

1. Description of the ILP Sub-Fund

Schroder International Selection Fund – Sustainable Multi-Asset Income (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 Schroder International Selection Fund – Sustainable Multi-Asset Income (the "**Sub-Fund**"), a sub-fund of Schroder International Selection Fund. Schroder International Selection Fund is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

ILP Sub-Fund	Currency	Share Class	Investment Risk Rating
Schroder International Selection Fund – Sustainable Multi-Asset Income	SGD	Schroder International Selection Fund – Sustainable Multi-Asset Income – A SGD Hedged	3
Schroder International Selection Fund – Sustainable Multi-Asset Income	USD	Schroder International Selection Fund – Sustainable Multi-Asset Income – A USD Hedged	3

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 directors of Sub-Fund have appointed Schroder Investment Management (Europe) S.A. as the Management Company (the "Management Company") to perform investment management, administration and marketing functions, within the meaning of the Law relating to undertakings for collective investment. The Management Company was established in Luxembourg on 23 August 1991 and has been subject to CSSF supervision since inception in relation to the management of funds. The CSSF approved the Management Company as a UCITS management company on 12 August 2005. The Management Company has been appointed management company of other funds but has similarly delegated its management functions for such funds to other investment managers.

The Investment Manager is Schroder Investment Management Limited. The Sub-Investment Managers are Schroder Investment Management North America Inc..

The monies and assets of the ILP Sub-Fund are not expected to be affected by the insolvency of the Investment Manager as monies and assets belonging to the ILP Sub-Fund are segregated from the Investment Manager'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 Manager's debts and liabilities under law.

3.1 Information on the Depositary of the ILP Sub-Fund

J.P. Morgan Bank Luxembourg S.A. has been appointed by the Sub-Fund as the depositary bank of the Sub-Fund in charge of (i) the safekeeping of the assets of the Sub-Fund (ii) the cash monitoring, (iii) the oversight functions and (iv) such other services as may be agreed in writing from time to time between the Sub-Fund and the Depositary.

4. The Auditor

The independent auditor of the Fund is PricewaterhouseCoopers S.à.r.l.

5. Investment Objectives, Focus and Approach

5.1 Investment Objectives

The Sub-Fund aims to provide an income of 3-5% per year by investing in a diversified range of assets and markets worldwide which meet the Investment Manager's sustainability criteria. This is not guaranteed and could change depending on market conditions.

You should note that this is the investment objective of the Sub-Fund and the reference to income distribution (or an income rate) seeks to be achieved by the Sub-Fund is not and should not be interpreted to be a prediction, projection or forecast of the future performance of the Sub-Fund. It is not indicative of the future or likely performance of the Sub-Fund.

5.2 Investment Focus and Approach

The Sub-Fund is actively managed and invests at least two-thirds of its assets directly or indirectly through derivatives in equity and equity-related securities, fixed income securities and Alternative Asset Classes. The exposure to Alternative Asset Classes is taken through eligible assets³ as described in Appendix III of the Sub-Fund's Luxembourg Prospectus.

The Sub-Fund may invest:

- up to 50% of its assets in below investment grade (fixed and floating rate) securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) and unrated securities.
- in excess of 50% of its assets in emerging market debt (fixed and floating rate) securities.
- up to 20% of its assets in asset-backed securities and mortgage-backed securities.

The Sub-Fund maintains a higher overall sustainability score than 30% MSCI AC World Index (hedged to EUR), 40% Barclays Global Aggregate Corporate Bond Index (hedged to EUR) and 30% Barclays Global High Yield excl CMBS & EMG 2% (hedged to EUR), based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the "Fund Characteristics" section set out in the Sub-Fund's details in Appendix III of the Luxembourg Prospectus.

The Sub-Fund aims to provide a risk profile comparable to a portfolio of 30% equities and 70% fixed income.

The Sub-Fund may use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently. Where the Sub-Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Sub-Fund may invest according to its Investment Objective and Investment Strategy. In particular, total return swaps and contracts for difference may be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 10% of the Net Asset Value. In certain circumstances this proportion may be higher.

The Sub-Fund may (exceptionally) hold up to 100% of its assets in cash and Money Market Investments. This will be limited to a maximum of six months (otherwise the Sub-Fund will be liquidated). During this period, the Sub-Fund will not fall within the scope of MMFR. The Sub-Fund may also invest up to 10% of its assets in open-ended Investment Funds.

5.3 Investor Profile

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

- Seek income and capital growth; and
- Understand the risks of investing in equity and equity related securities and fixed and floating rate securities of companies worldwide and fixed and floating rate securities and currencies of governments and government agencies worldwide directly or indirectly through funds and derivatives.

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****7.1.1 Market Risk**

The value of investments by the Sub-Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

7.1.2 Liquidity Risk

The liquidity of the Sub-Fund may be limited if a significant portion of the assets of the Sub-Fund is to be sold to meet redemption requests in a short time frame. During this period, the portfolio allocation may be modified to prioritise liquidity. In difficult market conditions, the Sub-Fund may not be able to sell a security for full value or at all. This could affect performance and could cause the Sub-Fund to defer or suspend redemptions of its Shares.

7.1.3 Operational Risk

Failures at service providers could lead to disruptions of fund operations or losses.

7.1.4 Derivatives Risk

The Sub-Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk. The Sub-Fund's ability to use such instruments successfully depends on the Investment Manager's (or where applicable, the Sub-Investment Manager's) ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Investment Manager or the Sub-Investment Manager's predictions are wrong, or if the derivatives do not work as anticipated, the Sub-Fund could suffer greater losses than if the Sub-Fund had not used such instruments.

Each of the Schroder International Selection Fund Asian Dividend Maximiser, the Schroder International Selection Fund European Dividend Maximiser and the Schroder International Selection Fund Global Dividend Maximiser makes use of derivatives in a way that is fundamental to its investment objective. It is expected that the strategy will typically underperform a similar portfolio with no derivatives overlay in periods when the underlying stock prices are rising, and outperform when the underlying stock prices are falling.

7.1.5 Counterparty Risk

The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Sub-Fund, potentially creating a partial or total loss for the Sub-Fund.

7.1.6 Currency Risk

The Sub-Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

7.1.7 Benchmark Regulation

The London Interbank Offered Rate and other indices which are deemed "benchmarks" have been the subject of international and other regulatory guidance as well as proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any investments linked to a benchmark.

7.1.8 IBOR Reform

HSBC Insurance (Singapore) Pte. Limited. (Reg. No. 195400150N)
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Regulatory and industry initiatives concerning Interbank Offered Rates (IBORs) may result in changes or modifications affecting investments referencing IBORs, including a need to determine or agree a substitute alternative reference rate (ARR,) and/or a need to determine or agree a spread to be added to or subtracted from, or to make other adjustments to, such ARR to approximate an IBOR equivalent rate, not all of which can be foreseen at the time a Sub-Fund enters into or acquires an IBOR-referencing investment.

7.1.9 Hedged Share Class Risks

The aim of a hedged Share Class is to provide an Investor with the performance returns of the Sub-Fund's investments by reducing the effects of exchange rate fluctuations between the Fund Currency and the Reference Currency. As a result the performance of hedged Share Classes aims to be similar to the performance of equivalent Share Classes in Fund Currency. The hedged Share Class will not remove the interest rate differences between the Fund Currency and Reference Currency as the pricing of the hedging transactions will, at least in part, reflect those interest rate differences. There is no assurance that the hedging strategies employed will be effective in fully eliminating the currency exposure to the Reference Currency thereby delivering performance differentials that are reflective only of interest rate differences adjusted for fees.

7.1.10 Sustainability Risks

The Investment Manager takes sustainability risks into account in the management of each Sub-Fund. A sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment and the returns of the Sub-Fund. There is also the risk that new regulations, taxes or industry standards to protect or encourage sustainable businesses and practices may be introduced – such changes may negatively impact issuers that are poorly placed to adapt to new requirements.

The regulatory framework applying to sustainable products and sustainable investing is rapidly evolving. As such, the aims and investments of the Sub-Funds may be subject to change over time in order to comply with new requirements or applicable regulatory guidance.

7.2 Specific Risks

7.2.1 Emerging and frontier markets risk

Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

7.2.2 Asset-backed / Mortgage-backed Securities Risk

Mortgage or asset-backed securities may not receive the full amounts owed to them by underlying borrowers.

7.2.3 Money Market and Deposit Risk

A failure of a deposit institution or an issuer of Money Market Investments could create losses.

7.2.4 Leverage Risk

The Sub-Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

7.2.5 Equity Risk

Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

7.2.6 Credit Risk

A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

7.2.7 High Yield Bond Risk

High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

7.2.8 Interest Rate Risk

A rise in interest rates generally causes bond prices to fall.

Please refer to Fund’s Prospectus on Risk Descriptions for a description of the other risk factors which should be considered by investors. You can download the Fund’s Prospectus on <https://www.schroders.com/en/sg/private-investor/>

8. Fees and Charges

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

Fund Management Fee	1.25% p.a.
Custody Fee	Up to a maximum of 0.3% per annum and US\$75 per transaction
Administration Fee	Up to 0.25% p.a.
Accounting and Valuation Fee	Up to 0.0083% p.a.
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

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 Fund is suspended.

9.2 The circumstances under which the issue, realisation and/or cancellation of units of the 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

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Performance of the ILP Sub-Fund against its benchmark as at 30 June 2021.

Average Annual Compounded Returns

Period	Schroder International Selection Fund – Sustainable Multi-Asset Income – A SGD Hedged (%)	Schroder International Selection Fund – Sustainable Multi-Asset Income – A USD Hedged (%)
Year-to-Date	3.6	3.5
1-year	N.A	12.3
3-year	N.A	N.A
5-year	N.A	N.A
10-year	N.A	N.A
Since Inception*	8.2	4.6

*Share Class A SGD Hedged inception date: 5 August 2020; Share Class A USD inception date: 21 January 2020.

Benchmark: No benchmark available as benchmark is unconstrained.

Source: Schroder Investment Management (Singapore) Ltd.

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
Schroder International Selection Fund – Sustainable Multi-Asset Income – A SGD Hedged	1.72%	From 1 January 2020 to 31 December 2020
Schroder International Selection Fund – Sustainable Multi-Asset Income – A USD	1.72%	

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
Schroder International Selection Fund – Sustainable Multi-Asset Income – A SGD Hedged	74.94%	From 1 January 2020 to 31 December 2020
Schroder International Selection Fund – Sustainable Multi-Asset Income – A USD		

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.

Each Investment Manager and Sub-Investment Manager may enter into soft commission arrangements only where there is a direct and identifiable benefit to the clients of the Investment Manager or Sub-Investment Manager (as the case may be), including the relevant Sub-Fund, and where the Investment Manager or the Sub-Investment Manager (as the case may be) is satisfied that the transactions generating the soft commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the relevant Sub-Fund. Any such arrangements must be made by the Investment Manager or the Sub-Investment Manager on terms commensurate with best market practice.

14. Conflicts of Interest

The Investment Managers, the Sub-Investment Managers, the Investment Advisers and the Singapore Representative may effect transactions in which the Investment Managers, the Sub-Investment Managers, the Investment Advisers or the Singapore Representative have, directly or indirectly, an interest which may involve a potential conflict with the Investment Managers', the Sub-Investment Managers', the Investment Advisers' or the Singapore Representative's duty to the Fund or relevant Sub-Fund. Neither the Investment Managers, the Sub-Investment Managers, the Investment Advisers nor the Singapore Representative shall be liable to account to the Fund or any Sub-Fund for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Investment Managers', the Sub-Investment Managers', the Investment Advisers' or the Singapore Representative's fees, unless otherwise provided, be abated. The Investment Managers, the Sub-Investment Managers, the Investment Advisers and the Singapore Representative (as the case may be) will ensure that such transactions are effected on terms which are not less favourable to the Fund or relevant Sub-Fund than if the potential conflict had not existed. Such potential conflicting interests or duties may arise because the Investment Managers, the Sub-Investment Managers, the Investment Advisers or the Singapore Representative may have invested directly or indirectly in the Fund or because the Singapore Representative may, in its capacity as manager for other collective investment schemes in Singapore, invest into any one or more of the Sub-Funds.

The Investment Managers and the Sub-Investment Managers may also have to deal with competing or conflicting interests between any of the Sub-Funds which may be managed by the same Investment Manager or Sub-Investment Manager. In such instance, the Investment Manager or the Sub-Investment Manager (as the case may be) will use reasonable endeavours at all times to act fairly and in the interests of the relevant Sub-Funds, taking into account the availability of cash and relevant investment guidelines of the Sub-Funds and ensuring that the securities bought and sold are allocated proportionally as far as possible among the Sub-Funds.

15. Reports

The financial year-end of the Sub-Fund is the 31 December. An audited annual report is issued within four months of the end of each Financial Year. An unaudited semi-annual report is issued within two months after the end of the relevant semi-annual period in June of each year.

HSBC Life's financial year-end for the ILP Sub-Fund is 30 June. The annual audited financial statements will be prepared and made available by 30 September, i.e. 3 months from the financial year end.

HSBC Life's financial half year-end for the ILP Sub-Fund is 31 December. The semi-annual report will be prepared and made available by 28 February, i.e. 2 months from the date of the financial half-year end.

These financial statements and/ or the reports, when available, will be accessible from HSBC Life's website at <http://www.insurance.hsbc.com.sg/annualreport>. A copy will be provided to Policyholders upon request.

16. Other material information

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The Fund Summary must be read in conjunction with the Product Highlights Sheet and the Product Summary. You can download the Fund's annual/semi-annual report from website: <https://www.schroders.com/en/sg/private-investor/>

16.1 Distribution of Income, Capital and Dividends

The Sub-Fund does not intend to declare and pay dividends.

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.