

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

Franklin Templeton Investment Funds – Franklin Income 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 ILP Sub-Fund

The ILP Sub-Fund is a single ILP Sub-Fund which invests 100% into Franklin Templeton Investment Funds – Franklin Income Fund (the "**Underlying Sub-Fund**").

ILP Sub-Fund	Currency	ILP Sub-Fund Share Class	Investment Risk Rating
Franklin Templeton Investment Funds – Franklin Income Fund	SGD Hedged	Class A SGD-Hedged (monthly distribution)	4
Franklin Templeton Investment Funds – Franklin Income Fund	USD	Class A USD (monthly distribution)	4

The Underlying Sub-Fund is a sub-fund of the Franklin Templeton Investment Funds, a Societe d'Investissement A Capital Variable ("SICAV") mutual fund domiciled in Luxembourg. The Underlying Sub-Fund is considered an Undertaking for Collective Investment in Transferable Securities ("UCITS") authorised pursuant to the UCITS Directive. The Management Company of the Underlying Sub-Fund is Franklin Templeton Investment Services Sarl, whose registered office is at 8A, rue Albert Borschette, L-1246 Luxembourg, Luxembourg.

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**").). As the ILP Sub-Fund invests 100% into the Underlying Sub-Fund, pertinent information relating to the Underlying Sub-Fund (e.g. objective, investment strategy, key risks) will also be applicable to the ILP Sub-Fund.

*\*In order for units in the ILP Sub-Fund to be classified as Excluded Investment Products, the investment objectives and investment focus of the ILP Sub-Fund, and investment approach of the manager have to be stated in the product summary: (a) To invest only in deposits or other Excluded Investment Products; and (b) Not to engage in securities lending or repurchase transactions for the ILP Sub-Fund.*

### 3. Information on the Manager

Manager and Management Company of the Underlying Sub-Fund:

The Board of Directors has appointed Franklin Templeton International Services S.à r.l. as Management Company by a management company services agreement dated 15 January 2014 to be responsible on a day-to-day basis under the supervision of the Board of Directors, 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.

The Board of Managers of the Management Company has appointed A. Craig Blair, Eric Bedell, John Hosie, Daniel Klingelmeier, Rafal Kwasny, Maxime Lina, José Luis Perez, Marc Stoffels and Gregory Surply as conducting persons, responsible for the day-to-day management of the Management Company in accordance with article 102 of the Luxembourg Law of 17 December 2010.

The Management Company was incorporated on 17 May 1991 under the laws of the Grand Duchy of Luxembourg and its articles of incorporation are deposited with the Luxembourg Registre de commerce et des Sociétés. The Management Company is approved as a management company regulated by chapter 15 of the Law of 17 December 2010. The

Management Company is part of Franklin Templeton. The regulatory authority of the Management Company is Commission de Surveillance du Secteur Financier (“CSSF”).

The share capital of the Management Company is EUR 4,605,383.00 and the Management Company will comply at all times with article 102 of the Law of 17 December 2010.

The Management Company has been managing collective investment schemes since 1991. The Management Company may also be appointed to act as management company for other investments funds, the list of which will be available, upon request, at the registered office of the Company and of the Management Company.

The Management Company will ensure compliance by the Company with the investment restrictions and oversee the implementation of the Company's strategies and investment policy. The Management Company will receive periodic reports from the Investment Managers detailing the Funds' performance and analysing their investment. The Management Company will receive similar reports from the other services providers in relation to the services which they provide. The Management Company shall report to the Board of Directors on a quarterly basis and inform the Board of Directors of any non-compliance of the Company with the investment restrictions.

**Investment Manager of the Underlying Sub-Fund:**  
**Franklin Advisers, Inc.**

Franklin Advisers, Inc. was formed in 1985 under the laws of the State of California, U.S. 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. In addition to its fixed income capabilities, Franklin Advisers, Inc. is also renowned for its expertise in U.S. equities, particularly in utilising the growth style in equity investing. The Franklin Equity Group manages various sector-focused portfolios including financial services, biotechnology and utilities. The Franklin Equity Group and the Franklin Fixed Income Group adopt a synergistic approach by leveraging on each other's research and analysis to provide a more comprehensive coverage of their respective areas. Franklin Advisers Inc. has been managing collective investment schemes since 1985. The regulatory authority is the U.S. Securities and Exchange Commission.

**3.1 Information on the Custodian and Depositary of the Underlying Sub-Fund and Custodian of the ILP Sub-Fund**

Franklin Templeton Investment Funds has appointed Templeton Asset Management Ltd to act as the representative for each fund (the “Singapore Representative”) for the purposes of the SFA, and to carry out and provide certain administrative and other functions and services in respect of Franklin Templeton Investment Funds.

J.P. Morgan SE, Luxembourg Branch has been appointed as the Depositary to provide depositary, custodial, settlement and certain other associated services to the Company. J.P. Morgan SE is a European Company (Societas Europaea) organized under the laws of Germany, with registered office at Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany and registered with the commercial register of the local court of Frankfurt. It is a credit institution subject to direct prudential supervision by the European Central Bank (ECB), the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and Deutsche Bundesbank, the German Central Bank. J.P. Morgan SE, Luxembourg Branch is authorized by the CSSF to act as depositary and fund administrator. J.P. Morgan SE, Luxembourg Branch is registered in the Luxembourg Trade and Companies' Register (RCS) under number B255938 and is subject to the supervision of the aforementioned home State supervisory authorities as well as local supervision by the CSSF. The Depositary will further:

- a) ensure that the issue, redemption and cancellation of Shares effected by the Company or on its behalf are carried out in accordance with the Law of 17 December 2010 and the Articles;
- b) ensure that the value per Share of the Company is calculated in accordance with the Law of 17 December 2010 and the Articles;
- c) carry out, or where applicable, cause any sub-custodian or other custodial delegate to carry out the instructions of the Company or the relevant Investment Manager(s) unless they conflict with the Law of 17 December 2010 or the Articles;
- d) ensure that in transactions involving the assets of the Company, the consideration is remitted to it within the usual time limits; and
- e) ensure that the income of the Company is applied in accordance with the Articles.

The Depositary may entrust all or part of the assets of the Company that it holds in custody to such sub-custodians as may be determined by the Depositary from time to time. Except as provided in applicable laws, the Depositary's liability shall not be affected by the fact that it has entrusted all or part of the assets in its care to a third party. The Depositary shall assume its

functions and responsibilities in accordance with applicable laws as further described in the depositary agreement entered into between the Depositary, the Company and the Management Company.

The Custodian of the ILP Sub-Fund is The Hongkong and Shanghai Banking Corporation Limited.

#### **4. The Auditor of the ILP Sub-Fund and Underlying Sub-Fund**

The auditors of the Franklin Templeton Investment Funds are PricewaterhouseCoopers Société Coopérative.

The auditor of the ILP Sub-Fund is PricewaterhouseCoopers LLP.

#### **5. Investment Objectives, Focus & Approach**

##### **5.1 Investment Objectives**

The Underlying Sub-Fund seeks to maximise income while maintaining prospects for capital appreciation. The Underlying Sub-Fund invests primarily in equity securities and long and short-term debt securities. The Underlying Sub-Fund may invest up to 25% of its net assets in non-U.S. securities.

##### **5.2 Investment Focus and Approach**

The Underlying Sub-Fund's investment objective is to maximise income while maintaining prospects for capital appreciation.

The Underlying Sub-Fund invests in a diversified portfolio of transferable securities consisting of equity securities and long- and short-term debt securities. Equity securities generally entitle the holder to participate in a company's general operating results. These include common stocks, preferred stocks, convertible securities and equity-linked notes. Debt securities represent an obligation of the issuer to repay a loan of money to it, and generally provide for the payment of interest. These include bonds, notes and debentures.

In its search for growth opportunities, the Underlying Sub-Fund invests in common stocks of companies from a variety of industries such as utilities, oil, gas, real estate and consumer goods. The Underlying Sub-Fund seeks income by selecting investments such as corporate, foreign and US Treasury bonds, as well as stocks with attractive dividend yields. The Underlying Sub-Fund may invest in debt securities that are rated below investment grade. Investment-grade debt securities are rated in the top four ratings categories by independent rating organisations such as Standard & Poor's Corporation ("S&P") and Moody's Investors Services, Inc. ("Moody's"). The Underlying Sub-Fund generally invests in securities rated at least CAA by Moody's or CCC by S&P or unrated securities that the Investment Manager determines are of comparable quality. Generally, lower rated securities offer higher yields than more highly rated securities to compensate investors for the higher risk.

The Underlying Sub-Fund may invest up to 25% of its net invested assets in non-US securities. It ordinarily buys non-US securities that are traded in the US or American Depository Receipts, which are certificates typically issued by a bank or trust company that give their holders the right to receive securities issued by a US or a non-US company.

The Investment Manager searches for undervalued or out-of-favour securities it believes offer opportunities for income today and significant growth tomorrow. It performs independent analysis of the securities being considered for the Fund's portfolio, rather than relying principally on the ratings assigned by rating agencies. In its analysis, the Investment Manager considers a variety of factors, including:

- the experience and managerial strength of the company;
- responsiveness to changes in interests and business conditions;
- debt maturity schedules and borrowing requirements;
- the company's changing financial condition and market recognition of the change; and
- a security's relative value based on such factors as anticipated cash flow, interest or dividend coverage, asset coverage and earnings prospects.

The Underlying Sub-Fund may use financial derivative instruments for hedging, efficient portfolio management and investment purposes. These financial derivative instruments could include but are not limited to swaps (such as fixed income related and equity related total return swaps), forwards, futures contracts as well as options. In this context, the Underlying Sub-Fund may seek exposure to, inter alia, commodities or ETFs through the use of financial derivative instruments, cash-settled structured products or fixed income securities where the security is linked to or derives its value from another reference asset.

The Investment Manager may take a temporary defensive position when it believes the markets or the economy are experiencing excessive volatility, a prolonged general decline or when other adverse conditions may exist. Under these circumstances, the Underlying Sub-Fund may be unable to pursue its investment objective.

The Underlying Sub-Fund may also make distribution from capital, net realised and net unrealised capital gains as well as income gross of expenses. Whilst this might allow more income to be distributed, it may also have the effect of reducing capital.

### **5.3 Investor Profile**

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

- seek a high level of income and prospects of some capital appreciation
- seek to access a portfolio of both equity and debt securities via a single fund
- plan to hold their investment for the medium to long term
- understand that the principal amount of the Underlying Sub-Fund will 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**

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.

The securities and instruments in which the Underlying Sub-Fund may invest are subject to normal market fluctuations and other risks inherent in such investments and there can be no assurance that any appreciation in value will occur. The value of an investment in the Underlying Sub-Fund changes with the values of that Underlying Sub-Fund’s investments. Many factors can affect those values.

You can obtain a copy of the Underlying Sub-Fund’s Prospectus from website: <https://www.franklintempleton.com.sg/>. 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 Underlying Sub-Fund should carefully consider the following risks of the Underlying Sub-Fund.

A comprehensive description of the following risks can be obtained from the Underlying Sub-Fund's Singapore Prospectus.

**7.2.1 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 Underlying 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.

**7.2.2 Credit Risk.** Credit risk, a fundamental risk relating to all fixed income securities as well as Money Market Instruments, is the chance that an issuer will fail to make principal and interest payments when due. Issuers with higher credit risk typically offer higher yields for this added risk. Conversely, issuers with lower credit risk typically offer lower yields. Generally, government securities are considered to be the safest in terms of credit risk, while corporate debt, especially those with poorer credit ratings, have the highest credit risk. Changes in the financial condition of an issuer, changes in economic and political conditions in general, or changes in economic and political conditions specific to an issuer (particularly a sovereign or supranational issuer), are all factors that may have an adverse impact on an issuer's credit quality and security values. Related to credit risk is the risk of downgrade by a rating agency. Rating agencies such as Standard & Poor's, Moody's and Fitch, among others, provide ratings for a wide array of fixed income securities (corporate, sovereign, or supranational) which are based on their creditworthiness. The agencies may change their ratings from time to time due to financial, economic, political, or other factors, which, if the change represents a downgrade, can adversely impact the value of the affected securities.

**7.2.3 Debt Securities Risk.** 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.

**7.2.4 Derivative Instruments Risk.** The performance of derivative instruments depends largely on the performance of an underlying currency, security, index or other reference asset, and such instruments often have risks similar to the underlying instrument, in addition to other risks. The Underlying Sub-Fund may use options, futures, options on futures, and forward contracts on currencies, securities, indices, interest rates or other reference assets for hedging, efficient portfolio management and/or investment purposes. Derivative instruments involve costs and can create economic leverage in the Underlying Sub-Fund's portfolio which may result in significant volatility and cause the Underlying Sub-Fund to participate in losses (as well as gains) in an amount that significantly exceeds the Underlying Sub-Fund's initial investment. In the case of futures transactions, the amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the Fund. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

**7.2.5 Market Risk.** Your investments may be subject to significant price movements due to the impact of economic, political, market, and issuer-specific factors. The market values of securities owned by the Underlying Sub-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 Underlying Sub-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 Underlying Sub-Fund from executing advantageous investment decisions in a timely manner and could negatively impact the Underlying Sub-Fund's ability to achieve its investment objective.

**7.2.6 Class Hedging Risk.** There is no guarantee that attempts to hedge currency risk will be successful and no hedging strategy can eliminate currency risk entirely. Should a hedging strategy be incomplete or unsuccessful, the value of the Underlying Sub-Fund's assets and income can remain vulnerable to fluctuations in currency exchange rate movements.

**7.2.7 Convertible and Hybrid Securities Risk.** A convertible security is generally a debt obligation, preferred stock or other security that pays interest or dividends and may be converted by the holder within a specified period of time into common stock at a specified conversion price. The value of convertible securities may rise and fall with the market value of the underlying stock or, like a debt security, vary with changes in interest rates and the credit quality of the issuer. A convertible security tends to perform more like a stock when the underlying stock price is high relative to the conversion price (because more of the security's value resides in the option to convert) and more like a debt security when the underlying stock price is low relative to the conversion price (because the option to convert is less valuable). Because its value can be influenced by many different factors, a convertible security is not as sensitive to interest rate changes as a similar non-convertible debt security, and generally has less potential for

gain or loss than the underlying stock. Hybrid securities are those that, like convertible securities described above, combine both debt and equity characteristics. Hybrids may be issued by corporate entities (referred to as corporate hybrids) or by financial institutions (commonly referred as contingent convertible bonds or "CoCos"). Hybrid securities are subordinated instruments that generally fall in the capital structure between equity and other subordinated debt, i.e. such securities will be the most junior securities above equity. Such securities will generally have a long maturity and may even be perpetual in nature. Coupon payments may be discretionary and as such may be cancelled by the issuer at any point, for any reason, and for any length of time. The cancellation of coupon payments may not amount to an event of default. Hybrid securities are callable at pre-determined levels. It cannot be assumed that hybrid securities, including perpetual securities, will be called on the call date. The investor may not receive return of principal on a given call date or on any date.

**7.2.8 Dividend Policy Risk.** The Underlying Sub-Fund have a dividend policy that allows for payment of dividends out of capital as well as from income and net realised and net unrealised capital gains. Where this is done, while it may allow for more income to be distributed, it also amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. This has the effect of reducing capital and the potential for long-term capital growth as well as increasing any capital losses.

**7.2.9 Foreign Currency Risk.** Currency management strategies may substantially change the Underlying Sub-Fund's exposure to currency exchange rates and could result in losses to the Underlying Sub-Fund if currencies do not perform as the Investment Manager expects. In addition, currency management strategies, to the extent that they reduce the Underlying Sub-Fund's exposure to currency risks, may also reduce the Underlying Sub-Fund's ability to benefit from favourable changes in currency exchange rates.

**7.2.10 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 the Underlying Sub-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 the Underlying Sub-Fund to meet a redemption request, due to the inability of the Underlying Sub-Fund to sell securities or positions in order to raise sufficient cash to meet the redemption request. Markets where the Underlying Sub-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 Underlying Sub-Fund and, as noted, on the ability of the Underlying Sub-Fund to meet redemption requests in a timely manner.

**7.2.11 Securities Lending Risk.** The entering by the Management Company into securities lending transactions, as contemplated in Appendix B.4 of the Underlying Sub-Fund's 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.

**7.2.12 Securitisation Risk.** A securitisation, as defined in the article 2 of Regulation (EU) 2017/2402 of the European Parliament and of the council of 12 December 2017 is a transaction or scheme, whereby the credit risk associated with an exposure or a pool of exposures is tranching, having all of the following characteristics: (i) payments in the transaction or scheme are dependent upon the performance of the exposure or of the pool of exposures; (ii) the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme; (iii) the transaction or scheme does not create exposures which possess all of the characteristics listed in Article 147(8) of Regulation (EU) No 575/2013.

For further information, please refer to the Underlying Sub-Fund's Luxembourg Prospectus under section "Risk Descriptions".

## 8. Fees and Charges

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

<b>Annual Management Fee</b>	1.35% per annum
<b>Custodian Fee</b>	0.01% to 0.14 % per annum
<b>Administration Fee</b>	Up to 0.20 % per annum

Refer to "Fees, Charges and Expenses" and Appendix 1 of the Singapore Prospectus of the Underlying Sub-Fund for further information on fees and charges.

### **8.2 Payable by cancellation of units**

Please refer to Policy Fees and Charges section 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 Underlying Sub-Fund is suspended.

9.2 The circumstances under which the issue, realisation and/or cancellation of units of the Underlying Sub-Fund may be suspended are set out in the Singapore Prospectus of the Underlying Sub-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 Underlying Sub-Fund against its benchmark as at 31 December 2023.

### Average Annual Compounded Returns

Fund Performance (%)	3mths (%)	6mths (%)	1yr (%)	3yrs* (%)	5yrs* (%)	10yrs* (%)	Since Inception** (%)
<b>Franklin Templeton Investment Funds – Franklin Income Fund A (Mdis) SGD-H1</b>	5.81	2.61	5.37	3.26	4.54	2.61	2.81
<b>Linked Blended 50% MSCI USA High Dividend Yield Index + 25% Bloomberg High Yield Very Liquid Index + 25% Bloomberg US Aggregate Index (HB10265)</b>	7.75	5.85	8.29	3.55	6.43	6.04	5.85

Fund Performance (%)	3mths (%)	6mths (%)	1yr (%)	3yrs* (%)	5yrs* (%)	10yrs* (%)	Since Inception** (%)
<b>Franklin Templeton Investment Funds –</b>	6.38	3.65	7.00	4.14	2.48	3.13	5.05

<b>Franklin Income Fund A (Mdis) USD</b>							
<b>Linked Blended 50% MSCI USA High Dividend Yield Index + 25% Bloomberg High Yield Very Liquid Index + 25% Bloomberg US Aggregate Index (HB10265)</b>	7.75	5.85	8.29	3.55	6.43	6.04	5.47

\*Annualised Return

Source: Franklin Templeton,

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. The performance figures stated in the table above are in respect of the Underlying Sub-Fund, in its respective currency denomination. The performance of the ILP Sub-Fund is not available as the ILP Sub-Fund was launched on 18 March 2024.

### 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

The expense ratios of the Underlying Sub-Fund for the year ended 31 December 2023

<b>Underlying Sub-Fund</b>	<b>Expense Ratio</b>	<b>Period ending</b>
Franklin Templeton Investments Funds – Franklin Income Fund A (Mdis) SGD-H1	1.68%	31 December 2023
Franklin Templeton Investments Funds – Franklin Income Fund A (Mdis) USD	1.67%	

The expense ratios stated in the table above are in respect of the Underlying Sub-Fund for the 12- month period ending 31 December 2023. The expense ratio for the ILP Sub-Fund and Underlying Sub-Fund may differ. The expense ratio of the ILP Sub-Fund is not available as it is newly launched.

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.

Source: Franklin Templeton

### 12. Turnover Ratio

The turnover ratio of the Underlying Sub-Fund for the year ended 31 December 2023:

<b>Underlying Sub-Fund</b>	<b>Turnover Ratio</b>	<b>Period ending</b>
Franklin Templeton Investments Funds – Franklin Income Fund A (Mdis) SGD-H1	46.74%	31 December 2023
Franklin Templeton Investments Funds – Franklin Income Fund A (Mdis) USD	46.74%	



The turnover ratios stated in the table above are in respect of the Underlying Sub-Fund for the 12- month period ending 31 December 2023. The turnover ratios for the ILP Sub-Fund and Underlying Sub-Fund may differ. The turnover ratios of the ILP Sub-Fund are not available as it is newly launched.

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.

Source: Franklin Templeton

### **13. Soft Dollar Commissions or Arrangements**

HSBC Life (Singapore) Pte. Ltd. does not receive or enter into soft dollar commission or arrangements in the management of the ILP Sub-Fund.

With respect to the Underlying Sub-Fund:

All transactions are executed in compliance with applicable regulatory requirements and in accordance with the best execution policy of the Underlying Sub-Fund. Transactions of the Underlying Sub-Fund may be executed by the Management Company, Investment Adviser, or their Connected Persons. The Management Company, Investment Advisers and their Connected Persons will not receive cash or other rebates from brokers or dealers but may enter into soft commission arrangements or commission sharing agreements for the provision of services which are of demonstrable benefit to the Underlying Sub-Fund (e.g. research) as long as transactions generating such commission are made in good faith and in strict compliance with applicable laws and regulations.

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

HSBC Life (Singapore) Pte. Ltd. does not have any conflict of interest which may exist or arise in relation to the ILP Sub-Fund and its management.

With respect to the Underlying Sub-Fund:

The Management Company and/or the Investment Managers may hold Shares in the funds 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 financial year end for the Underlying Sub-Fund is 30 June. The Underlying Sub-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 Underlying Sub-Fund's annual/semi-annual report is available for download at <https://www.franklintempleton.com.sg/our-funds/price-and-performance/>.

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 Underlying Sub-Fund's Prospectus is available for download at <https://www.franklintempleton.com.sg/our-funds/price-and-performance/>.

### **16.1. Obtaining Prices of Units**

The ILP Sub-Fund values daily on every business day in the country where the Underlying Fund is domiciled and in Singapore. The Net Asset Value of the ILP Sub-Fund is published on HSBC Life website at [www.hsbc.life.com.sg](http://www.hsbc.life.com.sg).

Please refer to the Product Summary.

### **16.2. Distribution of Income, Capital and Dividends**

Under normal circumstances, you will receive regular distributions out of income depending on the distribution share classes you are investing in. Any distributions may also be made out of the capital, net realised and net unrealised capital gains as well as income gross of expenses of the Underlying Sub-Fund, which will reduce the net asset value of the Underlying Sub-Fund.

The Underlying Sub-Fund is a monthly dividend distribution fund.

According to your selected dividend payout option, We will distribute the dividends or additional units from dividend distributions within 21 Business Days from the relevant ILP Sub-Fund's record date subject to arrangement with the Manager.

### **16.3. 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.

### **16.4. Subscription of Units**

Payment of the premiums shall be by way of cash (if policy currency is in SGD), cheque, telegraphic transfer or through interbank GIRO (GIRO deduction is in SGD regardless of the chosen policy currency). We do not bear the loss resulting from any currency conversion or the cost of charges incurred on any transactions pertaining to currency conversions. All amounts payable to and due from us will be calculated and made in the policy currency, unless otherwise stated.

As units are issued on a forward pricing basis, the issue price of units will not be ascertainable at the time of application.

Subject to:

- (i) our approval of the application; and
- (ii) our receipt and acceptance of the premium payment in full, before 3.30pm Singapore time on a Dealing Day,

the Policyholder will be issued units in relation to his regular premium, Recurring Single Premium or Top-up Premium (as the case may be) at the prevailing unit price as at the first Dealing Day after (i) and (ii) above, and subject to the relevant Manager's pricing policy.

If we accept your application and premium payment after 3.30 p.m. Singapore time on a Dealing Day or on a day which is not a Dealing Day, it will be taken to have been received on the next Dealing Day. We reserve the right to bring forward the cut-off time in respect of any Dealing Day.

The following example illustrates the amount of subscription proceeds applicable for 1,000 units and at a notional subscription price of S\$0.90\*:

Number of Units to be subscribed	Subscription Price	Gross Subscription Amount	Net Subscription Amount
1,000	X S\$0.90	= S\$900	= S\$900

\* The actual subscription price of the units will fluctuate according to the net asset value of the Units

### 16.5. Redemption of Units

You may exit the ILP Sub-Fund by submitting to Us or Our Financial Planners, a written redemption request in such form and together with such other documents as may be required.

If you cancel your policy (by a written request to us) within the Free-Look period of 14 days from the date of receipt of this policy, you will get a refund of your premium paid less any medical fees and other expenses such as payments for medical check-ups and medical reports incurred in processing your application. Additionally, please note that you will have to take the risk for any price changes in the ILP Sub-Fund since the time it was purchased.

This policy is deemed to have been delivered and received by you 7 days after posting. For subsequent withdrawal/surrender or fund switching:

- The sales proceeds that you will receive will be the redemption price multiplied by the number of units sold, less any charges. For partial/full withdrawal, charges may be applicable. Please refer to Product Summary for more information
- Redemption proceeds for the units will be paid to you within six (6) Business Days from the date of the next pricing of the ILP Sub-Fund immediately following the receipt by Us of the redemption request.
- If the redemption request is received by Us before 3.30 p.m. on a Dealing Day, the redemption request will be taken to have been received on that Dealing Day and you will receive that next Dealing Day's redemption price and subject to the respective underlying fund manager's pricing policy. If you miss the cut-off time, your order will be based on the following Dealing Day's redemption price.
- The following example illustrates the amount of redemption proceeds you will receive based on a redemption of 1,000 Units and a notional redemption price of S\$0.95\* and currently NIL redemption charge and switching fee:

Number of Units to be redeemed	Redemption Price	Gross Redemption proceeds	Net redemption Proceeds
1,000	X S\$0.95	= S\$950	= S\$950

\* The actual redemption price of the Units will fluctuate according to the net asset value of the Units