

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 Portfolios – World Selection 4 (the "ILP Sub-Fund")

Product Type	ILP Sub-Fund¹	Launch Date	Class AC SGD Hedged – 1 January 2019 Class AC USD: 20 October 2009
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 31 July 2020	Class AC SGD Hedged: 1.53% Class AC USD: 1.57%
ILP Sub-Fund Share Class	HSBC Portfolios – World Selection 4 - AC SGD Hedged HSBC Portfolios – World Selection 4 - AC USD		

ILP SUB-FUND SUITABILITY

<p>WHO IS THE ILP SUB-FUND SUITABLE FOR?</p> <p>The ILP Sub-Fund is only suitable for potential investors who:</p> <ul style="list-style-type: none"> • Are looking for a diversified investment solution • Seek a reasonable level of capital growth over the medium to long term, while willing to accept a medium to high degree of risk • Understand and are comfortable with the volatility and associated risks of investments in equities and bonds around the world • Understand that the principal of the Sub-Fund will be at risk. 	<p><u>Further Information</u></p> <p>Refer to Section 5 and Section 7 of the Fund Summary for further information on the ILP Sub-Fund.</p>
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KEY FEATURES OF THE ILP SUB-FUND

<p>WHAT ARE YOU INVESTING IN?</p> <p>The ILP Sub-Fund invests 100% into HSBC Portfolios – World Selection 4 (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.</p>	<p>Refer to Section 2, Section 5 and</p>
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¹The ILP Sub-Fund is not classified as Excluded Investment Product.

<p>The Sub-Fund aims to provide long term total return by investing in a portfolio of fixed income and equity securities consistent with a medium to high risk investment strategy.</p> <p>The Sub-Fund does not intent to declare dividend.</p>	<p>Section 16 of the Fund Summary for further information on features of the ILP Sub-Fund.</p>
<p>Investment Strategy</p>	
<p>The Sub-Fund invests (normally a minimum of 90% of its net assets) in or gains exposure to:</p> <ul style="list-style-type: none"> - Fixed income and equity securities directly into markets and/or through investments in UCITS and/or other Eligible UCIs. - Other asset classes including, but not limited to, real estate (no direct real estate), private equity, hedge fund strategies and commodities through investments in equities securities issued by companies based or operating in developed or Emerging Markets, UCITS and/or other Eligible UCIs. <p>The Sub-Fund may invest in:</p> <ul style="list-style-type: none"> - Investment Grade and Non-Investment Grade rated fixed income securities issued or guaranteed by governments, government agencies or supranational bodies of developed markets and/or Emerging Markets or by companies which are based in or carry out the larger part of their business in these markets. - Equities and equities equivalent securities issued by companies which are based or operating in developed markets and/or Emerging Markets, across a range of market capitalizations. <p>The Sub-Fund may also invest up to 100% of its assets in units or shares of UCITS and/or other Eligible UCIs (normally between 50% and 100%) and up to 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.</p> <p>The Sub-Fund will invest in HSBC sponsored and/or managed UCITS and/or other Eligible UCIs unless an appropriate fund is not available.</p> <p>The Sub-Fund's primary currency exposure is to the US dollar and underlying securities are denominated either in US dollar, in other developed markets currencies hedged into US dollar, or in local Emerging Markets currencies. The Sub-Fund may also invest in unrated fixed income securities.</p> <p>The Sub-Fund may achieve its investment policy by investing in financial derivative instruments. However, the Sub-Fund does not intend to invest in financial derivative instruments extensively and its primary use will be for hedging purposes, cash flow management and tactical asset allocation. Financial derivative instruments may also be used for efficient portfolio management.</p> <p>The Sub-Fund may be leveraged through the use of FDIs.</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>Parties Involved</p>	
<p>WHO ARE YOU INVESTING WITH?</p> <ul style="list-style-type: none"> • The management company - HSBC Investment Funds (Luxembourg) S.A. • Investment adviser – HSBC Global Asset Management (UK) Limited • Custodian/Depositary Bank/Registrar – HSBC Continental Europe, Luxembourg 	<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>Key Risks</p>	

<p>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</p> <p>The value of the Sub-Fund’s assets may rise or fall due to normal market fluctuations and investors may not get back all of their investment.</p>	<p>Refer to Section 7.1 of the Fund Summary for further information on risks of the ILP Sub-Fund.</p>
<p>Market and Credit Risks</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.</p> <p>You are exposed to Foreign Exchange Risk 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>You are exposed to Credit Risk 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.</p> <p>You are exposed to Non-Investment Grade Debt / Unrated Debt Risk Non-investment grade bonds or unrated fixed income securities are subject to higher credit risk (default risk and downgrade risk), liquidity risk and market risk than investment grade bonds, 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 non-investment grade bonds.</p> <p>You are exposed to Interest Rate Risk Bonds and other fixed income securities are more susceptible to fluctuation in interest rates and may fall in value if interest rates change.</p> <p>You are exposed to Counterparty Risk The Sub-Fund is exposed to the risk that any counterparty with which it trades may default on its obligations (e.g. due to insolvency) and thus cause losses to the Sub-Fund.</p>	<p>Refer to Section 7.2 of the Fund Summary for further information on market risk of the Underlying Sub-Fund.</p>
<p>Liquidity Risks</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>Product-Specific Risks</p>	
<p>You are exposed to the risk associated with the Specific Nature of Fund-of-Funds There is no assurance that the investment into underlying funds will result in an effective diversification of investment styles and that the position taken by the underlying funds will always be consistent. There is also no assurance that the liquidity of the underlying funds will always be sufficient to meet redemption requests.</p> <p>You are exposed to the risk of Duplication of Costs The Sub-Fund will incur costs related to investments in underlying funds in addition to its own fees. This includes the management and administration fees of the underlying funds.</p> <p>You are exposed to Emerging Markets Risk The Sub-Fund may invest in both developed markets and emerging markets. Investing in emerging markets involves a greater risk of loss than investing in more developed</p>	<p>Refer to Section 7.2 of the Fund Summary for further information on specific risks of the Underlying Sub-Fund.</p>

markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity, market volatility (such as interest rate and price volatility) and regulatory risks.

You are exposed to Derivatives Risk

The Sub-Fund may use financial derivative instruments for the purpose of cash flow management, hedging, tactical asset allocation and efficient portfolio management. 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.

You are exposed to Alternative Investment Risk

The Sub-Fund may gain exposure to hedge fund and absolute return strategies (which may be extremely volatile) and the private equity and the real estate sectors (which may be less liquid). Because of their special and higher risks, substantial or, in certain cases, total loss may result with respect to investments in those asset classes.

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	1.20% p.a.
Operating, Administrative and Servicing Expenses	Up to 0.25% p.a. The maximum rate for (i) the Operating, Administrative and Servicing Expenses and (ii) Operating Currency Hedged Share Class Fee is set at 0.275% of the net asset value of the relevant Share Class in the Sub-Fund.

Payable by the underlying funds of the ILP Sub-Fund

Annual Management Fee#	Between 0% to 2.5% ^
Expenses (including Trustee’s Fee/Custodian’s Fee)	Between 0% to 0.6%

The Sub-Fund’s investment in underlying funds will be subject to management fees and expenses. However, the Investment Adviser will seek to negotiate a reduction in such fees and any such reduction will be for the sole benefit of the Sub-Fund.

^ The total management fees charged by the Sub-Fund and the underlying fund shall not exceed 2.50% (excluding any performance fee).

* 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 Insurance (Singapore) Pte. Limited (the “Company”), 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 x \$1.50) - 70% (1,000 x \$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) 6225 6111, Mondays to Fridays, 9am to 5pm.

GLOSSARY

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

“Dealing Day” – Except as otherwise defined in Section 3.2 “Portfolios Details” of the Sub-Fund’s Luxembourg Prospectus, normally, each Business Day (other than days during a period of suspension of dealing in Shares and other than a Business Day immediately following the end of a period of such suspension) 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 industrialized 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.

“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.

“Transferable Securities” Shall mean:

- shares and other securities equivalent to shares,
- bonds and other debt instruments,
- any other negotiable securities which carry the right to acquire any such Transferable Securities by subscription or exchange,

- excluding techniques and instruments relating to Transferable Securities and Money Market Instruments.

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