

# Franklin Templeton Investment Funds– Franklin Biotechnology Discovery Fund Fund Summary

## 1. Description of the ILP Sub-Fund

Franklin Templeton Investment Funds – Franklin Biotechnology Discovery Fund (the "**ILP Sub-Fund**") is an investment-linked policy sub-fund offered by HSBC Life (Singapore) Pte. Ltd. ("**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 Franklin Templeton Investment Funds – Franklin Biotechnology Discovery Fund (the "**Fund**"). The Fund is an open-ended collective investment scheme constituted in Luxembourg as a UCITS.

| ILP Sub-Fund  | Currency | Share Class   | Investment Risk Rating |
|---|----------|---|------------------------|
| Franklin Templeton Investment Funds – Franklin Biotechnology Discovery Fund | SGD      | Franklin Templeton Investment Funds – Franklin Biotechnology Discovery Fund – A SGD | 5                      |
| Franklin Templeton Investment Funds – Franklin Biotechnology Discovery Fund | USD      | Franklin Templeton Investment Funds – Franklin Biotechnology Discovery Fund – A 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 Franklin Templeton International Services S.à r.l. (the "**Management Company**") for providing administration, marketing, investment management and advice services in respect of all Funds. The Management Company may delegate part or all of the investment management services to the Investment Managers.

Franklin Advisers, Inc. is the Investment Manager of the Fund. Based in San Mateo, California, Franklin Advisers, Inc. was formed in 1985 and is best known as a fixed income and money market specialist. Franklin Advisers, Inc. is a leading fixed income manager in the U.S., and forms part of the Franklin Fixed Income Group which was one of the pioneers in the development of U.S. Government Securities funds in the 1970s. The Franklin Fixed Income Group also introduced America's first state-specific and double tax-free income fund in 1981. The regulatory authority is the U.S. Securities and Exchange Commission.

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 Depositary of the Fund

J.P. Morgan Bank Luxembourg S.A. has been appointed as the Depositary to provide depositary, custodial, settlement and certain other associated services to the Fund.

## 4. The Auditor

The auditor of the Fund is PricewaterhouseCoopers Société Coopérative.

## 5. Investment Objectives, Focus and Approach

### 5.1 Investment Objectives

The Fund's investment objective is capital appreciation.

## **5.2 Investment Focus and Approach**

The Fund invests principally in equity securities of biotechnology companies and discovery research firms (including small to mid-sized companies) located in the US and other countries, and to a lesser extent in debt securities of any type of issuers worldwide.

For the Fund's investment purposes, a biotechnology company is one that has at least 50% of its earnings derived from biotechnology activities, or at least 50% of its net assets devoted to such activities based on the company's most recent fiscal year. Biotechnology activities are research, development, manufacture, and distribution of various biotechnological or biomedical products, services and processes. This may include companies involved with genomics, genetic engineering, and gene therapy. It also includes companies involved in the application and development of biotechnology in areas such as health care, pharmaceuticals and agriculture.

To the extent that the Fund invests in debt securities, it generally buys securities that are rated investment grade or unrated securities that it determines to be of comparable quality. Investment grade debt securities are rated in the top four ratings categories by independent rating organisations such as Standard & Poor's Corporation or Moody's Investors Service, Inc.

The Fund anticipates that under normal conditions, it will invest more of its net assets in US securities than in those of any other single country although the Fund may have more than 50% of its net assets in non-US securities.

The Investment Manager may take a temporary defensive cash position when it believes the securities trading markets or the economies of countries where the Fund invests are experiencing excessive volatility or prolonged general decline, or other adverse conditions.

### Exposure to securities lending transactions

The expected level of exposure that could be subject to securities lending transactions amounts to 22% of the Fund's net assets, subject to a maximum of 50%.

## **5.3 Investor Profile**

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

- seek capital appreciation;
- seek a growth investment in the technology sector in the biotechnology sector in the US and around the world; and
- plan to hold their investment for the medium to long term.

The principle may be at 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**

All investments involve risk and there can be no guarantee against loss resulting from an investment in the Fund, nor can there be any assurance that the Funds' investment objectives will be attained. Neither the Fund, the Management Company, the Investment Managers, nor any of their worldwide affiliated entities, guarantee the performance or any future return of the Fund. These investment risks are not purported to be exhaustive and potential investors should review this Singapore Prospectus carefully and consult with their professional advisers before making an application for Shares. The net asset value of Shares may go down as well as up and you may not get back the money invested or the return on your investment.

Please refer to Section 7.2 of this Fund Summary for more information on the risks specific to the 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.franklintempleton.com.sg/investor/>

### **7.2.1 Concentration Risk**

Some Funds may have an investment policy which specifically states an intention to maintain a portfolio with holdings in a relatively limited number of issuers or a concentrated allocation to a given economic sector, market segment or geographical area. By being less diversified, such Funds may be more volatile than broadly diversified Funds, or may be exposed to greater risk since under performance of one or a few positions, sectors or geographical areas will have a greater impact on the Funds assets. The Funds may be adversely affected as a result of such greater volatility or risk.

### **7.2.2 Counterparty Risk**

Counterparty risk is the risk to each party of a contract that the counterparty will fail to perform its contractual obligations and/or to respect its commitments under the term of such contract, whether due to insolvency, bankruptcy or other cause.

When over-the-counter (OTC) or other bilateral contracts are entered into (inter alia OTC derivatives, repurchase agreements, security lending, etc.), the Sub-Fund may find itself exposed to risks arising from the solvency of its counterparties and from their inability to respect the conditions of these contracts.

### **7.2.3 Market Risk**

The market values of securities owned by a Fund will go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting individual issuers, securities markets generally or particular industries or sectors within the securities markets. The value of a security may go up or down due to general market conditions which are not specifically related to a particular issuer, such as real or perceived adverse economic conditions, changes in the general outlook for revenues or corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also go up or down due to factors that affect an individual issuer, a particular industry or sector, such as changes in production costs and competitive conditions within an industry or a specific country. Unexpected events such as natural or environmental disasters (earthquakes, fires, floods, hurricanes, tsunamis) and other severe weather-related phenomena generally, or widespread disease, including pandemics and epidemics, have been and can be highly disruptive to economies of individual companies, sectors, industries, nations, markets and adversely impacting currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of the Fund’s investments. Given the interdependence among global economies and markets, conditions in one country, market, or region are likely to adversely affect markets, issuers, and/or foreign exchange rates in other countries. These disruptions could prevent the Fund from executing advantageous investment decisions in a timely manner and could negatively impact the Fund’s ability to achieve its investment objective.

During a general downturn in the securities markets, multiple asset classes may decline in value. When markets perform well, there can be no assurance that securities held by a Fund will participate in or otherwise benefit from the advance. All investments in financial markets may decrease in value.

### **7.2.4 Securities Lending Risk**

The entering by the Fund into securities lending transactions, as contemplated in Appendix B.4 of this Prospectus "Use of Techniques and Instruments relating to Transferable Securities and Money Market Instruments" involves certain risks and there can be no assurance that the objective sought to be obtained from such use will be achieved.

Investors must notably be aware that in case of default, bankruptcy or insolvency of the borrower of securities lent by a Fund, there is a risk of delay in recovery (that may restrict the ability of a Fund to meet delivery obligations under security sales or payment obligations arising from sale requests) or even loss of rights in collateral received, which risks are mitigated by a careful creditworthiness analysis of borrowers to determine their degree of risk for said borrowers to become involved in insolvency/bankruptcy proceedings within the timeframe contemplated by the loan. If the borrower of securities lent by a Fund fails to return these securities there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral or the illiquidity on the market in which the collateral is traded.

A Fund may reinvest the cash collateral received from borrowers. There is a risk that the value or return of the reinvested cash collateral may decline below the amount owed to those borrowers, and those losses may exceed the amount earned by the Fund on lending the securities.

#### **7.2.6 Foreign Currency Risk**

Since the Fund values the portfolio holdings of each of its Funds in either US dollar, Japanese yen or euro, changes in currency exchange rates adverse to those currencies may affect the value of such holdings and each respective Fund's yield thereon.

Since the securities, including cash and cash equivalents, held by a Fund may be denominated in currencies different from its base currency, the Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between such reference currency and other currencies. Changes in currency exchange rates may influence the value of a Fund's Shares, and also may affect the value of dividends and interests earned by the Fund and gains and losses realised by said Fund. If the currency in which a security is denominated appreciates against the base currency, the price of the security could increase. Conversely, a decline in the exchange rate of the currency would adversely affect the price of the security.

To the extent that a Fund or any Share Class seeks to use any strategies or instruments to hedge or to protect against currency exchange risk, there is no guarantee that hedging or protection will be achieved. Unless otherwise stated in any Fund's investment policy, there is no requirement that any Fund seeks to hedge or to protect against currency exchange risk in connection with any transaction.

Currency management strategies may substantially change a Fund's exposure to currency exchange rates and could result in losses to the Fund if currencies do not perform as the Investment Manager expects. In addition, currency management strategies, to the extent that they reduce the Fund's exposure to currency risks, may also reduce the Fund's ability to benefit from favourable changes in currency exchange rates. There is no assurance that the Investment Manager's use of currency management strategies will benefit the Fund or that they will be, or can be, used at appropriate times. Furthermore, there may not be perfect correlation between the amount of exposure to a particular currency and the amount of securities in the portfolio denominated in that currency. Investing in foreign currencies for purposes of gaining from projected changes in exchange rates, as opposed to hedging currency risks applicable to the Fund's holdings, further increases the Fund's exposure to foreign investment losses.

Investors should be aware of the fact that the Chinese Renminbi (RMB) is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of currencies. Currently, the RMB is traded in two markets: one in Mainland China, and one outside Mainland China (primarily in Hong Kong). The RMB traded in Mainland China is not freely convertible and is subject to exchange controls and certain requirements by the government of Mainland China. The RMB traded outside Mainland China, on the other hand, is freely tradable. Whilst the RMB is traded freely outside Mainland China, the RMB spot, forward foreign exchange contracts and related instruments reflect the structural complexities of this evolving market. Accordingly, Alternative Currency Classes denominated in RMB may be exposed to greater foreign exchange risks.

#### **7.2.7 Liquidity Risk**

Liquidity risk takes two forms: asset side liquidity risk and liability side liquidity risk. Asset side liquidity risk refers to the inability of a Fund to sell a security or position at its quoted price or market value due to such factors as a sudden change in the perceived value or credit worthiness of the position, or due to adverse market conditions generally. Liability side liquidity risk refers to the inability of a Fund to meet a redemption request, due to the inability of the Fund to sell securities or positions in order to raise sufficient cash to meet the redemption request. Markets where the Fund's securities are traded could also experience such adverse conditions as to cause exchanges to suspend trading activities. Reduced liquidity due to these factors may have an adverse impact on the Net Asset Value of the Fund and, as noted, on the ability of the Fund to meet redemption requests in a timely manner.

Certain securities are illiquid due to a limited trading market, financial weakness of the issuer, legal or contractual restrictions on resale or transfer, or that are otherwise illiquid in the sense that they cannot be sold within seven days at approximately the price at which the Fund values them. Securities that are illiquid involve greater risk than securities with more liquid markets. Market quotations for such securities may be volatile and/or subject to large spreads between bid and ask prices. Illiquidity may have an adverse impact on market price and the Fund's ability to sell particular securities when necessary to meet the Fund's liquidity needs or in response to a specific economic event.

#### **7.2.8 Smaller and Midsize Companies Risk**

While smaller and midsize companies may offer substantial opportunities for capital growth, they also involve substantial risks and should be considered speculative. Historically, smaller and midsize company securities have been more volatile in price than larger company securities, especially over the short term. Among the reasons for

the greater price volatility are the less certain growth prospects of smaller and midsize companies, the lower degree of liquidity in the markets for such securities, and the greater sensitivity of smaller and midsize companies to changing economic conditions.

In addition, smaller and midsize companies may lack depth of management, be unable to generate funds necessary for growth or development, have limited product lines or be developing or marketing new products or services for which markets are not yet established and may never become established. Smaller and midsize companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans which are floating-rate.

These risks are typically increased for securities issued by smaller companies registered or performing a significant part of their activities in developing countries and Emerging Markets, especially as the liquidity of securities issued by companies in Emerging Markets may be substantially smaller than with comparable securities in industrialised countries.

#### **7.2.9 Debt Securities Risk**

All funds that invest in debt securities or money market instruments are subject to interest rate risk, credit risk, default risk and may be exposed to specific risks including but not limited to sovereign risk, high yield securities risk, restructuring risk and risk related to the use of credit ratings.

A fixed income security's value will generally increase in value when interest rates fall and decrease in value when interest rates rise. Fixed income securities with longer-term maturities tend to be more sensitive to interest rate changes than shorter-term securities.

Variable rate securities (which include floating-rate debt securities) generally are less sensitive to interest rate changes than fixed rate debt securities.

The Fund may invest in debt securities on which the issuer is not currently making interest payments (defaulted debt securities). These Funds may buy defaulted debt securities if, in the opinion of the Investment Manager and/or the Investment Co-Managers, it appears likely that the issuer may resume interest payments or other advantageous developments appear likely in the near future. These securities may become illiquid.

Sovereign debt securities can be subject to risks in addition to those relating to debt securities and foreign securities generally, including, but not limited to, the risk that a governmental entity may be unwilling or unable to pay interest and repay principal on its sovereign debt. There are generally no bankruptcy proceedings for sovereign debt. If a sovereign debtor defaults (or threatens to default) on its sovereign debt obligations, the indebtedness may be restructured. In the event of a default on sovereign debt, a Fund may have limited legal recourse against the defaulting government entity.

The Fund may invest in Sovereign Debt issued by governments or government-related entities from countries referred to as Emerging Markets or Frontier Markets, which bear additional risks compared to more developed markets due to such factors as greater political and economic uncertainties, currency fluctuations, repatriation restrictions or capital controls.

The Fund may invest in higher-yielding securities rated lower than investment grade. High-yield debt securities (including loans) and unrated securities of similar credit quality ("high-yield debt instruments" or "junk bonds") involve greater risk of loss, or delays of interest and principal payments, than higher-quality debt securities. Issuers of high-yield debt instruments are not as strong financially as those issuing securities of higher credit quality. High-yield debt instruments are generally less liquid and their prices fluctuate more than higher-quality securities.

The Fund may also invest in the securities of companies involved in mergers, consolidations, liquidations and reorganisations (including those involving bankruptcy). Such corporate events could be disruptive to the business and management structure of the companies involved, which may expose the Funds to higher investment risk.

The use of credit ratings in evaluating debt securities can involve certain risks, including the risk that the credit rating may not reflect the issuer's current financial condition or events since the security was last rated by a rating agency. Credit ratings may be influenced by conflicts of interest or based on historical data that no longer apply or are accurate. Recently, legislation and regulations to reform rating agencies have been proposed and may adversely impact the Fund's investments or investment process.

Debt securities are subject to prepayment risk when the issuer can "call" the security, or repay principal, in whole or in part, prior to the security's maturity. When a Fund reinvests the prepayments of principal it receives, it may receive a rate of interest that is lower than the rate on the existing security, potentially lowering the Fund's income, yield and its distributions to shareholders. Securities subject to prepayment may offer less potential for gains during a declining interest rate environment and have greater price volatility. Prepayment risk is greater in periods of falling interest rates.



Investors should understand that all investments involve risk and there can be no guarantee against loss resulting from an investment in any Fund(s), nor can there be any assurance that the Fund(s) investment objective(s) will be attained. Neither the Fund, the Management Company, the Investment Managers, nor any of their worldwide affiliated entities, guarantee the performance or any future return of the Fund.

## 8. Fees and Charges

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

|   |  |
|---|--|
| <b>Management Fee</b>                             | 1.00% p.a.   |
| <b>Annual Maintenance &amp; Servicing Charges</b> | Up to 0.50% p.a  |
| <b>Others</b>                                     | Annual Custodian Fee: 0.01% to 0.14% p.a.<br>Annual Admin Fee: Max. 0.20% p.a. plus additional amount per investor holding over one-year period. |

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 30 June 2023.

### Average Annual Compounded Returns

| <b>Fund Performance (%)</b>                  | <b>3mths (%)</b> | <b>6mths (%)</b> | <b>1yr (%)</b> | <b>3yrs* (%)</b> | <b>5yrs* (%)</b> | <b>10yrs* (%)</b> | <b>Since Inception** (%)</b> |
|--|------------------|------------------|----------------|------------------|------------------|-------------------|------------------------------|
| <b>Franklin Templeton Investment Funds –</b> | 2.99             | 2.98             | 7.94           | N/A              | N/A              | N/A               | -8.4                         |

## Franklin Templeton Investment Funds– Franklin Biotechnology Discovery Fund Fund Summary

|  |      |      |      |     |     |     |        |
|--|------|------|------|-----|-----|-----|--------|
| <b>Franklin Biotechnology Discovery Fund – A SGD</b> |      |      |      |     |     |     |        |
| <b>NASDAQ Biotechnology Index</b>                    | 0.43 | -2.3 | 5.87 | N/A | N/A | N/A | -10.22 |

| <b>Fund Performance (%)</b>  | <b>3mths (%)</b> | <b>6mths (%)</b> | <b>1yr (%)</b> | <b>3yrs* (%)</b> | <b>5yrs* (%)</b> | <b>10yrs* (%)</b> | <b>Since Inception** (%)</b> |
|--|------------------|------------------|----------------|------------------|------------------|-------------------|------------------------------|
| <b>Franklin Templeton Investment Funds – Franklin Biotechnology Discovery Fund – A USD</b> | 1.37             | 2.02             | 10.90          | N/A              | N/A              | N/A               | -7.83                        |
| <b>NASDAQ Biotechnology Index (USD)</b>  | -1.17            | -3.23            | 8.75           | N/A              | N/A              | N/A               | -9.69                        |

\* Annualised Return

\*\* Since inception date of ILP Sub-Fund: 22 November 2021.

Benchmark: NASDAQ Biotechnology Index.

Source: Franklin Templeton.

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

| <b>ILP Sub-Fund</b>   | <b>Expense Ratio</b> | <b>Period</b>       |
|---|----------------------|---------------------|
| Franklin Templeton Investment Funds – Franklin Biotechnology Discovery Fund – A SGD | 1.82%                | As of 30 June 2023. |
| Franklin Templeton Investment Funds – Franklin Biotechnology Discovery Fund – A USD | 1.82%                |                     |

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

| <b>ILP Sub-Fund</b>   | <b>Turnover Ratio</b> | <b>Period</b>           |
|---|-----------------------|-------------------------|
| Franklin Templeton Investment Funds – Franklin Biotechnology Discovery Fund – A SGD | -1.84%                | As of 31 December 2023. |
| Franklin Templeton Investment Funds – Franklin Biotechnology Discovery Fund – A 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.

Consistent with obtaining best execution, brokerage commissions on portfolio transactions for the Fund may be directed by the Management Company and/or the Investment Managers to brokers/dealers in recognition of research services furnished by them as well as for services rendered in the execution of orders by such brokers/dealers. The receipt of investment research and information and related services permits 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. Such services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payment, which are paid by the Management Company and/or the Investment Managers.

The Management Company and/or the Investment Managers may enter, with brokers/dealers that are entities and not individuals, into soft commission arrangements only where there is a direct and identifiable benefit to the clients of the Management Company and/or the Investment Managers, including the Fund, and where the Management Company and/or the Investment Managers are satisfied that the transactions generating the soft commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interest of the Fund. Any such arrangement must be made by the Management Company and/or the Investment Managers on terms commensurate with best market practice. The use of soft commissions shall be disclosed in the periodic reports.

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

The Management Company and/or the Investment Managers may hold Shares in the Fund for their own account. In the event of any conflict of interest arising as a result of such dealing, the Management Company and/or the Investment Managers will resolve such conflict in a just and equitable manner as they deem fit.

There may be instances where purchase or sale orders, or both, are placed simultaneously on behalf of two or more Funds/accounts managed by the Management Company and/or an Investment Manager. Orders for such securities may be aggregated for execution in accordance with established procedures. Generally, for each account, such batched transactions are averaged as to price and allocated as to amount in accordance with daily purchase or sale orders actually placed for such Fund/account. Allocations are made among several accounts in a manner deemed equitable to all by the Management Company and/or the Investment Manager, taking into account the respective sizes of the accounts and the amount of securities to be purchased or sold. Orders are aggregated whenever possible to facilitate best execution, as well as for the purpose of negotiating more favourable brokerage commissions beneficial to all accounts. Alternatively, trades may be placed according to an alternating sequence or rotation system in order to seek equitable treatment of Funds/accounts seeking to buy or sell the same securities.

#### **15. Reports**

The accounting year of HSBC Life ends on June 30 of each year. An audited annual report of the Fund will be made available to Investors (whether by post or electronic means) within four months of the accounting year end. An unaudited semi-annual report of the Fund will be made available to Investors within two months of the accounting half-year end, i.e. December 31. Copies of the audited annual reports and unaudited semi-annual reports will be available at the office of the Singapore Representative at 7 Temasek Boulevard, #38-03, Suntec Tower One, Singapore 038987 during normal Singapore business hours and on the website ([www.franklintempleton.com.sg](http://www.franklintempleton.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.

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 Annual Report and Prospectus are available for download at [www.franklintempleton.com.sg](http://www.franklintempleton.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 "Other Material Information" of the Fund's Singapore Prospectus for details on the investment restrictions.