

### 1. Description of the ILP Sub-Fund

BlackRock Global Funds – World Gold Fund (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 BlackRock Global Funds – World Gold Fund (the "**Fund**"). BlackRock Global Funds is an open-ended investment company incorporated in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier (CSSF).

ILP Sub-Fund	Currency	Share Class	Investment Risk Rating
BlackRock Global Funds – World Gold Fund	SGD	BlackRock Global Funds – World Gold Fund – A2 SGD Hedged	5
BlackRock Global Funds – World Gold Fund	USD	BlackRock Global Funds – World Gold Fund – A2 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 BlackRock (Luxembourg) S.A. (the "**Management Company**"). The Management Company is a wholly owned subsidiary within the BlackRock Group<sup>1</sup>. It is regulated by the CSSF. The Management Company has been managing collective investment schemes or discretionary funds since 1988.

The Investment Advisers is BlackRock Investment Management (UK) Limited (the "**Investment Adviser**").

The BlackRock Investment Management (UK) Limited is domiciled in England and Wales and regulated by the Financial Conduct Authority. It has been managing collective investment schemes or discretionary funds since 1982.

The monies and assets of the ILP Sub-Fund are not expected to be affected by the insolvency of the Investment Adviser as monies and assets belonging to the ILP Sub-Fund are segregated from the Investment Adviser'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 Investment Adviser's debts and liabilities under law.

#### 3.1 Information on the Depository of the Fund

The Bank of New York Mellon SA / NV, Luxembourg Branch acts as custodian (the "**Depository**") of the assets of the Fund.

### 4. The Auditor

The auditor of the Fund is Ernst & Young S.A..

### 5. Investment Objectives, Focus and Approach

#### 5.1 Investment Objectives

The Fund seeks to maximize total return.

#### 5.2 Investment Focus and Approach

The Fund invests globally at least 70% of its total assets in the equity securities of companies whose predominant economic activity is gold-mining. It may also invest in the equity securities of companies whose predominant economic activity is other precious metal or mineral and base metal or mineral mining. The Fund does not hold physical gold or metal.

The Fund is a Stock Connect Fund and may invest directly up to 20% of its total assets in the PRC by investing via the Stock Connects.

The Fund's exposure to contingent convertible bonds is limited to 5% of its total assets.

The Fund may use derivatives for investment purposes and for the purposes of efficient portfolio management.

Risk management measure used: Commitment Approach.

### **5.3 Investor Profile**

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

- Seek an above average income from investments in stocks without sacrificing long term capital growth.
- Seek to invest in stocks of companies engaged whose predominant economic activity is gold-mining.
- Are informed investors willing to adopt capital and income risk.

### **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**

The performance of the Fund will depend on the performance of the underlying investments. No guarantee or representation is made that any Fund or any investment will achieve its respective investment objectives.

Past results are not necessarily indicative of future results. The value of the Shares may fall due to any of the risk factors set out in the Luxembourg Prospectus as well as rise and an investor may not recoup its investment. Income from the Shares may fluctuate in money terms.

Changes in exchange rates may, among other factors, cause the value of Shares to increase or decrease.

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 8 "Risk Factors" in the Fund's Singapore Prospectus. You can download the Fund's Singapore Prospectus from website: <https://www.blackrock.com/sg>.

##### **7.2.1 Small Cap Risk**

The securities of smaller companies may be subject to more abrupt or erratic market movements than larger, more established companies or the market average in general. These companies may have limited product lines, markets or financial resources, or they may be dependent on a limited management group. Full development of those companies takes time. In addition, many small company stocks trade less frequently and in smaller volume, and may be subject to more abrupt or erratic price movements than stocks of large companies. The securities of small companies may also be more sensitive to market changes than the securities of large companies. These factors may result in above-average fluctuations in the Net Asset Value of a Fund's Shares.

##### **7.2.2 Equity Risk**

The values of equities fluctuate daily and a Fund investing in equities could incur significant losses. The price of equities can be influenced by many factors at the individual company level, as well as by broader economic and

political developments, including changes in investment sentiment, trends in economic growth, inflation and interest rates, issuer-specific factors, corporate earnings reports, demographic trends and catastrophic events.

### **7.2.3 Contingent Convertible Bonds Risk**

A contingent convertible bond is a type of complex debt security which may be converted into the issuer's equity or be partly or wholly written off if a pre-specified trigger event occurs. Trigger events may be outside of the issuer's control. Common trigger events include the share price of the issuer falling to a particular level for a certain period of time or the issuer's capital ratio falling to a pre-determined level. Coupon payments on certain contingent convertible bonds may be entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

Events that trigger the conversion from debt into equity are designed so that conversion occurs when the issuer of the contingent convertible bonds is in financial difficulty, as determined either by regulatory assessment or objective losses (e.g. if the capital ratio of the issuer company falls below a pre-determined level).

Investment in contingent convertible bonds may entail the following (non-exhaustive) risks: Contingent convertible bonds' investors may suffer a loss of capital when equity holders do not.

Trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the Fund to anticipate the trigger events that would require the debt to convert into equity. Furthermore, it might be difficult for the Fund to assess how the securities will behave upon conversion.

In case of conversion into equity, the Fund might be forced to sell these new equity shares because the investment policy of the Fund may not allow equity in its portfolio. Such a forced sale, and the increased availability of these shares might have an effect on market liquidity in so far as there may not be sufficient demand for these shares. Investment in contingent convertible bonds may also lead to an increased industry concentration risk and thus counterparty risk as such securities are issued by a limited number of banks. Contingent convertible bonds are usually subordinated to comparable non-convertible securities, and thus are subject to higher risks than other debt securities.

In the event that a contingent convertible bond is written off (a "write-down") as the result of a pre-specified trigger event, the Fund may suffer a full, partial or staggered loss of the value of its investment. A write-down may be either temporary or permanent.

In addition, most contingent convertible bonds are issued as perpetual instruments which are callable at pre-determined dates. Perpetual contingent convertible bonds may not be called on the pre-defined call date and investors may not receive return of principal on the call date or at any date.

### **7.2.4 Emerging Market Risk**

Emerging markets are typically those of poorer or less developed countries which exhibit lower levels of economic and/or capital market development, and higher levels of share price and currency volatility. Amongst these, those which exhibit the lowest levels of economic and/or capital market development may be referred to as frontier markets, and the below mentioned risks may be amplified for these markets.

Some emerging markets governments exercise substantial influence over the private economic sector and the political and social uncertainties that exist for many developing countries are particularly significant. Another risk common to most such countries is that the economy is heavily export oriented and, accordingly, is dependent upon international trade. The existence of overburdened infrastructures and inadequate financial systems also presents risks in certain countries, as do environmental problems which may be exacerbated by climate change.

In adverse social and political circumstances, governments have been involved in policies of expropriation, confiscatory taxation, nationalization, intervention in the securities market and trade settlement, and imposition of foreign investment restrictions and exchange controls, and these could be repeated in the future. In addition to withholding taxes on investment income, some emerging markets may impose capital gains taxes on foreign investors.

Generally accepted accounting, auditing and financial reporting practices in emerging markets may be significantly different from those in developed markets. Compared to mature markets, some emerging markets may have a low

level of regulation, enforcement of regulations and monitoring of investors' activities. Those activities may include practices such as trading on material nonpublic information by certain categories of investor.

The securities markets of developing countries are not as large as the more established securities markets and have substantially less trading volume, resulting in a lack of liquidity and high price volatility. There may be a high concentration of market capitalization and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and pricing of a fund's acquisition or disposal of securities.

Practices in relation to the settlement of securities transactions in emerging markets involve higher risks than those in developed markets, in part because the Manager will need to use brokers and counterparties which are less well capitalized, and custody and registration of assets in some countries may be unreliable. Delays in settlement could result in investment opportunities being missed if the Fund is unable to acquire or dispose of a security. The Depositary is responsible for the proper selection and supervision of its correspondent banks in all relevant markets in accordance with Luxembourg law and regulation.

In certain emerging markets, registrars are not subject to effective government supervision nor are they always independent from issuers. Investors should therefore be aware that the Fund concerned could suffer loss arising from these registration problems. As a result of some of these characteristics there could be additional impacts on the value of the Fund as a result of sustainability risks, in particular those caused by environmental changes related to climate change, social issues (including but not limited to relating to labour rights) and governance risk (including but not limited to risks around board independence, ownership & control, or audit & tax management). Additionally, disclosures or third-party data coverage associated with sustainability risks is generally less available or transparent in these markets.

#### **7.2.5 Restrictions on Foreign Investment**

Some countries prohibit or impose substantial restrictions on investments by foreign entities such as the Fund. As illustrations, certain countries require governmental approval prior to investments by foreign persons, or limit the amount of investment by foreign persons in a particular company, or limit the investment by foreign persons in a company to only a specific class of securities which may have less advantageous terms than securities of the companies available for purchase by nationals. Certain countries may restrict investment opportunities in issuers or industries deemed important to national interests. The manner in which foreign investors may invest in companies in certain countries, as well as limitations on such investments, may have an adverse impact on the operations of a Fund. For example, a Fund may be required in certain of such countries to invest initially through a local broker or other entity and then have the share purchases re-registered in the name of the Fund. Re-registration may in some instances not be able to occur on a timely basis, resulting in a delay during which a Fund may be denied certain of its rights as an investor, including rights as to dividends or to be made aware of certain corporate actions. There also may be instances where a Fund places a purchase order but is subsequently informed, at the time of re-registration, that the permissible allocation to foreign investors has been filled, depriving the Fund of the ability to make its desired investment at the time. Substantial limitations may exist in certain countries with respect to a Fund's ability to repatriate investment income, capital or the proceeds of sales of securities by foreign investors. A Fund could be adversely affected by delays in, or a refusal to grant any required governmental approval for repatriation of capital, as well as by the application to the Fund of any restriction on investments. A number of countries have authorised the formation of closed-end investment companies to facilitate indirect foreign investment in their capital markets. Shares of certain closed-end investment companies may at times be acquired only at market prices representing premiums to their net asset values. If a Fund acquires shares in closed-end investment companies, shareholders would bear both their proportionate share of expenses in the Fund (including management fees) and, indirectly, the expenses of such closed end investment companies. In addition, certain countries such as India and the PRC implement quota restrictions on foreign ownership of certain onshore investments. These investments may at times be acquired only at market prices representing premiums to their net asset values and such premiums may ultimately be borne by the relevant Fund. A Fund may also seek, at its own cost, to create its own investment entities under the laws of certain countries.

#### **7.2.6 Specific Sectors Risk**

Where investment is made in one or in a limited number of market sectors, the Fund may be more volatile than other more diversified funds. The companies within these sectors may have limited product lines, markets, or financial resources, or may depend on a limited management group.

The Fund may also be subject to rapid cyclical changes in investor activity and / or the supply of and demand for specific products and services. As a result, a stock market or economic downturn in the relevant specific sector or sectors would have a larger impact on the Fund that concentrates its investments in that sector or sectors than on a more diversified fund.

There may also be special risk factors associated with individual sectors. For example, the stock prices of companies operating in natural resource related sectors, such as precious and other metals may be expected to follow the market price of the related natural resource, although there is unlikely to be perfect correlation between these two factors. Precious and other metal prices historically have been very volatile, which may adversely affect the financial condition of companies involved with precious and other metals. Also, the sale of precious and other metals by governments or central banks or other larger holders can be affected by various economic, financial, social and political factors, which may be unpredictable and may have a significant impact on the prices of precious and other metals. Other factors that may affect the prices of precious and other metals and securities related to them include changes in inflation, the outlook for inflation and changes in industrial and commercial supply and demand for such metals.

There may also be increased impacts on the value of the investments in the Fund as a result of environmental factors (both physical changes related to climate change and the transition to alternative energy), as well as social and governance factors. The Fund with specific sectoral concentrations such as investing in industries or issuers with high carbon intensity or high switching costs associated with the transition to low carbon alternatives, may be more impacted by climate transition risks.

#### **7.2.7 Commodities accessed via Exchange Traded Funds Risk**

An Exchange Traded Fund investing in commodities may do so by replicating the performance of a commodities index. The underlying index may concentrate investment on selected commodity futures on multinational markets. This makes the underlying exchange traded fund extremely dependent on the performance of the commodity markets concerned.

#### **7.2.8 Liquidity Risk**

Trading volumes in the underlying investments of the Funds may fluctuate significantly depending on market sentiment. There is a risk that investments made by the Funds may become less liquid in response to market developments, adverse investor perceptions or regulatory and government intervention (including the possibility of widespread trading suspensions implemented by domestic regulators). In extreme market conditions, there may be no willing buyer for an investment and so that investment cannot be readily sold at the desired time or price, and consequently the Fund may have to accept a lower price to sell the relevant investment or may not be able to sell the investment at all. An inability to sell a particular investment or portion of a Fund's assets can have a negative impact of the value of the relevant Fund or prevent the Fund from being able to take advantage of other investment opportunities.

Investment in equity securities issued by unlisted companies, small and mid-capitalisation companies and companies based in emerging countries are particularly subject to the risk that during certain market conditions, the liquidity of particular issuers or industries, or all securities within a particular investment category, will reduce or disappear suddenly and without warning as a result of adverse economic, market or political events, or adverse market sentiment.

Liquidity risk also includes the risk that fund may be forced to defer redemptions, issue in specie redemptions or suspend dealing because of stressed market conditions, an unusually high volume of redemption requests, or other factors beyond the control of the investment manager. See the Fund's Luxembourg Prospectus paragraphs 25. and 30. to 33. of Appendix B for further detail. To meet redemption requests, the Funds may be forced to sell investments at an unfavourable time and/or conditions, which may have a negative impact on the value of your investment.

#### **7.2.9 Foreign Currency Exchange Risk**

As the Net Asset Value of the Shares is denominated in United States Dollars ("USD"), foreign currency exchange rate movements are likely to influence the returns to investors in Singapore, and accordingly such investors may be exposed to exchange rate risks. The Fund may be denominated in a currency other than the base currency of the Fund. In addition, the Fund may invest in assets denominated in currencies other than the base currency. Therefore,

changes in exchange rates and changes in exchange rate controls may affect the value of an investment in the Fund. The hedging strategies applied to Hedged Share Classes will vary on a Fund by Fund basis. In respect of Hedged Share Classes, the Fund will apply a hedging strategy which aims to mitigate currency risk between the Net Asset Value of the Fund and the currency of the Hedged Share Class while taking into account practical considerations including transaction costs. Hedged Share Classes in non-major currencies may be affected by the fact that capacity of the relevant currency market may be limited, which could further affect the volatility of the Hedged Share Class. The Fund may also use hedging strategies which seek to provide exposure to certain currencies (i.e. where a currency is subject to currency trading restrictions). These hedging strategies involve converting the Net Asset Value of the relevant Share Class into the relevant currency using financial derivative instruments (including currency forwards). All gains/losses or expenses arising from hedging transactions are borne separately by the shareholders of the respective Hedged Share Classes. Any over-hedged position arising in a Hedged Share Class is not permitted to exceed 105% of the Net Asset Value of that Hedged Share Class and any under-hedged position arising in a Hedged Share Class is not permitted to fall short of 95% of the Net Asset Value of that Hedged Share Class.

## 8. Fees and Charges

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

<b>Management Fee</b>	1.75% p.a.
<b>Administration Fee</b>	Currently up to 0.25% p.a.
<b>Depositary Fee</b>	Custody safekeeping fees: From 0.0024% to 0.45% p.a. Transaction fees: From US\$5.50 to US\$124 per transaction
<b>Securities Lending Fee</b>	The securities lending agent, BlackRock Advisors (UK) Limited, receives remuneration up to 37.5% of the net revenue from securities lending, with all operational costs borne out of BlackRock’s share.

Please refer to Singapore Prospectus of the Fund under Section 7 “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 31 July 2021.

### Average Annual Compounded Returns

Period	BlackRock Global Funds – World Gold Fund – A2 SGD Hedged (%)	BlackRock Global Funds – World Gold Fund – A2 USD (%)	Benchmark (%)
Year-to-Date	-5.31	-4.98	-7.36
1-year	-17.83	-17.46	-23.33
3-year	14.97	16.17	17.32
5-year	-0.40	0.69	1.66
10-year	-5.44	-4.44	-5.13
Since Inception*	-2.74	5.45	0.39

\*Share Class A2 SGD Hedged inception date: 8 July 2008; Share Class A2 USD inception date: 30 December 1994.

Benchmark: FTSE Gold Mines Index (Cap Only) (USD)

Source: BlackRock (Singapore) Limited.

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
BlackRock Global Funds – World Gold Fund – A2 SGD Hedged	2.06%	From 1 September 2019 to 31 August 2020
BlackRock Global Funds – World Gold Fund – A2 USD		

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
BlackRock Global Funds – World Gold Fund – A2 SGD Hedged	91.29%	From 1 September 2019 to 31 August 2020
BlackRock Global Funds – World Gold Fund – A2 USD		

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

HSBC Life does not receive any soft dollar commission in respect of the ILP Sub-Fund. Soft dollar refers to arrangements under which products or services, other than the execution of securities transactions, are obtained from or through a broker in exchange for the direction by the manager of transactions to the broker.

Pursuant to EU Directive 2014/65/EU on markets in financial instruments referred to as “MiFID II”, BlackRock Group will no longer pay for external research via client trading commissions for its MiFID II-impacted funds (“MIFID II-impacted funds”).

The BlackRock Group shall meet such research costs out of its own resources. MiFID II-impacted funds are those which have appointed a BlackRock Group MiFID firm as investment adviser or where investment management has been delegated by such firm to an overseas affiliate.

Funds which have directly appointed an overseas affiliate of the BlackRock Group within a third country (i.e. outside the European Union) to perform portfolio management are not in-scope for the purposes of MiFID II and will be subject to the local laws and market practices governing external research in the applicable jurisdiction of the relevant affiliate. This means that costs of external research may continue to be met out of the assets of such funds. A list of such funds is available on request from the Management Company or can be found on the BlackRock website: <https://www.blackrock.com/international/individual/en-zz/mifid/research/bgf>.

Where investments are made in non-BlackRock Group funds, they will continue to be subject to the external manager’s approach to paying for external research in each case. This approach may be different from that of the BlackRock Group and may include the collection of a research charge alongside trading commissions in accordance with applicable laws and market practice. This means that the costs of external research may continue to be met out of the assets within the fund.

Where permitted by applicable regulation (excluding, for the avoidance of doubt, any Funds which are in scope for MiFID II), certain BlackRock Group companies acting as investment adviser to the Funds may accept commissions generated when trading equities with certain brokers in certain jurisdictions. Commissions may be reallocated to purchase eligible research services. Such arrangements may benefit one Fund over another because research can be used for a broader range of clients than just those whose trading funded it. BlackRock Group has a Use of Commissions Policy designed to ensure only eligible services are purchased and excess commissions are reallocated to an eligible service provider where appropriate.

To the extent that investment advisers within the BlackRock Group are permitted to receive trading commissions or soft dollar commissions, with respect to the Funds (or portion of a Fund) for which they provide investment management and advice, they may select brokers (including, without limitation, brokers who are affiliated with the BlackRock Group) that furnish the BlackRock Group, directly or through third-party or correspondent relationships, with research or execution services which provide, in BlackRock Group’s view, lawful and appropriate assistance to each applicable BlackRock Group company in the investment decision-making or trade execution processes and the nature of which is that their provision can reasonably be expected to benefit the Fund as a whole and may contribute to an improvement in the Funds’ performance. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; economic and financial information and analysis; and quantitative analytical software. Research or execution services obtained in this manner may be used in servicing not only the account from which commissions were used to pay for the services, but also other BlackRock Group client accounts. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods and services, general office equipment, computer hardware or premises, membership fees, employee salaries or direct money payments. To the extent that BlackRock uses its clients’ commission dollars to obtain research or execution services, BlackRock Group companies will not have to pay for those products and services themselves. BlackRock Group companies may receive research or execution services that are bundled with the trade execution, clearing and/or settlement services provided by a particular broker-dealer. To the extent that each BlackRock Group company receives research or execution services on this basis, many of the same potential conflicts related to receipt of these services through third party arrangements exist. For example, the research effectively will be paid by client commissions that also will be used to pay for the execution, clearing and settlement services provided by the broker-dealer and will not be paid by that BlackRock Group company.

Each BlackRock Group company may endeavour, subject to best execution, to execute trades through brokers who, pursuant to such arrangements, provide research or execution services in order to ensure the continued receipt of research or execution services that BlackRock Group company believes are useful in their investment decision-making or trade execution process.

Each BlackRock Group company may pay, or be deemed to have paid, commission rates higher than it could have otherwise paid in order to obtain research or execution services if that BlackRock Group company determines in good faith that the commission paid is reasonable in relation to the value of the research or execution services provided. BlackRock Group believes that using commission dollars to obtain the research or execution services enhances its investment research and trading processes, thereby increasing the prospect for higher investment returns.



BlackRock Group may from time to time choose to alter or choose not to engage in the above described arrangements to varying degrees, without notice to BlackRock Group clients, to the extent permitted by applicable law.

#### **14. Conflicts of Interest**

The Management Company and other BlackRock Group companies undertake business for other clients. BlackRock Group companies, their employees and their other clients face conflicts with the interests of the Management Company and its clients. BlackRock maintains a Conflicts of Interest Policy. It is not always possible for the risk of detriment to a client's interests to be entirely mitigated such that, on every transaction when acting for clients, a risk of detriment to their interests does not remain.

The types of conflict scenario giving rise to risks which BlackRock considers it cannot with reasonable confidence mitigate are disclosed below. This document, and the disclosable conflict scenarios, may be updated from time to time.

##### Conflicts of interest from relationships within the BlackRock

- **Group PA Dealing.** BlackRock Group employees may be exposed to clients' investment information while also being able to trade through personal accounts. There is a risk that, if an employee could place a trade of sufficient size, this would affect the value of a client's transaction. BlackRock Group has implemented a Personal Trading Policy designed to ensure that employee trading is pre-approved.
- **Employee Relationships.** BlackRock Group employees may have relationships with the employees of BlackRock's clients or with other individuals whose interests conflict with those of a client. Such an employee's relationship could influence the employee's decision-making at the expense of clients' interests. BlackRock Group has a Conflicts of Interest Policy under which employees must declare all potential conflicts.

##### Conflicts of interest of the Management Company

- **Provide Aladdin.** BlackRock Group uses Aladdin software as a single technology platform across its investment management business. Custodial and fund administration service providers may use Provider Aladdin, a form of Aladdin software, to access data used by the Investment Adviser and Management Company. Each service provider remunerates BlackRock Group for the use of Provider Aladdin. A potential conflict arises whereby an agreement by a service provider to use Provider Aladdin incentivizes the Management Company to appoint or renew appointment of such service provider. To mitigate the risk, such contracts are entered on an 'arm's length' basis.
- **Distribution Relationships.** The Principal Distributer may pay third parties for distribution and related services. Such payments could incentivise third parties to promote the Fund to investors against that client's best interests. BlackRock Group companies comply with all legal and regulatory requirements in the jurisdictions in which such payments are made.
- **Dealing Costs.** Dealing costs are created when investors deal into and out of the Fund. There is a risk that other clients of the Fund bear the costs of those joining and leaving. BlackRock Group has policies and procedures in place to protect investors from the actions of others including anti-dilution controls.

##### Conflicts of interest of the Investment Adviser

- **Commissions & Research.** Where permitted by applicable regulation (excluding, for the avoidance of doubt, any Funds which are in scope for MiFID II), certain BlackRock Group companies acting as investment adviser to the Funds may accept commissions generated when trading equities with certain brokers in certain jurisdictions. Commissions may be reallocated to purchase eligible research services. Such arrangements may benefit one Fund over another because research can be used for a broader range of clients than just those whose trading funded it. BlackRock Group has a Use of Commissions Policy designed to ensure only eligible services are purchased and excess commissions are reallocated to an eligible service provider where appropriate.
- **Timing of Competing Orders.** When handling multiple orders for the same security in the same direction raised at or about the same time, the Investment Adviser seeks to achieve the best overall result for each

order equitably on a consistent basis taking into account the characteristics of the orders, regulatory constraints or prevailing market conditions. Typically, this is achieved through the aggregation of competing orders. Conflicts of interest may appear if a trader does not aggregate competing orders that meet eligibility requirements, or does aggregate orders that do not meet eligibility requirements; it may appear as if one order received preferential execution over another. For a specific trade instruction of the Fund, there may be a risk that better execution terms will be achieved for a different client. For example, if the order was not included in an aggregation. BlackRock Group has Order Handling Procedures and an Investment Allocation Policy which govern sequencing and the aggregation of orders.

- **Concurrent Long and Short Positions.** The Investment Adviser may establish, hold or unwind opposite positions (i.e. long and short) in the same security at the same time for different clients. This may prejudice the interests of the Investment Adviser's clients on one side or the other. Additionally, investment management teams across the BlackRock Group may have long only mandates and long-short mandates; they may short a security in some portfolios that are held long in other portfolios. Investment decisions to take short positions in one account may also impact the price, liquidity or valuation of long positions in another client account, or vice versa. BlackRock Group operates a Long Short (side by side) Policy with a view to treating accounts fairly.
- **Cross Trading - Pricing Conflict.** When handling multiple orders for the same security, the Investment Adviser may execute a client's order to buy the security by matching it with another client's order to sell the same security, a practice known as 'crossing'. When crossing orders, there is a risk that the execution may not be performed in the best interests of each client; for example, in the event that the price at which a trade was executed did not constitute a fair and reasonable price. BlackRock manages this risk by implementing a Global Crossing Policy, which sets out – among other things – the methodology for pricing 'cross' trades.
- **MNPI.** BlackRock Group companies receive Material Non-Public Information (MNPI) in relation to listed securities in which BlackRock Group companies invest on behalf of clients. To prevent wrongful trading, BlackRock Group erects Information Barriers and restricts trading by one or more investment team(s) concerned in the security concerned. Such restrictions may negatively impact the investment performance of client accounts. BlackRock has implemented a Material Non-Public Information Barrier Policy.
- **BlackRock's Investment Constraints or Limitations and its Related Parties.** The Fund may be restricted in its investment activities due to ownership threshold limits and reporting obligations in certain jurisdictions applying in aggregate to the accounts of clients of the BlackRock Group. Such restrictions may adversely impact clients through missed investment opportunities. BlackRock Group manages the conflict by following an Investment and Trading Allocation Policy, designed to allocate limited investment opportunities among affected accounts fairly and equitably over time.
- **Investment in Related Party Products.** While providing investment management services for a client, the Investment Adviser may invest in products serviced by BlackRock Group companies on behalf of other clients. BlackRock may also recommend services provided by BlackRock or its affiliates. Such activities could increase BlackRock's revenue. In managing this conflict, BlackRock seeks to follow investment guidelines and has a Code of Business Conduct and Ethics.

For investments in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the Management Company itself or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding of more than 10% of the capital or voting rights no management, subscription or redemption fees may be charged to the Fund on its investment in the units of such other UCITS and/or other UCIs.

Companies of the BlackRock Group which provide investment advisory services to the Funds, other UCITS and/or other UCIs, may also cause the Funds through those investment services, other UCITS and/or other UCIs to seed other products (including the Funds) sponsored or managed by the BlackRock Group.

With reference to Paragraph 4.5 of Appendix A, the Fund has appointed BlackRock Advisors (UK) Limited as securities lending agent which in turn may sub-delegate the provision of securities lending agency services to other BlackRock Group companies. BlackRock Advisors (UK) Limited has the discretion to arrange stock loans with highly rated specialist financial institutions (the “counterparties”). Such counterparties can include associates of BlackRock Advisors (UK) Limited. Collateral is marked to market on a daily basis and stock loans are repayable upon demand. At the cost of the Fund, BlackRock Advisors (UK) Limited receives remuneration in relation to its activities above. Such remuneration shall not exceed 37.5% of the net revenue from the activities.

- **Investment Allocation and Order Priority.** When executing a transaction in a security on behalf of a client, it can be aggregated and the aggregated transaction fulfilled with multiple trades. Trades executed with other client orders result in the need to allocate those trades. The ease with which the Investment Adviser can allocate trades to a certain client’s account can be limited by the sizes and prices of those trades relative to the sizes of the clients’ instructed transactions. A process of allocation can result in a client not receiving the whole benefit of the best priced trade. The Investment Adviser manages this conflict by following an Investment and Trading Allocation Policy, which is designed to ensure the fair treatment of all clients’ accounts over time.
- **Fund Look Through.** BlackRock Group companies may have an informational advantage when investing in proprietary BlackRock funds on behalf of client portfolios. Such an informational advantage may lead a BlackRock Group company to invest on behalf of its client earlier than the Investment Adviser invests for the Fund. The risk of detriment is mitigated through BlackRock Group’s pricing of units and anti-dilution mechanisms.
- **Side-by-Side Management: Performance fee.** The Investment Adviser manages multiple client accounts with differing fee structures. There is a risk that such differences lead to inconsistent performances levels across client accounts with similar mandates by incentivising employees to favour accounts delivering performance fees over flat or non-fee accounts. BlackRock Group companies manage this risk through a commitment to a Code of Business Conduct and Ethics Policy.

## 15. Reports

The Fund’s accounting year ends on 31 August in each year. Audited annual reports will be made available within 4 months of the relevant year-end and unaudited interim reports will be made available within 2 months following the end of the relevant half-year. The annual and interim reports will be made available at <https://www.blackrock.com/sg>.

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.

The 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 Annual Report and Prospectus are available for download at <https://www.blackrock.com/sg>

### 16.1 Distribution of Income, Capital and Dividends

There will be no distribution of dividends by 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 Luxembourg Prospectus for details on the investment restrictions.