

1. Description of the ILP Sub-Fund

HSBC Global Investment Funds – Singapore Dollar Income Bond (the "**ILP Sub-Fund**") is an investment-linked policy sub-fund offered by HSBC Insurance (Singapore) Pte. Limited ("**HSBC Life**").

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

2. Structure of the ILP Sub-Fund

The ILP Sub-Fund is a single ILP sub-fund which invests 100% into HSBC Global Investment Funds – Singapore Dollar Income Bond (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.

ILP Sub-Fund	Currency	Share Class	Investment Risk Rating
HSBC Global Investment Funds – Singapore Dollar Income Bond	SGD	HSBC Global Investment Funds – Singapore Dollar Income Bond – AM2 SGD	1
HSBC Global Investment Funds – Singapore Dollar Income Bond	USD	HSBC Global Investment Funds – Singapore Dollar Income Bond – AM3 USD Hedged	1

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 Sub-Fund is HSBC Investment Funds (Luxembourg) S.A (the "**Management Company**"). The Management Company is responsible on a day-to-day basis, under the supervision of the Directors, for providing administration, marketing, investment management and advice services in respect of all Sub-Funds.

HSBC Global Asset Management is the core global investment solutions platform of the HSBC Group. With a global network of dedicated offices, HSBC Global Asset Management is able to create and deliver solutions to clients worldwide. As at December 2020, HSBC Global Asset Management had USD 609 billion worth of assets under management.

HSBC Global Asset Management (Hong Kong) Inc. is the investment adviser (the "**Investment Adviser**") of the Sub-Fund. HSBC Global Asset Management (Hong Kong) Limited was established in Hong Kong SAR in 1973 and has over 30 years of experience in managing discretionary funds and collective investment schemes. It is regulated by the Securities and Futures Commission (SFC) in Hong Kong SAR. As at December 2020, it had USD 105 billion worth of assets under management. The regulatory authority is Securities and Futures Commission of Hong Kong SAR.

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

The Depositary Bank is the Luxembourg branch of HSBC Continental Europe, a public limited company incorporated pursuant to the laws of France with company registration number 775 670 284 RCS Paris.

4. The Auditor

The auditor of the Sub-Fund is PricewaterhouseCoopers Société Coopérative.

5. Investment Objectives, Focus and Approach

5.1 Investment Objectives

The Sub-Fund aims to provide long term total return by investing in a portfolio of bonds denominated in or hedged into Singapore Dollars (SGD).

5.2 Investment Focus and Approach

The Sub-Fund invests in normal market conditions a minimum of 90% of its net assets in:

- Singapore Dollar denominated Investment Grade and Non-Investment Grade rated fixed income, unrated fixed income and other similar securities issued or guaranteed by governments, government agencies or supranational bodies or issued by companies.
- Investment Grade and Non-Investment Grade rated fixed income, unrated fixed income and other similar securities which are denominated in non-SGD currencies and hedged to SGD. These securities will primarily be issued or guaranteed by governments, government agencies or supranational bodies in Asia or issued by companies which are domiciled in, based in, or carry out the larger part of their business in Asia.

The Sub-Fund may invest up to 30% of its net assets in Non-Investment Grade rated fixed income securities.

The Sub-Fund may invest up to 10% of its net assets in Asset Backed Securities (“ABS”) and Mortgage Backed Securities (“MBS”).

The Sub-Fund may invest up to 10% of its net assets in convertible bonds (excluding contingent convertible securities).

The Sub-Fund may invest up to 10% of its net assets in contingent convertible securities; however such investment is not expected to exceed 5%.

The Sub-Fund may invest up to 10% of its net assets in units or shares of UCITS and/or other Eligible UCIs (including other sub-funds of HSBC Global Investment Funds).

The Sub-Fund may use financial derivative instruments for hedging purposes and efficient portfolio management purposes. The Sub-Fund may also use, but not extensively, financial derivative instruments for investment purposes. The financial derivative instruments the Sub-Fund is permitted to use include, but are not limited to, futures, options, swaps (such as credit default swaps) and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the Sub-Fund may invest.

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%.

It is expected that the Sub-Fund's primary currency exposure will be to the SGD. The Sub-Fund may have exposure to non-SGD currencies, including developed market and Emerging Market currencies, which will be hedged into SGD.

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

Risk Management

The commitment approach is used to measure and monitor the level of risk for this Sub-Fund. Please refer to Section 1.6 of the Sub-Fund's Luxembourg Prospectus on Risk Management Process for further information on the commitment approach.

5.3 Investor Profile

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

- Seek high income over the long term
- Are comfortable with the risks related to investing in Investment Grade and Non-Investment Grade rated fixed income, unrated fixed income and other similar securities which are denominated in Singapore Dollars (SGD) or denominated in non-SGD currencies and hedged to SGD

- Understand that the principal of the 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

Investment in the Sub-Fund carries with it a degree of risk, including, but not limited to those specifically referred to in Sections 1.4 and 3.3 of the Sub-Fund's Luxembourg Prospectus. Potential investors should review the Luxembourg Prospectus in its entirety prior to making a decision to invest. There can be no assurance that the Sub-Fund will achieve their investment objectives and past performance should not be seen as a guide to future returns. Investors should remember that the price of shares and any income from them may fall as well as rise and they may not get back the full amount invested. An investment may also be affected by any changes in exchange control regulations, tax laws, withholding taxes and economic or monetary policies.

Please refer to Section 1.5 of the Sub-Fund's Luxembourg Prospectus on General Risk Considerations for further details. You can download the Sub-Fund's Luxembourg Prospectus from website: www.assetmanagement.hsbc.com/sg.

7.1.1 Market Risk

There is no guarantee in respect of repayment of principal and the value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Sub-Fund. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

7.1.2 Emerging Markets

Because of the special risks associated with investing in Emerging Markets, sub-funds which invest in such securities should be considered speculative. Investors in such sub-funds are advised to consider carefully the special risks of investing in Emerging Market securities. Economies in Emerging Markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries in which they trade.

Brokerage commissions, custodial services and other costs relating to investment in Emerging Markets generally are more expensive than those relating to investment in more developed markets. Lack of adequate custodial systems in some markets may prevent investment in a given country or may require a sub-fund to accept greater custodial risks in order to invest, although the Depository Bank will endeavour to minimise such risks through the appointment of correspondents that are international, reputable and creditworthy financial institutions. In addition, such markets have different settlement and clearance procedures. In certain markets there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. The inability of a sub-fund to make intended securities purchases due to settlement problems could cause the sub-fund to miss attractive investment opportunities. Inability to dispose of a portfolio security caused by settlement problems could result either in losses to a sub-fund due to subsequent declines in value of the portfolio security or, if a sub-fund has entered into a contract to sell the security, could result in potential liability to the purchaser.

The risk also exists that an emergency situation may arise in one or more developing markets as a result of which trading of securities may cease or may be substantially curtailed and prices for a sub-fund's securities in such markets may not be readily available.

Investors should note that changes in the political climate in Emerging Markets may result in significant shifts in the attitude to the taxation of foreign investors. Such changes may result in changes to legislation, the interpretation of legislation, or the granting of foreign investors the benefit of tax exemptions or international tax treaties. The

effect of such changes can be retrospective and can (if they occur) have an adverse impact on the investment return of shareholders in any sub-fund so affected.

Investors in Emerging Markets sub-funds should be aware of the risk associated with investment in Russian equity securities. Markets are not always regulated in Russia and, at the present time, there are a relatively small number of brokers and participants in these markets and when combined with political and economic uncertainties this may temporarily result in illiquid equity markets in which prices are highly volatile.

The sub-funds' investments are spread among a number of industries however the BRIC countries' markets are comprised of significant weightings in the natural resources sectors. This means that the sub-fund's investments may be relatively concentrated in these sectors and the performance of the sub-fund could be sensitive to movements in these sectors. Risks of sector concentration are outlined below. In selecting companies for investment, a company's financial strength, competitive position, profitability, growth prospects and quality of management will typically be evaluated.

7.1.3 Foreign Exchange Risk

Because a sub-fund's assets and liabilities may be denominated in currencies different to the Base Currency, the sub-fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the Base Currency and other currencies. Changes in currency exchange rates may influence the value of a sub-fund's Shares, the dividends or interest earned and the gains and losses realised. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions.

If the currency in which a security is denominated appreciates against the Base Currency, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

A sub-fund may engage in foreign currency transactions in order to hedge against currency exchange risk, however there is no guarantee that hedging or protection will be achieved. This strategy may also limit the sub-fund from benefiting from the performance of a sub-fund's securities if the currency in which the securities held by the sub-fund are denominated rises against the Base Currency. In case of a hedged class, (denominated in a currency different from the Base Currency), this risk applies systematically.

7.1.4 Counterparty Risk

The Sub-Fund may enter into transactions in over-the-counter markets, which will expose the Sub-Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts.

For example, the Sub-Fund may enter into repurchase agreements, Securities Lending, forward contracts, options and swap arrangements or other derivative techniques, each of which expose the Sub-Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In addition, some fixed income structures such as asset backed securities can incorporate swap contracts that involve counterparty risk. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Sub-Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights.

There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred. Derivative contracts such as direct swap contracts or swap contracts embedded in other fixed income structures entered into by the Sub-Fund on behalf of a sub-fund on the advice of the Investment Adviser involve credit risk that could result in a loss of the sub-fund's entire investment as the sub-fund may be fully exposed to the credit worthiness of a single approved counterparty where such an exposure will be collateralised.

The Sub-Fund employs a variety of mechanisms to manage and mitigate counterparty risk including but not limited to the following:

1. Counterparty approval using external credit ratings and/or a credit review consisting of three years' worth of audited financial accounts;
2. Counterparties are also reviewed at least annually to ensure that they remain appropriate for the requirements of the business. Counterparties are monitored on a continual basis and any adverse information concerning the credit worthiness of approved counterparties is considered as a matter of urgency;
3. Counterparty exposures are monitored on a daily basis by a function independent of the front office; Exposures may also be managed through a collateral and margining arrangement supported by appropriate and legally enforceable trading agreements.

7.1.5 Risks Associated with Government or Central Banks' Intervention

Changes in regulation or government policy leading to intervention in the currency and interest rate markets (e.g. restrictions on capital movements or changes to the way in which a national currency is supported such as currency de-pegging) may adversely affect some financial instruments and the performance of the sub-funds.

7.1.6 Volatility

The price of a financial derivative instrument can be very volatile. This is because a small movement in the price of the underlying security, index, interest rate or currency may result in a substantial movement in the price of the financial derivative instrument. Investment in financial derivative instruments may result in losses in excess of the amount invested.

7.1.7 Futures and Options

Under certain conditions, the Sub-Fund may use options and futures on securities, indices and interest rates for the purpose of investment, hedging and efficient portfolio management. In addition, where appropriate, the Sub-Fund may hedge market and currency risks using futures, options or forward foreign exchange contracts.

Transactions in futures carry a high degree of risk. 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 investor. 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.

Transactions in options also carry a high degree of risk. Selling (“writing” or “granting”) an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is “covered” by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

7.1.8 Credit Default Swaps

Credit default swaps may trade differently from the funded securities of the reference entity. In adverse market conditions, the basis (difference between the spread on bonds and the spread on credit default swaps) can be significantly more volatile.

7.1.9 Total Return Swaps

A sub-fund may utilise Total Return Swaps to, inter alia, replicate the exposure of an index or to swap the performance of one or more instruments into a stream of fixed or variable rate cash-flows. In such cases, the counterparty to the transaction will be a counterparty approved and monitored by the Management Company or the Investment Adviser. At no time will a counterparty in a transaction have discretion over the composition or the management of the sub-fund's investment portfolio or over the underlying asset of the Total Return Swap.

7.1.10 OTC Financial Derivative Transactions

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which currencies, forward, spot and option contracts, credit default swaps, Total Return Swaps and certain options on currencies are generally traded) than of transactions entered into on organized exchanges. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with OTC financial derivative transactions. Therefore, a sub fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that a sub fund will sustain losses. The Sub-Fund will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of these measures, the Sub-Fund may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that a sub-fund will not sustain losses as a result.

From time to time, the counterparties with which the Sub-Fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Sub-Fund might be unable to enter into a desired transaction in currencies, credit default swaps or Total Return Swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange traded instruments, forward, spot and option contracts on currencies do not provide the Investment Adviser with the possibility to offset the Sub-Fund's obligations through an equal and opposite transaction. For this reason, in entering into forward, spot or options contracts, the Sub-Fund may be required, and must be able, to perform its obligations under the contracts.

7.1.11 Securities Lending and Repurchase Transactions

To the extent that the Sub-Fund uses any of the techniques and instruments set out in the Luxembourg Prospectus Appendix 2. "Restrictions on the Use of Techniques and Instruments", their use may involve certain risks and there can be no assurance that the objective sought to be obtained from such use will be achieved.

In relation to reverse repurchase transactions, investors must notably be aware that (a) in the event of the failure of the counterparty with which cash of a sub-fund has been placed there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (b) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the sub-fund to meet redemption requests, security purchases or, more generally, reinvestment; and that (c) reverse repurchase transactions will, as the case may be, further expose a sub-fund to risks similar to those associated with optional or forward derivative financial instruments, which risks are further described in other sections of this Prospectus.

In relation to repurchase transactions and Securities Lending transactions, investors must notably be aware that (a) if the borrower of securities lent by a sub-fund fail to return these 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 of the market in which the collateral is traded; that (b) in case of reinvestment of cash collateral such reinvestment may yield a sum less than the amount of collateral to be returned; and that (c) delays in the return of securities on loans may restrict the ability of a sub-fund to meet delivery obligations under security sales or payment obligations arising from redemptions requests.

7.1.12 Liquidity Risk

Liquidity risk exists within most financial products including the investments held by the sub-funds. This means that a delay may occur in receiving sales proceeds from the investments held by a sub-fund, and those proceeds may be less than recent valuations used to determine the Net Asset Value per Share. This risk is greater in exceptional market conditions or when large numbers of investors are trying to sell their investments at the same time. In such circumstances, the receipt of sale proceeds may be delayed and/or take place at lower prices.

This may impact the ability of the sub-funds to immediately meet the redemption requests received from the shareholders.

7.1.13 Prohibited Securities

In accordance with the Luxembourg law of 4 June 2009 ratifying the Oslo Convention of 3 December 2008 relating to cluster munition and HSBC Global Asset Management policy, the Sub-Fund will not invest in securities of certain companies (please refer to Luxembourg Prospectus Appendix 3. “Additional Restrictions” for further details). As this policy aims to prohibit investment in certain securities, investors should be aware that this reduces the investment universe and prevents the sub-funds from benefitting from any potential returns from these companies.

7.1.14 Corporate Actions

Investors should note that as a result of corporate actions relating to a company in which a sub-fund is invested, a sub-fund may be required or have the option to accept cash, underlying or newly issued securities which may not be part of its core investment universe as described in its investment objective (such as, but not limited to, equities for a bond sub-fund). Those securities may have a value less than the original investment made by the sub-fund. Under such circumstances, the relevant security may not be expressly covered by the relevant sub-fund’s investment policy and the returns generated from the investment may not adequately compensate the sub-fund for the risks assumed.

7.1.15 Taxation

Investors should note in particular that (i) the proceeds from the sale of securities in some markets or the receipt of any dividends or other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market including taxation levied by withholding at source and/or (ii) the Sub-Fund’s investments may be subject to specific taxes or charges imposed by authorities in some markets. Tax law and practice in certain countries into which a sub-fund invests or may invest in the future is not clearly established. It is possible therefore that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect. It is therefore possible that the sub-fund could become subject to additional taxation in such countries that is not anticipated either at the date of this Prospectus or when investments are made, valued or disposed of.

7.1.16 Cyber Security Risk

Security breaches of computer systems used by the Sub-Fund’s service providers in respect of the Sub-Fund’s activities (such as the Management Company, the Investment Advisers, the Administration Agent, the Depository Bank and sub-custodians) have the potential to cause financial losses and costs for the Sub-Fund, for example by disrupting or preventing trading or interfering with the administrative systems used in relation to the Sub-Fund. While the Sub-Fund’s service providers have established business continuity and disaster recovery plans and other systems and procedures organising technical security to minimise the impact of attempted security breaches, investors must be aware that the risk of losses to the Sub-Fund and cannot be totally eliminated.

7.1.17 Operational Risk

The Sub-Fund’s operations (including investment management) are carried out by the service providers mentioned in this Prospectus. In the event of a bankruptcy or insolvency of a service provider, investors could experience delays (for example, delays in the processing of subscriptions, conversions and redemption of Shares) or other disruptions.

7.1.18 Legal Risk

There is a risk that it may not be possible to enforce agreements entered into by the Sub-Fund due to bankruptcy or a dispute as to the interpretation of the agreement. There is also a risk that legal agreements in respect of certain derivative transactions and Securities Lending transactions entered into by the Sub-Fund may be terminated due, for instance, to bankruptcy of the counterparty or a change in tax law. The Sub-Fund may incur a loss as a result.

7.1.19 Custody Risk

Assets of the Sub-Fund are safe kept by the Depository Bank and shareholders are exposed to the risk of the Depository Bank not being able to fully meet its obligation to restate in a short time frame all of the assets of the Sub-Fund in the case of bankruptcy of the Depository Bank. The assets of the Sub-Fund will be identified in the Depository Bank’s books as belonging to the Sub-Fund. Securities held by the Depository Bank will be segregated

from other assets of the Depository Bank which mitigates the risk of non-restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non-restitution in case of bankruptcy.

7.1.20 Currency Hedged Share Classes

Investors should be aware that the implementation of Currency Hedged Share Classes by the Administration Agent (or other appointed parties) is a passive currency hedge and will be implemented regardless of currency fluctuations between the Reference Currency of the Currency Hedged Share Class and the Base Currency of the relevant sub-fund. Furthermore, this passive currency hedging is separate from the various strategies the Investment Advisers may seek to implement at a sub-fund level to manage currency risks within each sub-fund.

There can be no assurance or guarantee that the Administration Agent or other appointed parties will be able to successfully implement passive currency hedging for Currency Hedged Share Classes at any time or at all. Investors should note that although the aim is to maintain at the time of this Prospectus a hedge ratio from 99.5% to 100.5% there may be occasions when the hedge ratio falls outside these parameters which may be due to factors which cannot be controlled such as investor trade activity, volatility in the NAV per Share and/or currency volatility.

Movements in currency exchange rates can materially impact investment returns and investors should ensure they fully understand the difference between investment in Currency Hedged Share Classes versus investment in those Share Classes which are neither Portfolio Currency Hedged nor Base Currency Hedged (i.e. those Share Classes denominated in the Base Currency of the sub-fund as well as Reference Currency Share Classes).

Currency Hedged Share Classes are not recommended for investors whose Home Currency is different to the Reference Currency of the Currency Hedged Share Class. Investors who choose to convert their Home Currency to the Reference Currency of a Currency Hedged Share Class and subsequently invest in such a Share Class should be aware that they may be exposed to higher currency risks and may suffer material losses as a result of exchange rate fluctuations between the Reference Currency of the Currency Hedged Share Class and their Home Currency.

Any transaction costs and gains or losses from currency hedging shall be accrued to and therefore reflected in the NAV per Share of the relevant Currency Hedged Share Class. Currency Hedged Share Classes will be hedged irrespective of whether the target currency is declining or increasing in value.

The main financial derivative instruments used in the passive currency hedging process are forward foreign exchange contracts.

7.1.21 Cross-Class Liability Risk

Multiple Share Classes may be issued in relation to a sub-fund, with particular assets and liabilities of a sub-fund attributable to particular Share Classes.

For instance, sub-funds offering Currency Hedged Share Classes will have assets and liabilities related to the hedge which are attributable to the relevant Currency Hedged Share Classes. Moreover, these assets and liabilities may be denominated in various currencies introducing currency risk.

Given that there is no legal segregation of liabilities between Share Classes, there may be a remote risk that, under certain circumstances, currency hedging transactions in relation to a Currency Hedged Share Class could result in liabilities which might affect the Net Asset Value of the other Share Classes of the same sub-fund.

Where the liabilities of a particular Class exceed the assets pertaining to that Class, creditors pertaining to one Share Class may have recourse to the assets attributable to other Share Classes. Although for the purposes of internal accounting, a separate account will be established for each Share Class, in the event of an insolvency or termination of a sub-fund (i.e., when the assets of a sub-fund are insufficient to meet its liabilities), all assets will be used to meet a sub-fund's liabilities, not just the amount standing to the credit of any individual Share Class. However, the assets of a sub-fund may not be used to satisfy the liabilities of another sub-fund.

7.1.22 Pandemic Risk

An outbreak of an infectious disease, pandemic or any other serious public health concern could occur in any jurisdiction in which a sub-fund may invest, leading to changes in regional and global economic conditions and

cycles which may have a negative impact on the Sub-Fund's investments and consequently its Net Asset Value. Any such outbreak may also have an adverse effect on the wider global economy and/or markets which may negatively impact a sub-fund's investments more generally. In addition, a serious outbreak of infectious disease may also be a force majeure event under contracts that the Sub-Fund has entered into with counterparties thereby relieving a counterparty of the timely performance of the services such counterparties have contracted to provide to the sub-funds (the nature of the services will vary depending on the agreement in question). In a worst case scenario, this may result with the sub-funds being delayed in calculating their Net Asset Value, processing dealing in Shares, undertaking independent valuations of the sub-funds or processing trades in respect of the sub-funds.

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 6 "Risks" in the Fund's Luxembourg Prospectus.

7.2.1 Currency Risk

Where the Base Currency of a sub-fund, the currencies of markets in which such sub-fund invests in, or the investor's base currency are different, unfavourable movements in foreign exchange rates may affect the value of the Sub-Fund's Shares, the dividends or interest earned, and any gains or losses realised.

The Sub-Fund may seek to minimise their exposure to currency fluctuations by the use of hedging and other techniques and instruments, but it may not be possible, practicable or considered appropriate by the Management Company to hedge against all currency risk exposure.

7.2.2 Asset Back Securities and Mortgage Backed Securities

The Sub-Fund may invest net assets in or gain exposure to Asset Backed Securities ("ABS") and/or Mortgage Backed Securities ("MBS") (including To-Be-Announced securities ("TBAs")) to gain exposure up to 10%

In general, ABS and MBS are debt securities with interest and capital payments backed by a pool of financial assets such as mortgages and loans, with collateral backing often provided by physical assets such as residential or commercial property. Some ABS is supported by unsecured loan cash flows without physical asset backing. ABS and MBS securities may become less liquid and/or volatile in certain circumstances and are subject to risks detailed in Sub-Fund's Luxembourg prospectus Section 1.4. "General Risk Considerations", including market risk, interest rate risk, credit risk, counterparty risk, non-investment grade credit risk and liquidity risk, in addition to the further risks detailed below.

MBS generally refers to mortgage securities issued by US government-sponsored enterprises such as the Federal Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac). ABS usually refers to privately sponsored asset backed securities. The main categories are Residential Mortgage Backed Securities (RMBS), Commercial Mortgage Backed Securities (CMBS), Collateralised Loan Obligations (CLO) and Consumer ABS (for example credit cards, auto loans and student debt). In a typical ABS deal, the securities are separated into tranches which have different rights. The senior tranches usually receive the loan repayments first and the junior tranches absorb the first losses. To compensate for the higher capital risk, the junior holders are paid a higher rate of interest than the senior note holders.

RMBS represent interests in pools of residential mortgage loans secured by the underlying residential property. Some loans may be prepaid at any time. The collateral underlying CMBS generally consists of mortgage loans secured by income-producing property, such as shopping centres, office buildings, industrial or warehouse properties, hotels, rental apartments, nursing homes, senior living centres and self-storage properties.

The investment characteristics of MBS and ABS differ from traditional debt securities. The major difference is that the principal is often paid in stages and may be fully repaid at any time because of the terms of the underlying loans. This variability in timing of cash flows makes estimates of future asset yield and weighted average life uncertain.

The broad ABS market also includes synthetic Collateralised Debt Obligations (CDO). These usually have shorter maturities, typically five years, and are referenced to debt obligations or other structured finance securities.

Prepayment Risk and Extension Risk

The frequency at which prepayments occur on loans underlying MBS/ABS will be affected by a variety of factors including interest rates as well as economic, demographic, tax, social, legal and other factors. Generally, fixed rate mortgage obligors often prepay their mortgage loans when prevailing mortgage rates fall below the interest rates

on fixed-rate mortgage loans (subject to mortgage finance availability and no material change in the value of the property or borrowers' credit worthiness). Conversely, rising interest rates may lead to extension risk as individual mortgage holders are less likely to exercise prepayment options. Both prepayment risk and extension risk may negatively impact the returns of the sub-funds. A change in the prepayment rate may negatively impact the net asset value of the sub-funds.

Subordinated Risk

Investments in subordinated ABS involve greater risk of default and loss than the senior classes of the issue or series. ABS deals are structured into tranches such that holders of the most junior securities absorb losses before more senior tranches. When losses have been absorbed by the most junior tranche, the next most junior tranche will absorb subsequent losses. Investors in junior tranches can carry high capital risk and may face a complete loss.

Capital Value Risk

The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those arising in the property location, the borrower's equity in the mortgaged property and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan may be a lengthy and difficult process, and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

Most commercial mortgage loans underlying MBS are full recourse obligations of the borrower which is usually a Special Purpose Vehicle (SPV). If borrowers are not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, payments on the subordinated classes of the related MBS are likely to be adversely affected. The ultimate extent of the loss, if any, to the subordinated classes of MBS may only be determined after a negotiated discounted settlement, restructuring or sale of the mortgage note, or the foreclosure (or deed in lieu of foreclosure) of the mortgage encumbering the property and subsequent liquidation of the property. Foreclosure can be costly and delayed by litigation and/or bankruptcy. Factors such as the property's location, the legal status of title to the property, its physical condition and financial performance, environmental risks, and governmental disclosure requirements with respect to the condition of the property may make a third party unwilling to purchase the property at a foreclosure sale or to pay a price sufficient to satisfy the obligations with respect to the related MBS. Revenues from the assets underlying such MBS may be retained by the borrower and the return on investment may be used to make payments to others, maintain insurance coverage, pay taxes or pay maintenance costs. Such diverted revenue is generally not recoverable without a court appointed receiver to control collateral cash flow.

Where a loan originator has assigned specific loans to an ABS structure and the originator has faced financial difficulties, creditors of the originator have sometimes challenged the validity of the assigned loans. Such challenges can weaken the asset backing for ABS securities.

Economic Risk

Performance of a commercial mortgage loan depends primarily on the net income generated by the underlying mortgaged property. The market value of a commercial property similarly depends on its income-generating ability. As a result, income generation will affect both the likelihood of default and the severity of losses with respect to a commercial mortgage loan. Any decrease in income or value of the commercial real estate underlying an issue of CMBS could result in cash flow delays and losses on the related issue of CMBS.

The value of the real estate which underlies mortgage loans is subject to market conditions. Changes in the real estate market may adversely affect the value of the collateral and thereby lower the value to be derived from a liquidation. In addition, adverse changes in the real estate market increase the probability of default, as the incentive of the borrower to retain equity in the property declines.

Re-financing Risk

Mortgage loans on commercial and residential properties often are structured so that a substantial portion of the loan principal is not amortised over the loan term but is payable at maturity and repayment of the loan principal thus often depends upon the future availability of real estate financing from the existing or an alternative lender and/or upon the current value and saleability of the real estate. Therefore, the unavailability of real estate financing may lead to default.

7.2.3 Contingent Convertible Securities (CoCos)

The Sub-Fund may invest in contingent securities structured as contingent convertible securities (including Additional Tier 1 and Tier 2 capital instruments) also known as CoCos.

Contingent convertible securities are risky and highly complex instruments that are comparatively untested. Depending on their category, income payments may be cancelled, suspended or deferred by the issuer and they are more vulnerable to losses than equities.

Contingent convertible securities are hybrid capital securities that absorb losses when the capital of the issuer falls below a certain level. Upon the occurrence of a predetermined event (known as a trigger event), contingent convertible securities can be converted into shares of the issuing company, potentially at a discounted price, or the principal amount invested may be lost on a permanent or temporary basis. Contingent convertible securities are also subject to additional risks specific to their structure including:

Trigger Level Risk

Trigger levels differ and determine exposure to conversion risk. It might be difficult for the Investment Adviser of a sub-fund invested in contingent convertible securities to anticipate the trigger events that would require the debt to convert into equity or the write down to zero of principal investment and/or accrued interest.

Trigger events may include:

- a reduction in the issuing bank's Core Tier 1/ Common Equity Tier 1 (CT1/CET1) ratio or other ratios;
- a regulatory authority, at any time, making a subjective determination that an institution is “non-viable”, i.e. a determination that the issuing bank requires public sector support in order to prevent the issuer from becoming insolvent, bankrupt or otherwise carry on its business and requiring or causing the conversion of the contingent convertible securities into equity or write down, in circumstances that are beyond the control of the issuer; or
- a national authority deciding to inject capital.

Coupon Cancellation

Coupon payments on some contingent convertible securities are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

The discretionary cancellation of payments is not an event of default and there are no possibilities to require reinstatement of coupon payments or payment of any passed missed payments. Coupon payments may also be subject to approval by the issuer's regulator and may be suspended in the event there are insufficient distributable reserves. As a result of uncertainty surrounding coupon payments, contingent convertible securities may be volatile and their price may decline rapidly in the event that coupon payments are suspended.

Conversion Risk

Trigger levels differ between specific contingent convertible securities and determine exposure to conversion risk. It might be difficult at times for the Investment Adviser of the relevant sub-fund to assess how the contingent convertible securities will behave upon conversion. In case of conversion into equity, the Investment Adviser might be forced to sell these new equity shares since the investment policy of the relevant sub-fund may not allow the holding of equity securities. Given the trigger event is likely to be some event depressing the value of the issuer's common equity, this forced sale may result in the sub-fund experiencing some loss.

Valuation and Write Down Risk

Contingent convertible securities often offer attractive yield which may be viewed as a complexity premium. The value of contingent convertible securities may need to be reduced due to a higher risk of overvaluation of such asset class on the relevant eligible markets. Therefore, a sub-fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment.

Coupon Payments and Coupon Cancellation

Coupon payments on contingent convertible securities (Additional Tier 1 CoCos) are discretionary and may be cancelled by the issuer at any point for any reason and for any length of time. On the contrary, for Tier 2 CoCos, coupons are must-pay.

Capital structure inversion risk

Contrary to the classic capital hierarchy, investors in contingent convertible securities may suffer a loss of capital when equity holders do not, for example when the loss absorption mechanism of a high trigger/ write down of a contingent convertible security is activated. This is contrary to the normal order of the capital structure where equity holders are expected to suffer the first loss.

Call Extension Risk

Some contingent convertible securities are issued as perpetual instruments and are only callable at pre-determined levels upon approval of the competent regulatory authority. It cannot be assumed that these perpetual contingent convertible securities will be called on a call date. Contingent convertible securities are a form of permanent capital.

The investor may not receive return of principal as expected on call date or indeed at any date.

Subordinated Instruments

Contingent convertible securities will, in the majority of circumstances, be issued in the form of subordinated debt instruments in order to provide the appropriate regulatory capital treatment prior to a conversion. Accordingly, in the event of liquidation, dissolution or winding-up of an issuer prior to a conversion having occurred, the rights and claims of the holders of the contingent convertible securities, such as a sub-fund, against the issuer in respect of or arising under the terms of the contingent convertible securities shall generally rank junior to the claims of all holders of unsubordinated obligations of the issuer.

Unknown Risk

The structures of contingent convertible securities are innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform.

8. Fees and Charges

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

Management Fee	0.80% p.a.
Operating, Administrative and Servicing Expenses	0.20% 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.

Please refer to Singapore Prospectus of the Fund under Section 5 “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 ILP Sub-Fund is suspended.

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

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

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

9.4 Such suspension shall take effect forthwith upon the declaration in writing thereof by HSBC Life and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall

have ceased to exist and no other conditions under which suspension is authorized under this paragraph shall exist upon the declaration in writing thereof HSBC Life.

10. Performance of the ILP Sub-Fund

Performance of the ILP Sub-Fund against its benchmark as at 31 July 2021.

Average Annual Compounded Returns

Period	HSBC Global Investment Funds – Singapore Dollar Income Bond – AM2 SGD (%)	HSBC Global Investment Funds – Singapore Dollar Income Bond – AM3 USD Hedged (%)
Year-to-Date	-0.36	-0.35
1-year	2.32	2.38
3-year	3.98	4.35
5-year	N.A	N.A
10-year	N.A	N.A
Since Inception*	3.16	3.66

*Share Class AM2 SGD inception date: 2 March 2018. Share Class AM3 USD Hedged inception date: 20 March 2018.

Benchmark: The Fund is actively managed without reference to any benchmark.

Source: HSBC Global Asset Management.

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

10.1 Basis of Calculating the Return

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

11. Expense Ratio

ILP Sub-Fund	Expense Ratio	Period
HSBC Global Investment Funds – Singapore Dollar Income Bond – AM2 SGD	1.00	From 1 April 2019 to 31 March 2020
HSBC Global Investment Funds – Singapore Dollar Income Bond – AM3 USD Hedged	1.02	

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

12. Turnover Ratio

ILP Sub-Fund	Turnover Ratio	Period
HSBC Global Investment Funds – Singapore Dollar Income Bond – AM2 SGD	22.42%	From 1 April 2019 to 31 March 2020
HSBC Global Investment Funds – Singapore Dollar Income Bond – AM3 USD Hedged		

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.

All transactions are executed in compliance with applicable regulatory requirements and in accordance with the best execution policy of the Fund. Transactions of the 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 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

The Management Company and the Sub-Fund Investment Adviser, the sales agents, the Administration Agent, the Registrar and Transfer Agent, the Depositary Bank may from time to time act as management company, investment manager or adviser, sales agent, administrator, registrar and transfer agent or depositary bank in relation to, or be otherwise involved in, other funds or collective investment schemes which have similar investment objectives to those of the Sub-Fund. It is therefore possible that any of them may, in the due course of their business, have potential conflicts of interest with the Sub-Fund.

In such event, each will at all times have regard to its obligations under any agreements to which it is party or by which it is bound in relation to the Sub-Fund. In particular, but without limitation to its obligations to act in the best interests of the shareholders when undertaking any dealings or investments where conflicts of interest may arise, each will respectively endeavour to ensure that such conflicts are resolved fairly.

Affiliates of the HSBC Group act as counterparties for certain forward foreign exchange and financial futures contracts. The Sub-Fund utilises the brokerage services of HSBC Securities and HSBC Investment Bank, both part of HSBC Bank plc, which is a fellow subsidiary of the Management Company, within the HSBC Group. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

Other potential conflicts of interest are described in Section 2.13 of the Sub-Fund's Luxembourg Prospectus on Depositary and Paying Agent under the sub-heading "Conflicts of Interest" and Section 2.18 of the Sub-Fund's Luxembourg Prospectus on Conflicts of Interest.

15. Reports

The financial year-end of the Sub-Fund is the 31st of March. The annual audited report should be available within 4 months after the end of the financial year and the un-audited semi-annual reports within 2 months after 30th September each year. Copies of the latest audited financial statements and semi-annual reports are available at www.assetmanagement.hsbc.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 the 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.assetmanagement.hsbc.com/sg

16.1 Distribution of Income, Capital and Dividends

The Sub-Fund intends to declare and pay dividends monthly. Investor should be aware of the following:

- The distribution of dividends may be made out of income and/or capital gains and/or capital. Dividends may therefore impact their tax position and accordingly investors are encouraged to seek appropriate tax advice in relation to investment in the different distribution Share Classes.
- The distribution of dividends out of capital may exceed the gains of the share class and this could result in an erosion of an investor's initial investment.
- The distribution of dividends out of capital will normally continue during periods of negative performance of the Sub-Fund, resulting in a more rapid fall in the value of a Share Class than would occur if dividends were not being paid.

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.