

**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– Singapore Dollar Income Bond (the "ILP Sub-Fund")

Product Type	ILP Sub-Fund <sup>1</sup>	Launch Date	2 March 2018
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 AM2 SGD: 1.00% Class AM3 USD Hedged: 1.02%
ILP Sub-Fund Share Class	HSBC Global Investment Funds – Singapore Dollar Income Bond – AM2 SGD HSBC Global Investment Funds – Singapore Dollar Income Bond – AM3 USD Hedged		

### ILP SUB-FUND SUITABILITY

#### WHO IS THE ILP SUB-FUND SUITABLE FOR?

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.

#### 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

#### WHAT ARE YOU INVESTING IN?

The ILP Sub-Fund 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

Refer to Section 2, Section 5 and

<sup>1</sup>The ILP Sub-Fund is not classified as Excluded Investment Product.

<p>Transferable Securities (UCITS) complying with the provisions of Part I of the 2010 Law.</p> <p>The Sub-Fund aims to provide long term total return by investing in a portfolio of bonds denominated in or hedged into SGD.</p> <p>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.</p>	<p>Section 16 of the Fund Summary for further information on features of the ILP Sub-Fund.</p>
<p><b>Investment Strategy</b></p>	
<p>The Sub-Fund invests in normal market conditions a minimum of 90% of its net assets in:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul> <p>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).</p> <p>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.</p> <p>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%.</p> <p>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.</p> <p>The Sub-Fund is actively managed and is not constrained by a benchmark.</p>	<p>Refer to Section 5 of the Fund Summary for the further information on the investment focus and approach of the ILP Sub-Fund.</p>
<p><b>Parties Involved</b></p>	
<p><b>WHO ARE YOU INVESTING WITH?</b></p> <ul style="list-style-type: none"> <li>• The management company - HSBC Investment Funds (Luxembourg) S.A.</li> <li>• Investment adviser – HSBC Global Asset Management (Hong Kong) Inc.</li> <li>• Custodian/Depository Bank – HSBC Continental Europe, Luxembourg</li> </ul>	<p>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.</p>
<p><b>Key Risks</b></p>	
<p><b>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</b></p> <p><b>The value of the Fund may rise or fall. These risk factors may cause you to lose some or all of your investment.</b></p>	<p>Refer to Section 7.1 of the Fund Summary for further information on risks of the ILP Sub-Fund.</p>
<p><b>Market and Credit Risks</b></p>	

<p><b>You are exposed to Foreign Exchange Risk</b> The underlying assets of the Sub-Fund may be denominated in currencies other than the currency of the share class you have invested into. The value of your investment may rise or fall in line with movements in the relevant exchange rates.</p> <p><b>You are exposed to Interest Rate Risk</b> Bonds and other fixed income securities are more susceptible to fluctuation in interest rates and may fall in value if interest rates change. Generally, the prices of bonds and other fixed income securities rise when interest rates fall, whilst their prices fall when interest rates rise.</p> <p><b>You are exposed to Credit Risk</b> The Sub-Fund's exposure to bonds is subject to the credit risk of the issuers of the bonds. When the issuer of a bond defaults, the Sub-Fund may suffer a loss amounting to the value of such investment. Investment grade bonds may be subject to the risk of being downgraded to non-investment grade bonds. In the event of downgrading, the Sub-Fund's investment value in the relevant security may be adversely affected.</p>	<p>Refer to Section 7.2 of the Fund Summary for further information on market risk of the Underlying Sub-Fund.</p>
<p><b>Liquidity Risks</b></p>	
<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>	<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.</p>
<p><b>Product-Specific Risks</b></p>	
<p><b>You are exposed to Non-Investment Grade Debt / Unrated Debt Risk</b> The Sub-Fund may invest in fixed income securities that are rated below investment grade or unrated or are high yield. Credit risk may be greater for investments in such securities as they may be subject to a higher risk of default and greater price volatility.</p> <p>Investment grade bonds may be subject to the risk of being downgraded to non-investment grade bonds. In the event of downgrading, the Sub-Fund's investment value in the relevant security may be adversely affected.</p> <p><b>You are exposed to Asset-Backed Securities (ABS) and Mortgage-Backed Securities (MBS) Risk</b> Investment in ABS and MBS entails additional risks pertaining to the underlying pool of assets (e.g. receivables) such as credit risk, interest rate risk, prepayment risk, counterparty risk and liquidity risk.</p> <p><b>You are exposed to Contingent Convertible Securities (CoCos) Risk</b> 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. Investment in Cocos is subject to trigger level risk, conversion risk, valuation and write-down risk, coupon payments and coupon cancellation risk, capital structure inversion risk, call extension risk, subordinated instruments risk, and unknown risk. This may result in a loss to the Sub-Fund.</p> <p><b>You are exposed to Derivative Risk</b> Financial derivative instruments may be leveraged and their prices can be very volatile. Investment in these instruments may result in losses in excess of the original amount invested. If the issuers of the derivative instruments default, or such securities or their underlying assets cannot be realized, or perform badly, investors may suffer substantial or, in certain cases, total loss of their investments. Governmental regulation and supervision of transactions on the OTC markets is generally lesser than of transactions</p>	<p>Refer to Section 7.2 of the Fund Summary for further information on specific risks of the Underlying Sub-Fund.</p>

on organised exchanges. Thus, investing in OTC derivatives involves higher counterparty risk and liquidity risk.

## FEES AND CHARGES

### WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

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

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

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

<b>Management Fee</b>	0.80% p.a.
<b>Operating, Administrative and Servicing Expenses</b>	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.

\* 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](http://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.

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.

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.

## 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.

**“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.

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