-Fund may still be subject to foreign exchange risks as the currency hedging process may not give a precise hedge

The ILP Sub-Fund is not listed and has no secondary market. Investors can only redeem their investment through HSBC Life on a day on which dealing is permitted. Redemption of units in the ILP Sub-Fund may be suspended under certain circumstances. This will affect an investor's ability to dispose of units. The assets of the Portfolio may be relatively illiquid which may restrict its ability to dispose of the investments at a price and time that it wishes to do so. This may result in a loss to the ILP Sub-Fund. The liquidity of the ILP Sub-Fund may also be limited if a significant portion of the assets of the Portfolio is to be sold to meet redemption requests within a short time frame.

You should refer to the Fund's Luxembourg Prospectus under Section XV.1. headed "General Risk Factors applicable to All Sub-Funds unless otherwise stated" and Appendix 1, Part A under the heading "6. Use of Techniques and Instruments" for information on risk factors that may be associated with an investment in the Fund including company-specific risk, concentration risk, counterparty risk, country and region risk, creditworthiness and downgrading risk, dilution and swing pricing risk, distribution out of capital risk, general market risk, interest rate risks, liquidity risk, sovereign debt risk and use of derivatives risk.

You can obtain a copy of the Fund's Prospectus from website: <https://sg.allianzgi.com/en/retail>

Please refer to Section 7.2 of this Fund Summary for more information on the risks specific to the ILP Sub-Fund.

7.2 Specific Risks

Investors in the Fund should carefully consider the following risks of the Fund.

A comprehensive description of the following risks can be obtained from Section 7 "Risk Factors" in the Fund's Singapore Prospectus.

7.2.1 Currency Risk

If the Fund directly or indirectly (via derivatives) holds assets denominated in currencies other than its Base Currency or if a Share Class of the Fund is designated in a currency other than the Base Currency of the Fund (each a "foreign currency"), it is exposed to a currency risk that if foreign currency positions have not been hedged or if there is any change in the relevant exchange control regulations, the NAV of the Fund or that Share Class may be affected unfavorably. Any devaluation of the foreign currency against the Base Currency of the Fund would cause the value of the assets denominated in the foreign currency to fall, and as a result may have an adverse impact on the Fund and/or the investors.

Subject to the specific investment restrictions of the Fund, the Management Company may use financial derivative instruments to hedge the foreign currency exposure and currency hedging transactions may be entered into in relation to one or more Share Classes. Hedging can be used in particular to reflect the different currency-hedged Share Classes. Please refer to Appendix 1 of the Fund's Luxembourg Prospectus for further information on the use of financial derivative instruments and to Section IX.3.2 of the Luxembourg Prospectus headed "Reference Currency" for further information on the different hedging policies applicable to different Share Classes.

You should note that the Fund is not normally fully invested in assets denominated in Singapore dollars, the Base Currency of the Fund is not Singapore dollars and the Reference Currency of the Share Classes you invest into may not be Singapore Dollars. Unless otherwise indicated in respect of the Fund or Share Class, the Management Company does not intend to hedge against currency fluctuations between the Singapore Dollar and the Fund Base Currency and / or the Reference Currency of the Share Classes. If your Reference Currency is Singapore dollars, you may therefore be exposed to an additional exchange rate risk.

7.2.2 Emerging Markets Risks

Investments in Emerging Markets are subject to greater liquidity risk, currency risk and general market risk. Increased risks may arise in connection with the settlement of securities transactions in Emerging Markets, especially as it may not be possible to deliver securities directly when payment is made. In addition, the legal, taxation and regulatory environment, as well as the accounting, auditing and reporting standards in Emerging Markets may deviate substantially to the detriment of the investors from the levels and standards that are considered

standard international practice. Increased custodial risk in Emerging Markets may also arise, which may, in particular, result from differing disposal methods for acquired assets. Such increased risks may have an adverse impact on the Fund and/or the investors.

7.2.3 Foreign Institutional Investor (“FII”) Risk

The Fund may invest in securities and investments permitted to be held or made by FII under the relevant FII Regulations through institutions that have obtained FII status in China. In addition to the general investment and equity related risks of investments including in particular the Emerging Markets risks, the following risks should be emphasised:

- **Regulatory Risks**

The FII regime is governed by FII Regulations. Certain parts of the Allianz Global Investors Group meet the relevant prescribed eligibility requirements under the FII Regulations and have been granted or might be granted a FII license. FII Regulations may be amended from time to time. It is not possible to predict how such changes would affect the Fund. Rules on investment restrictions and rules on repatriation of principal and profits, imposed by the Chinese government on the FII may be applicable to the latter as a whole and not only to the investments made by the Fund and may have an adverse effect on the Fund’s liquidity and performance.

- **FII Investments Risks**

Investors should be aware that there can be no assurance that a FII will continue to maintain its FII status and/or that redemption requests can be processed in a timely manner due to changes in FII Regulations. Therefore, the Fund may no longer be able to invest directly in the PRC or may be required to dispose of its investments in the PRC domestic securities market held by the FII, which could have an adverse effect on its performance or result in a significant loss. Regulatory sanctions may be imposed on the FII if the FII itself or the local custodian breach any provision of the relevant rules and regulations. Such restriction may result in a rejection of applications or a suspension of dealings of the Fund. Should the FII lose its FII status or retire or be removed, the Fund may not be able to invest in FII Eligible Securities, and the Fund may be required to dispose of its holdings, which would likely have a material adverse effect on Fund.

- **Limits on Redemption**

The Fund may be impacted by the rules and restrictions under the FII regime (including investment restrictions, limitations on foreign ownership or holdings), which may have an adverse impact on its performance and/or its liquidity. Currently, no regulatory prior approval is required for repatriation of funds from the FII. However, the FII Regulations are subject to uncertainty in their application and there is no certainty that no other regulatory restrictions will apply or that repatriation restrictions will be imposed in the future. Although the relevant FII Regulations have recently been revised to relax regulatory restrictions on the onshore capital management by FIIs (including removing investment quota limit and simplifying process for repatriation of investment proceeds), it is a very new development therefore subject to uncertainties as to how well it will be implemented in practice, especially at the early stage. Any restrictions on repatriation of the invested capital and net profits may impact on the Fund’s ability to meet redemption requests from the Shareholders. In extreme circumstances, the Fund may incur significant loss due to limited investment capabilities, or may not be able fully to implement or pursue its investment objectives or strategies, due to FII investment restrictions, illiquidity of the PRC’s securities market, and delay or disruption in execution of trades or in settlement of trades.

- **PRC Depository Risks under the FII regime**

Where the Fund invests in fixed income securities and/or eligible securities through the FII, such securities will be maintained by a local custodian pursuant to PRC regulations through appropriate securities accounts and such other relevant depositories in such name as may be permitted or required in accordance with PRC law. The Fund may incur losses due to the acts or omissions of the PRC Depository in the execution or settlement of any transaction. The Depository will make arrangements to ensure that the relevant PRC Depository has appropriate procedures to properly safe-keep the assets of the Fund. The securities accounts are to be maintained and recorded in the joint name of the FII and the Fund and segregated from the other assets of the same local custodian. However, the FII Regulations are subject to the interpretation of the relevant authorities in the PRC. Any securities acquired by the Fund held by the FII will be maintained by the PRC Depository and should be registered in the joint names of the FII and Fund and for the sole benefit and use of the Fund. Providing that the FII will be the party entitled to the securities, the related security may be vulnerable to a claim by a liquidator of the FII and may not be as well protected as if they were registered solely in the name of the Fund. In addition, investors should note that cash deposited in the cash account of the Fund with the relevant local custodian will not be segregated but will be a debt owing from the local custodian to the Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of that local custodian. In the event of bankruptcy or liquidation of the local custodian, the Fund will not have any proprietary rights to the cash deposited in such cash account, and the Fund will become an unsecured creditor, ranking equal with all other unsecured creditors, of the local custodian. The Fund may face difficulty and/or encounter delays in recovering such debt or may not be able to recover it in full or at all, in which case the Fund will suffer losses.

- **PRC Broker Risks under the FII regime**

The execution and settlement of transactions may be conducted by PRC Brokers appointed by the FII, as the case may be. There is a risk that the Fund may suffer losses from the default, bankruptcy or disqualification of the PRC Brokers. In such event, the Fund may be adversely affected in the execution or settlement of any transaction. In

selection of PRC Brokers, the FII will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. If the FII, as the case may be, consider appropriate and if under market or operational constraints, it is possible that a single PRC Broker will be appointed and the Fund may not necessarily pay the lowest commission or spread available in the market at the relevant time.

7.2.4 Investing in China A-Shares Risk

The securities market in the PRC, including China A-Shares, may be more volatile, and unstable (for example, due to the risk of suspension /limitation in trading of a particular stock or government intervention) than markets in more developed countries and has potential settlement difficulties. This may result in significant fluctuations in the prices of securities traded in such market and thereby affecting the prices of shares of the Fund. Investment in the PRC remains sensitive to any major change in economic, social and political policy in the PRC. The capital growth and thus the performance of these investments may be adversely affected due to such sensitivity.

7.2.5 PRC Tax Provision Risk

If no or inadequate provision for potential withholding tax is made and, in the event, that the PRC tax authorities enforce the imposition of such withholding tax, the Net Asset Value of the Funds may be adversely affected. For any withholding tax made in respect of trading of PRC securities, it may reduce the income from, and/or adversely affect the performance of the Fund. With respect to CIBM, the amount withheld (if any) will be retained by the Investment Manager for the account of the Fund until the position with regard to PRC taxation in respect of gains and profits from trading via the CIBM has been clarified. In the event that such position is clarified to the advantage of the Fund, the Manager may rebate all or part of the withheld amount to the Fund. The withheld amount (if any) so rebated shall be retained by the Fund and reflected in the value of its Shares. Notwithstanding the foregoing, no Shareholder who redeemed his/her Shares before the rebate of any withheld amounts shall be entitled to claim any part of such rebate. It should also be noted that the actual applicable tax imposed by the PRC tax authorities may be different and may change from time to time. There is a possibility of the rules being changed and taxes being applied retrospectively. Any increased tax liabilities on the Fund may adversely affect the Fund's value. As such, any provision for taxation made by the Investment Manager for the account of the Fund may be excessive or inadequate to meet final PRC tax liabilities. Consequently, Shareholders of the Fund may be advantaged or disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Shares in/from the Fund. If the actual applicable tax levied by the PRC tax authorities is higher than that provided for by the Investment Manager so that there is a shortfall in the tax provision amount, investors should note that the Net Asset Value of the Fund may suffer more than the tax provision amount as that the Fund will ultimately have to bear the additional tax liabilities. In this case, the then existing and new Shareholders will be disadvantaged. On the other hand, if the actual applicable tax rate levied by the PRC tax authorities is lower than that provided for by the Manager so that there is an excess in the tax provision amount, Shareholders who have redeemed Shares in the Fund before the PRC tax authorities' ruling, decision or guidance in this respect will be disadvantaged as they would have borne the loss from the Investment Manager's over-provision. In this case, the then existing and new Shareholders may benefit if the difference between the tax provision and the actual taxation liability under that lower tax amount can be returned to the account of the Fund as assets thereof. Investors should seek their own tax advice on their own tax position with regard to their investment in the Fund.

If the actual applicable tax levied by the PRC tax authorities is higher than that provided for by the Investment Manager so that there is a shortfall in the tax provision amount, investors should note that the Net Asset Value of the Fund may suffer more than the tax provision amount as that the Fund will ultimately have to bear the additional tax liabilities. In this case, the then existing and new Shareholders will be disadvantaged. On the other hand, if the actual applicable tax rate levied by the PRC tax authorities is lower than that provided for by the Manager so that there is an excess in the tax provision amount, Shareholders who have redeemed Shares in the Fund before the PRC tax authorities' ruling, decision or guidance in this respect will be disadvantaged as they would have borne the loss from the Investment Manager's over-provision. In this case, the then existing and new Shareholders may benefit if the difference between the tax provision and the actual taxation liability under that lower tax amount can be returned to the account of the Fund as assets thereof. Investors should seek their own tax advice on their own tax position with regard to their investment in the Fund. It is possible that the current tax laws, regulations and practice in the PRC will change, including the possibility of taxes being applied retrospectively, and that such changes may result in higher taxation on PRC investments than is currently contemplated.

7.2.6 RMB Risk

Investors should be aware that the RMB is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of currencies. Currently, RMB is traded in PRC ("CNY") and outside PRC ("CNH"). RMB traded in PRC, CNY, is not freely convertible and is subject to exchange control policies and restrictions imposed by the PRC authorities. On the other hand, the RMB traded outside the PRC, CNH, is freely tradeable but still subject to controls, limits and availability. In general, the respective daily exchange rate of the RMB against other currencies is allowed to float within a range above or below the central parity rates published by the People's Bank of China ("PBOC") each day. Its exchange rate against other currencies, including e.g. USD or HKD, is therefore susceptible to movements based on external factors. There can be no assurance that such exchange rates will not fluctuate widely. While CNY and CNH represent the same currency, they are traded on different and separate markets which operate independently. As such, the value of CNH could differ, perhaps

significantly, from that of CNY and the exchange rate of CNH and CNY may not move in the same direction due to a number of factors including, without limitation, the foreign exchange control policies and repatriation restrictions pursued by the PRC government from time-to-time, as well as other external market forces. Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB. There is no assurance that RMB will not be subject to devaluation, in which case the value of investors' investments in RMB assets will be adversely affected. Currently, the PRC government imposes certain restrictions on repatriation of RMB out of the PRC. Investors should note that such restrictions may limit the depth of the RMB market available outside of the PRC and thereby, may reduce the liquidity of the Fund. The PRC government's policies on exchange controls and repatriation restrictions are subject to change, and the Fund's and its investors' position may be adversely affected by such change.

7.2.7 Utilizing Stock Connect Programmes Risk

The Shanghai-Hong Kong Stock Connect comprises a Northbound Shanghai Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shanghai Trading Link, Hong Kong and overseas investors (including the Fund), through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to trade eligible China A-Shares listed on the SSE by routing orders to the SSE. Under the Southbound Hong Kong Trading Link under the Shanghai-Hong Kong Stock Connect, investors in the PRC will be able to trade certain stocks listed on the SEHK.

Under the Shanghai-Hong Kong Stock Connect, the Fund, through their Hong Kong brokers may trade certain eligible shares listed on the SSE ("SSE Securities"). These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except the following:

- SSE-listed shares which are not traded in RMB;
- SSE-listed shares which are included in the "risk alert board"; and
- SSE-listed shares which are subject to delisting process or the listing of which has been suspended by SSE.

It is expected that the list of eligible securities will be subject to review.

The trading is subject to rules and regulations issued from time to time. Trading under the Shanghai-Hong Kong Stock Connect is subject to a daily quota ("Daily Quota"). Northbound Shanghai Trading Link and Southbound Hong Kong Trading Link under the Shanghai-Hong Kong Stock Connect will be subject to a separate set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Shanghai-Hong Kong Stock Connect each day.

The Shenzhen-Hong Kong Stock Connect comprises a Northbound Shenzhen Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shenzhen Trading Link, Hong Kong and overseas investors (including the Fund), through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to trade eligible China A-Shares listed on the SZSE by routing orders to SZSE. Under the Southbound Hong Kong Trading Link under the Shenzhen-Hong Kong Stock Connect investors in the PRC will be able to trade certain stocks listed on the SEHK.

Under the Shenzhen-Hong Kong Stock Connect, the Fund, through their Hong Kong brokers may trade certain eligible shares listed on the SZSE ("SZSE Securities"). These include any constituent stock of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of not less than RMB6 billion and all SZSE-listed China A-Shares which have corresponding H Shares listed on the SEHK except for the following:

- SZSE-listed shares which are not traded in RMB;
- SZSE-listed shares which are included in the "risk alert board"; and
- SZSE-listed shares which are subject to delisting process or the listing of which has been suspended by SZSE.

At the initial stage of the Northbound Shenzhen Trading Link, investors eligible to trade shares that are listed on the ChiNext Board of SZSE under the Northbound Shenzhen Trading Link will be limited to institutional professional investors as defined in the relevant Hong Kong rules and regulations.

It is expected that the list of eligible securities will be subject to review.

The trading is subject to rules and regulations issued from time to time. Trading under the Shenzhen-Hong Kong Stock Connect will be subject to a Daily Quota. Northbound Shenzhen Trading Link and Southbound Hong Kong Trading Link under the Shenzhen-Hong Kong Stock Connect will be subject to a separate set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Shenzhen-Hong Kong Stock Connect each day. HKSCC, a wholly-owned subsidiary of the Hong Kong Exchanges and Clearing Limited, and ChinaClear will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and/or investors. The China A-Shares traded through Stock Connect are issued in scripless form, and investors will not hold any physical China A-Shares. Although HKSCC does not claim proprietary interests in the SSE Securities and SZSE Securities held in its omnibus stock accounts in ChinaClear, ChinaClear as the share registrar for SSE and SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE Securities and SZSE Securities. SSE/SZSE listed companies usually announce information regarding their annual general meetings/extraordinary general meetings about two to three weeks before the meeting date. A poll is called on all resolutions for all votes. HKSCC will inform the Hong Kong Central Clearing and Settlement System ("CCASS") participants of all general meeting details such as meeting date, time, venue and the number of proposed resolutions.

Under the Stock Connect, Hong Kong and overseas investors will be subject to the fees and levies imposed by SSE, SZSE, ChinaClear, HKSCC or the relevant Mainland Chinese authority when they trade and settle SSE Securities and SZSE Securities. Further information about the trading fees and levies is available online at the website: http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm In accordance with the UCITS requirements, the Depositary shall provide for the safekeeping of the Fund's assets in the PRC through its global custody network. Such safekeeping is in accordance with the conditions set down by the CSSF which provides that there must be legal separation of non-cash assets held under custody and that the Depositary through its delegates must maintain appropriate internal control systems to ensure that records clearly identify the nature and amount of assets under custody, the ownership of each asset and where documents of title to each asset are located. The Fund may invest in China A-Shares via the Stock Connect. In addition to the general investment and equity related risks including Emerging Markets risks and risks regarding RMB, the following risks should be emphasised: Quota Limitations The Stock Connect is subject to quota limitations. In particular, the Stock Connect is subject to a daily quota which does not belong to the Fund and can only be utilised on a first-come-first-serve basis. Once the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the Fund's ability to invest in China A Shares through the Stock Connect on a timely basis, and the Fund may not be able to effectively pursue its investment strategy.

Legal / Beneficial Ownership The SSE and SZSE shares in respect of the Funds are held by the Depositary/ sub-custodian in accounts in the CCASS maintained by the HKSCC as central securities depositary in Hong Kong. HKSCC in turn holds the SSE and SZSE shares, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear for each of the Stock Connects. The precise nature and rights of the Funds as the beneficial owners of the SSE and SZSE shares through HKSCC as nominee is not well defined under PRC law. There is lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership" under PRC law and there have been few cases involving a nominee account structure in the PRC courts. Therefore the exact nature and methods of enforcement of the rights and interests of the Funds under PRC law is uncertain. Because of this uncertainty, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it is not clear if the SSE and SZSE shares will be regarded as held for the beneficial ownership of the Funds or as part of the general assets of HKSCC available for general distribution to its creditors.

Clearing and Settlement Risk HKSCC and ChinaClear have established the clearing links and each has become a participant of the other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote. In the remote event of a ChinaClear default, HKSCC's liabilities in SSE and SZSE Securities under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Fund may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

Suspension Risk Each of the SEHK, SSE and SZSE reserves the right to suspend trading if necessary, for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension is effected, the Fund's ability to access the PRC market will be adversely affected.

Differences in Trading Day The Stock Connect only operates on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC market but the Fund cannot carry out any China A-Shares trading via the Stock Connect. The Fund may be subject to a risk of price fluctuations in China A-Shares during the time when any of the Stock Connect is not trading as a result.

Restrictions on Selling Imposed by Front-end Monitoring. PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling. If a Fund intends to sell certain China A-Shares it holds, it must transfer those China A-Shares to the respective accounts of its broker(s) before the market opens on the day of selling ("trading day"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, the Fund may not be able to dispose of its holdings of China A-Shares in a timely manner.

- **Operational Risk.** The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SEHK and market participants will function properly or

will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. The Fund's ability to access the China A-Shares market (and hence to pursue its investment strategy) may be adversely affected.

- **Regulatory Risk.** The current regulations relating to Stock Connect are relatively new and subject to continuous evolution. In addition, the current regulations are subject to change which may have potential retrospective effects and there can be no assurance that the Stock Connect will not be abolished. New regulations may be issued from time to time by the regulators / stock exchanges in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connect. The Fund may be adversely affected as a result of such changes.
- **Recalling of Eligible Stocks.** When a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the Fund, for example, if the Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.
- **No Protection by Investor Compensation Fund.** Investment in SSE and SZSE Securities via the Stock Connect is conducted through brokers, and is subject to the risks of default by such brokers' in their obligations. The Fund's investments through Northbound trading under the Stock Connect are not covered by the Hong Kong's Investor Compensation Fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in respect of SSE and SZSE Securities traded via Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. Therefore, the Fund are exposed to the risks of default of the broker(s) it engages in its trading in China A-Shares through the Stock Connect.
- **Risks associated with the Small and Medium Enterprise Board and/or ChiNext Market.** The Fund may invest in the Small and Medium Enterprise Board of the SZSE ("SME Board") and/or the ChiNext Board of the SZSE ("ChiNext Board"). Investments in the SME Board and/or ChiNext Board may result in significant losses for the Fund and its investors. The following additional risks apply:
 - **Higher Fluctuation on Stock Prices.** Listed companies on the SME Board and/or ChiNext Board are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the Main Board of the SZSE ("Main Board").
 - **Over-Valuation Risk.** Stocks listed on the SME Board and/or ChiNext Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.
 - **Differences in Regulations.** The rules and regulations regarding companies listed on ChiNext Board are less stringent in terms of profitability and share capital than those in the Main Board and SME Board.
 - **Delisting Risk.** It may be more common and faster for companies listed on the SME Board and/or ChiNext Board to delist. This may have an adverse impact on the Fund if the companies that it invests in are delisted.
 - **Risk associated with Small-Capitalisation / Mid-Capitalisation Companies.** The stocks of small-capitalisation / mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.
- **Taxation Risk.** Investments via the Stock Connect are subject to PRC's tax regime. The PRC State Administration of Taxation has reaffirmed the application of normal Chinese stamp duty and a 10% dividend withholding tax, while the value-added tax and income tax on capital gains are temporarily exempted for an unspecified period. The tax regime may change from time to time and the Fund is, thus, subject to such uncertainties in their PRC tax liabilities. For further details on PRC taxation, please refer to sub-section "PRC Taxation" under the section titled "Taxation".
- **RMB Currency Risk in relation to Stock Connect.** China A-Shares are priced in RMB and the Fund will need to use RMB to trade and settle SSE/SZSE Securities. There may be associated trading costs involved in

dealing with SSE/SZSE Securities. Mainland Chinese government controls future movements in exchange rates and currency conversion. The exchange rate floats against a basket of foreign currencies; therefore, such exchange rate could fluctuate widely against the USD, HKD or other foreign currencies in the future. In particular, any depreciation of RMB will decrease the value of any dividends and other proceeds an investor may receive from its investments. Further, investors should note that CNY may trade at a different rate compared to CNH. The Fund's investments may be exposed to both the CNY and the CNH, and the Fund may consequently be exposed to greater exchange risks and/or higher costs of investment. The PRC government's policies on exchange control are subject to change, and the Fund may be adversely affected.

8. Fees and Charges

8.1 Payable through deduction from asset value of the ILP Sub-Fund

All-in-Fee	2.25% per annum (The fees and expenses of the investment manager, central administration agent and depository will be covered by the All-in-Fee payable to the Management Company.)
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Please refer to Singapore Prospectus of the Fund under Section 6 "Fees and Charges" for the details of other charges.

8.2 Payable by cancellation of units

Please refer to Section 5 of the Product Summary.

9. Suspension of Dealings

9.1 HSBC Life may suspend the issue, realisation and/or cancellation of units by the Policyholder as and when the issue, realisation and/or cancellation of units of the Fund is suspended.

9.2 The circumstances under which the issue, realisation and/or cancellation of units of the Fund may be suspended are set out in the Singapore Prospectus of the Fund (as may be supplemented or replaced from time to time).

9.3 In addition, HSBC Life may suspend the issue, realisation and/or cancellation of units by the Policyholder under the following circumstances:

- (a) any 48-hour period (or such longer period as HSBC Life may agree) prior to the date of any meeting of Policyholders (or any adjourned meeting thereof);
- (b) any period when the dealing of units is suspended pursuant to any order or direction of the MAS; or
- (c) any period when the business operations of HSBC Life in relation to the operation of the ILP Sub-Fund is substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

9.4 Such suspension shall take effect forthwith upon the declaration in writing thereof by HSBC Life and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorized under this paragraph shall exist upon the declaration in writing thereof HSBC Life.

10. Performance of the ILP Sub-Fund

Performance of the ILP Sub-Fund against its benchmark as at 30 June 2021.

Average Annual Compounded Returns

Period	Allianz China A-Shares – AT SGD	Allianz China A-Shares – AT USD	Benchmark [^]
Year to Date	5.26	6.90	4.80
1-year	55.98	50.34	40.20
3-year	32.29	31.80	18.34
5-year	24.44	N.A	10.16

10-year	15.51	N.A	5.92
Since Inception**	14.45	23.23	7.45

** AT SGD Share Class inception date: 16 November 2017; AT USD Share Class inception date: 31 March 2009.

^Benchmark: MSCI China-A Onshore Total Return (Net) (USD)

Source: Allianz Global Investors.

Note: The performance of the ILP Sub-Fund is not guaranteed and the value of investments and income from them may fall as well as rise. Past performance of the ILP Sub-Fund is not necessarily indicative of future performance.

10.1 Basis of Calculating the Return

The performance figures are calculated in Singapore Dollars and U.S Dollars using NAV-to-NAV prices, with any income or dividends reinvested. Fees and charges payable through deduction of premium or cancellation of units are excluded from this calculation.

11. Expense Ratio

ILP Sub-Fund	Expense Ratio	Period
Allianz China A-Shares – AT SGD Share Class	2.29%	From 1 October 2019 to 30 September 2020
Allianz China A-Shares – AT USD Share Class		

The expense ratio of the ILP Sub-Fund does not include charges for insurance coverage, brokerage and other transactions costs, interest expenses, performance fee, foreign exchange gains and losses, front and back end loads and other costs arising from the purchase or sales of other funds, tax deducted at source or arising out of income received and dividends and other distributions to shareholders. The expense ratio of the ILP Sub-Fund is calculated in accordance to the Investment Management Association of Singapore’s guidelines as required by MAS Notice 307.

12. Turnover Ratio

ILP Sub-Fund	Turnover Ratio	Period
Allianz China A-Shares – AT SGD Share Class	19.45%	From 1 October 2019 to 30 September 2020
Allianz China A-Shares – AT USD Share Class		

The turnover ratios of the ILP Sub-Fund and the Portfolio are calculated based on the lesser of purchases or sales expressed as a percentage over average daily net asset value.

13. Soft Dollar Commissions/Arrangements

Brokerage commissions on portfolio transactions for the Fund may be paid by the Management Company and/or the Investment Managers, as consideration for research related services provided to them as well as for services rendered in the execution of orders. The receipt of investment research and information and related services allows the Management Company and/or 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.

The Management Company and/or the Investment Managers may pay, or be responsible for the payment of, soft commissions only insofar as:

- (1) the Management Company and/or the Investment Managers and/or the Sub-Investment Managers (if any) and/or their connected persons act at all times in the best interest of the Fund and Shareholders when entering into soft commission arrangements;
- (2) the goods and services relate directly to the activities of the Management Company and/or the Investment Managers and/or the Sub-Investment Managers (if any) and/or their connected persons and such activities are of demonstrable benefits to the Shareholders;

- (3) transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary institutional full-service brokerage rates;
- (4) any such soft commissions are paid by the Management Company and/or the Investment Managers and/or the Sub-Investment Managers (if any) and/or their connected persons to broker-dealers which are corporate entities and not individuals; and
- (5) the availability of soft commission arrangements is not the sole or primary purpose to perform or arrange transaction with such broker or dealer.

Goods and services described above may include, but are not limited to: research and advisory services, economic and political analysis, portfolio analysis, including valuation and performance measurement, market analysis, data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publications.

Such soft commissions do not include costs relating to travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payment, which are to be paid by the Management Company and/or the Investment Managers.

Periodic disclosure in the form of a statement describing such soft commissions will be made in the Fund's annual report.

14. Conflicts of Interest

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the depositary agreement or under separate contractual or other arrangements. Such activities may include:

- 1) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Fund;
- 2) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Fund either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

- 1) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Fund, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- 2) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- 3) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Fund;
- 4) may provide the same or similar services to other clients including competitors of the Fund;
- 5) may be granted creditors' rights by the Fund which it may exercise.

The Fund may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Fund. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Fund. The affiliate shall enter into such transactions on the terms and conditions agreed with the Fund.

Where cash belonging to the Fund is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Investment Manager, Investment Advisor or Management Company may also be a client or counterparty of the Depositary or its affiliates.

Potential conflicts that may arise in the Depositary's use of sub-custodians include four broad categories:

- 1) conflicts from the sub-custodian selection and asset allocation among multiple sub-custodians influenced by (a) cost factors, including lowest fees charged, fee rebates or similar incentives and (b) broad two-way commercial relationships in which the Depository may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;
- 2) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;
- 3) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depository as its counterparty, which might create incentive for the Depository to act in its self-interest, or other clients' interests to the detriment of clients; and
- 4) sub-custodians may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

In carrying out its duties the Depository shall act honestly, fairly, professionally, independently and solely in the interests of the Fund and its Shareholder.

The depository has functionally and hierarchically separated the performance of its depository tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the depository issues to be properly identified, managed and monitored.

Additionally, in the context of the Depository's use of sub-custodians, the Depository imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depository further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to

15. Reports

The financial year end for the Fund is 30 September. The Fund will issue an audited annual report (which contains the annual accounts) within four months after the end of the financial year and an un-audited semi-annual report (which contains the semi-annual accounts) within two months after the end of the period to which it refers. The Fund's annual/semi-annual report is available for download at <https://sg.allianzgi.com/en/retail>.

HSBC Life's financial year-end for the ILP Sub-Fund is 30 June. The annual audited financial statements will be prepared and made available by 30 September, i.e. 3 months from the financial year end.

HSBC Life's financial half year-end for the ILP Sub-Fund is 31 December. The semi-annual report will be prepared and made available by 28 February, i.e. 2 months from the date of the financial half-year end.

These financial statements and/ or the reports, when available, will be accessible from HSBC Life's website at <http://www.insurance.hsbc.com.sg/annualreport>. A copy will be provided to Policyholders upon request.

16. Other material information

The Fund Summary must be read in conjunction with the Product Highlights Sheet and the Product Summary.

The Fund's Prospectus is available for download at <https://sg.allianzgi.com/en/retail>

16.1 Distribution of Income, Capital and Dividends

There will be no distribution of income or capital for the Fund.

16.2 Investment Guidelines and Restrictions

The investment guidelines that have to be complied with by the ILP Sub-Fund are set out within MAS Notice 307 on Investment-Linked Policies, where applicable.

Please refer to Section "Investment Restrictions " of the Fund's Luxemburg Prospectus for details on the investment restrictions.