

Important Notes: Information mentioned in this document is intended to provide you with a general summary of the ILP Sub-Fund and are subject to change. Please read the Policy (including Policy Illustration, Product Summary and Fund Summary) for the full details of the standard terms and conditions and the exclusions of the insurance product and ILP Sub-Fund.

This Product Highlights Sheet ("PHS") is an important document.

- It highlights the key terms and risks of the ILP Sub-Fund and complements the Product Summary and Fund Summary.
- It is important to read the Product Summary and the Fund Summary before deciding whether to purchase the ILP Sub-Fund. If you do not have a copy, please contact us to ask for one.
- You should not invest in the ILP Sub-Fund if you do not understand it or are not comfortable with the accompanying risks.
- Unless otherwise defined, capitalised terms in this PHS have been defined in the Fund Summary.

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

HSBC Global Investment Funds– Managed Solutions - Asia Focused Income (the "ILP Sub-Fund")

Product Type	ILP Sub-Fund ¹	Launch Date	25 May 2012
Manager	HSBC Investment Funds (Luxembourg) S.A.	Custodian	HSBC Continental Europe, Luxembourg
Capital Guaranteed	No	Dealing Frequency	Each Dealing Day
Name of Guarantor	N.A.	Expense Ratio as at 30 June 2023	Class AM3 SGD Hedged: 1.62% Class AM2 USD: 1.60%
ILP Sub-Fund Share Class	HSBC Global Investment Funds – Managed Solutions - Asia Focused Income – AM3 SGD Hedged HSBC Global Investment Funds – Managed Solutions - Asia Focused Income – AM2 USD		

ILP SUB-FUND SUITABILITY

WHO IS THE ILP SUB-FUND SUITABLE FOR?

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

- Seek income and moderate capital growth over the long term
- Understand that a high proportion of the assets may be invested in equity, or equity-related securities, or in bonds rated below Investment Grade in markets which may be subject to moderately high volatility
- Are comfortable with the volatility and risks related to investing in Emerging Markets (Asia ex-Japan)
- Understand that the principal of the Sub-Fund will be at risk.

Further Information

Refer to Section 5 and Section 7 of the Fund Summary for further information on the ILP Sub-Fund.

KEY FEATURES OF THE ILP SUB-FUND

¹The ILP Sub-Fund is not classified as Excluded Investment Product.

WHAT ARE YOU INVESTING IN?

The ILP Sub-Fund invests 100% into HSBC Global Investment Funds – Managed Solutions - Asia Focused Income (the “**Sub-Fund**”). The Sub-Fund is incorporated in the Grand Duchy of Luxembourg and qualifying as an Undertaking for Collective Investment in Transferable Securities (UCITS) complying with the provisions of Part I of the 2010 Law.

The Sub-Fund invests for income and moderate capital growth through an active asset allocation in a diversified portfolio of fixed income and equity securities as well as money market and cash instruments.

The Sub-Fund intends to declare dividend monthly. For share classes AM2/AM3 of the Sub-Fund (if made available for subscription), distributions out of capital (if any) will reduce the Net Asset Value of the relevant share class of the Sub-Fund.

Refer to Section 2, Section 5 and Section 16 of the Fund Summary for further information on features of the ILP Sub-Fund.

Investment Strategy

The Sub-Fund will normally invest a minimum of 70% of its net assets in Asian (including Asia-Pacific and excluding Japan) based income oriented assets in both fixed income and equity markets including, but not limited to corporate bonds, sovereign bonds and higher yielding equities. The Sub-Fund may also invest in other non-Asian based assets such as global Emerging Markets bonds, US Treasuries and eligible closed-ended Real Estate Investment Trusts (“REITs”). Exposure to these assets may be achieved through direct investments and/or investment in units or shares of UCITS and/or other Eligible UCIs.

The Sub-Fund will invest in Investment Grade, Non-Investment Grade rated and unrated fixed income securities issued or guaranteed by governments, government agencies or supranational bodies worldwide or companies in both developed and Emerging Markets.

Investment in onshore Chinese fixed income securities include, but are not limited to, onshore fixed income securities denominated in RMB, issued within the People’s Republic of China (“PRC”) and traded on the China Interbank Bond Market (“CIBM”).

The Sub-Fund will also invest in equity and equity equivalent securities, particularly those that offer above average dividend yields and/or the potential for sustainable dividend growth.

The Sub-Fund may use financial derivative instruments for hedging purposes and cash flow management (for example, Equalization). However, the Sub-Fund will not use financial derivative instruments extensively for investment purposes. Financial derivative instruments may also be used for efficient portfolio management purposes.

The Sub-Fund may enter into Securities Lending transactions for up to 29% of its net assets, however this is not expected to exceed 25%.

The Sub-Fund is actively managed and is not constrained by a benchmark.

For the specific group of asset classes described in the table below, the Sub-Fund will have a total maximum exposure limit as follows:

Asset Class*	Maximum Exposure
Equity	50%
Fixed Income, including Bonds, Money Market instruments, other Fixed Income Instruments and Cash**	100%
Others, including Real Estate	30%

* Exposure to these asset classes may be achieved through direct investments and/or investment in units or shares of UCITS and/or other Eligible UCIs.

** The aggregate exposure to money market instruments and cash will be less than 30% of the sub-fund’s net assets.

Asset allocation to different income oriented assets will be managed to maximize the Sub-Fund’s risk-adjusted yield and total return.

Refer to Section 5 of the Fund Summary for the further information on the investment focus and approach of the ILP Sub-Fund.

Parties Involved	
WHO ARE YOU INVESTING WITH? <ul style="list-style-type: none"> The management company - HSBC Investment Funds (Luxembourg) S.A. Investment adviser – HSBC Global Asset Management (Hong Kong) Limited Custodian/Depository Bank – HSBC Continental Europe, Luxembourg 	Refer to Section 3 of the Fund Summary for further information on the roles and responsibilities of these entities and what happens if they become insolvent.
Key Risks	
WHAT ARE THE KEY RISKS OF THIS INVESTMENT? <p>The value of the Fund may rise or fall. These risk factors may cause you to lose some or all of your investment.</p>	Refer to Section 7.1 of the Fund Summary for further information on risks of the ILP Sub-Fund.
Market and Credit Risks	
<p>You are exposed to Interest Rate Risk When interest rates rise, bond values generally fall. This risk is generally greater the longer the maturity of a bond investment and the higher its credit quality.</p> <p>You are exposed to Credit Risk A bond or money market security could lose value if the issuer's financial health deteriorates.</p> <p>You are exposed to Market Risk The value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies in Asia (ex Japan).</p> <p>You are exposed to Foreign Exchange Risk Changes in currency exchange rates could reduce or increase investment gains or investment losses, in some cases significantly.</p>	Refer to Section 7.2 of the Fund Summary for further information on market risk of the Underlying Sub-Fund.
Liquidity Risks	
<p>The Sub-Fund is not listed in Singapore and there is no secondary market for its Shares. You can only redeem your investment on a Dealing Day through HSBC Life.</p> <p>Investment of the Sub-Fund's assets in relatively illiquid investments may restrict the ability of the Sub-Fund to dispose of its investments at a price and time that it wishes to do so. This may result in a loss to the Sub-Fund.</p>	Refer to Section 7.1 of the Fund Summary for information on liquidity risks of the ILP Sub-Fund and Section 9 of the Fund Summary for further information on Suspension of Dealings of the ILP Sub-Fund.
Product-Specific Risks	
<p>You are exposed to Emerging Markets Risk Emerging markets are less established, and often more volatile, than developed markets and involve higher risks, particularly market, liquidity and currency.</p> <p>You are exposed to Non-Investment Grade Debt Risk Credit risk may be greater for Non-Investment Grade securities as they may be subject to a higher risk of default and greater price volatility. Investment grade bonds may be subject to the risk of being downgraded to noninvestment grade bonds. In the event of downgrading, the Sub-Fund's investment value in the relevant security may be adversely affected.</p> <p>You are exposed to China Interbank Bond Market (CIBM) Investments in the CIBM are subject to these risks: market and liquidity risks, Chinese local credit rating risks, counterparty and settlement risk, operational risk, quasi-Government/local Government bond risk, urban investment bonds risk and regulatory risk.</p>	Refer to Section 7.2 of the Fund Summary for further information on specific risks of the Underlying Sub-Fund.

You are exposed to risk of investing in China A-Shares through Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect

Investments through the Stock Connects are subject to additional risks, namely, quota limitations, suspension risk, operational risk, restrictions on selling imposed by front-end monitoring, recalling of eligible stocks, clearing and settlement risks, nominee arrangements in holding China A-shares and regulatory risk.

You are exposed to the risks of investing in China A-Shares Access Product (“CAAP”)

Investing in CAAP linked to China A-shares in the People’s Republic of China involves risks that include but limited to, the terms and conditions imposed by the CAAP issuer, liquidity of CAAPs, and credit risk of the CAAP issuer.

You are exposed to the risk of investment in REITs

For Sub-Fund direct investments in REITs, any dividend policy or dividend payout at the Sub-Fund level may not be representative of the dividend policy or dividend payout of the relevant underlying REIT.

You are exposed to Contingent Convertible Securities (CoCos) Risk

Contingent convertible securities (CoCo bonds) are comparatively untested, their income payments may be cancelled or suspended, and they are more vulnerable to losses than equities and can be highly volatile.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Payable directly by you as a percentage of your investment amount:

Premium Charge*	Currently Nil
Surrender Penalty*	Surrender penalty may apply. You should also refer to the Product Summary for information on the surrender penalty, if applicable.
Switching Fee*	Currently Nil

Payable by the ILP Sub-Fund from asset value of the portfolio:

Management Fee	1.25% p.a.
Operating, Administrative and Servicing Expenses	0.35% p.a. The maximum rate for (i) the Operating, Administrative and Servicing Expenses and (ii) Operating Currency Hedged Share Class Fee is set at 1% of the net asset value of the relevant Share Class in the Sub-Fund.

* HSBC Life reserves the right to review and amend the fees and charges by giving you at least thirty (30) days’ advance notice.

Refer to Section 8 of the Fund Summary and Section 5 of the Product Summary for further information on fees, charges and Surrender Penalty (if applicable).

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

Valuations are available on each Dealing Day. The net asset value of the Shares of the Sub-Fund for each Dealing Day is published on the website at www.assetmanagement.hsbc.com/sg.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You can exit or partially exit the ILP Sub-Fund at any time by informing HSBC Life (Singapore) Pte. Ltd. (“**HSBC Life**”), either directly or through your Financial Consultant from whom you purchased the ILP Sub-Fund. If your application reaches our correspondence address before 3.30pm on a business day, it will be processed on the same business day. If your application is received after 3:30pm, it will be processed on the next business day. The units withdrawn will be realised at the unit price of the ILP Sub-Fund on the valuation date immediately following the date we accept your written application. The withdrawal proceeds will usually be paid out within 6 business days from the day we process your valid application to exit or partially exit the ILP Sub-Fund.

Refer to Section 13 of the Product Summary for more information on valuation, and Sections 7 and 8 of the Product Summary for more information on withdrawal and switching.

The following is an illustration of the withdrawal amount** that you will receive from the ILP Sub-Fund based on withdrawal of 1,000 units, and unit price of \$1.50 assuming the policy is surrendered in the first year with surrender penalty charge of 70% on the account value.

$$(1,000 \times \$1.50) - 70\% (1,000 \times \$1.50) = \$450$$

Gross withdrawal amount - surrender penalty charge = Net withdrawal amount

** You should also refer to the Product Summary for information on any surrender penalty that may be applicable.

If you decide to terminate the Investment-Linked Policy within the free-look period of receiving your Investment-Linked Policy, HSBC Life will refund the initial premium you paid without interest, without incurring the fees and charges as stated above, less any medical and/or underwriting expenses incurred in accepting your application; and a sum to account for market fluctuation in respect of your units as determined by HSBC Life. Please note that no top-up, fund switching, partial withdrawal or surrender is allowed during the free-look period.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

Please contact your Financial Consultant or call Customer Service Hotline at +65 6880 4888, Mondays to Fridays (excluding public holidays), 9am to 5pm.

GLOSSARY

“Business Day” – A day on which banks are open for normal banking business in Singapore.

“Dealing Day” – Any Business Day (other than days during a period of suspension of dealing in Shares) and which is also for the Sub-Fund, a day where stock exchanges and regulated markets in countries where the Sub-Fund is materially invested are open for normal trading.

“Emerging Markets” – Markets in countries that are not amongst the following groups of industrialised countries: United States and Canada, Switzerland and Members of the European Economic Area, the UK, Japan, Australia and New Zealand, and may include those countries in the preceding groups that do not have fully developed financial markets.

“Equitisation” - Cash equitisation may be used for a Sub-Fund and involves the use of financial derivative instruments such as index futures to achieve synthetic equity exposure for the purpose of avoiding performance drag from uninvested cash which typically provides lower returns than equities whilst searching for suitable investment opportunities.

“Other Eligible UCI” – An open-ended Undertaking for Collective Investment within the meaning of Article 1 paragraph (2) points a) and b) of Directive 2009/65/EC and complying with the following:

- it is authorised under laws which provide that it is subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, or if cooperation between authorities is sufficiently ensured;
- the level of protection for its unitholders is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive 2009/65/EC, as amended;
- its business is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
- no more than 10% of its assets can, according to its management regulations or instruments of incorporation, be invested in aggregate in units of other UCITS or other UCIs. Closed-ended UCIs are not considered as other Eligible UCIs, but may qualify as transferable securities.

“REIT” – An entity that is dedicated to owning, and in most cases, managing real estate. This may include, but is not limited to, real estate in the residential (apartments), commercial (shopping centres, offices) and industrial (factories, warehouses) sectors. Certain REITs may also engage in real estate financing transactions and other real estate development activities.

“UCITS” – An Undertaking for Collective Investment in Transferable Securities authorised pursuant to directive 2009/65/EC, as amended.

