

## 1. Description of the ILP Sub-Fund

Schroder Singapore Trust (the "**ILP Sub-Fund**") is an investment-linked policy sub-fund offered by HSBC Life (Singapore) Pte. Ltd. ("**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 Singapore Trust (the "**Trust**"), a stand-alone unit trust constituted in Singapore.

ILP Sub-Fund	Currency	Share Class	Investment Risk Rating
Schroder Singapore Trust	SGD	Schroder Singapore Trust – A Acc SGD	3
Schroder Singapore Trust	USD	Schroder Singapore Trust – A Acc USD	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 manager of the Trust is Schroder Investment Management (Singapore) Ltd (the "**Manager**"). The Managers were incorporated in Singapore and have been managing collective investment schemes and discretionary funds since 1992.

The Managers are part of the Schroder group ("Schroders"). The Managers are licensed and regulated by the Authority. Schroders has been managing collective investment schemes and discretionary funds in Singapore since the 1970s. Schroders is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959.

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

### 3.1 Information on the Trustee/Custodian of the Fund

The trustee of the Trust in Singapore is HSBC Institutional Trust Services (Singapore) Limited (the "**Trustee**"). The Trustee is regulated in Singapore by the Monetary Authority of Singapore.

The Hongkong and Shanghai Banking Corporation Limited (the "**Custodian**"), whose registered address is at 1 Queen's Road Central, Hong Kong, has been appointed as the global custodian to provide custodial services to the Trust globally. The Custodian is regulated by the Hong Kong Monetary Authority and authorised as a registered institution by the Securities and Futures Commission of Hong Kong.

## 4. The Auditor

The auditor of the Trust is PricewaterhouseCoopers LLP, whose office is at 7 Straits View, Marina One East Tower, Level 12, Singapore 018936.

## 5. Investment Objectives, Focus and Approach

### 5.1 Investment Objectives

The investment objective of the Trust is to achieve long-term capital growth through primarily (i.e. approximately two-thirds of its assets) investing in securities of companies listed on the Singapore Exchange Securities Trading

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Limited ("SGX-ST"). The portfolio of the Trust will be broadly diversified with no specific industry or sectoral emphasis.

## **5.2 Investment Focus and Approach**

The Managers' investment approach is based on the belief that fundamental analysis of companies using their local research resources gives them a competitive advantage and that companies with consistent above average growth produce superior stock market returns.

The CPFIS Guidelines issued by the CPF Board, which guidelines may be amended from time to time, shall apply to the Trust.

The investment and borrowing restrictions of Appendix 1 of the Code shall also apply to the Trust.

In addition to the CPFIS Guidelines and the investment and borrowing restrictions of Appendix 1 of the Code, for so long as the Trust is a Qualifying CIS, the product restrictions of Qualifying CIS set out in Sections 1, 2, 3 and 4 of Part II of the Standards of Qualifying CIS will apply to the Trust.

For so long as the Trust is a Qualifying CIS, it will not engage in securities lending or repurchase transactions.

## **5.3 Investor Profile**

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

- Seek long-term capital growth

## **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**

Investments in the Trust are subject to risks associated with investment in equities generally.

You should be aware that the price of Units may go down as well as up. The performance of the Trust may be affected by changes in the market value of securities comprised in the portfolio which are subject to changes in interest rates, foreign exchange, economic and political conditions and the performance of the corporation whose securities are comprised in the portfolio.

While the Managers believe that the Trust offers potential for capital appreciation, the Managers cannot give any assurance that this objective will be achieved. Past performance is not necessarily a guide to the future performance of the Trust. You may not get back your original investment and your principal may be at risk.

Investments in the Trust are meant to produce returns over the long-term and are not suitable for short-term speculation. You should not expect to obtain short-term gains from such investment.

There is no secondary market for the Trust and all realisation requests should be submitted to HSBC Life.

The net asset value ("NAV") of the Trust is likely to have a high volatility due to its investment policies or portfolio management techniques.

### **7.2 Specific Risks**

#### **7.2.1 Market Risk**

The Trust is exposed to the market risk in the regions in which it invests. The value of investments by the Trust may go up and down due to changing economic, political or market conditions, or due to an issuer's individual situation.

#### **7.2.2 Equity Risk**

The Trust may invest in stocks and other equity securities and their derivatives which are subject to market risks that historically have resulted in greater price volatility than that experienced by bonds and other fixed income securities. The Trust may also invest in convertible instruments which may be converted into equity. A convertible instrument tends to yield a fairly stable return before conversion, but its price usually has a greater volatility than that of the underlying equity.

### 7.2.3 Currency Risk

The base currency of the Trust is SGD and (i) the Class SGD A Acc Units, the Class SGD A Dis Units, the Class SGD I Acc Units, the Class SGD M Acc Units and the Class SGD Y Dis Units are denominated in SGD, (ii) the Class USD A Acc Units and the Class USD Y Dis Units are denominated in USD and (iii) the Class AUD Y Dis Units are denominated in AUD. The assets and liabilities of the Trust may be denominated in currencies other than the base currency of the Trust or the currency of denomination of the relevant Class (the “Class Currency”) (as the case may be) and the Trust may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the base currency of the Trust or the relevant Class Currency (as the case may be) and such other currencies. If the currency in which a security is denominated appreciates against the base currency of the Trust or the relevant Class Currency (as the case may be), the value of the security would increase. Conversely, a decline in the exchange rate of the base currency of the Trust or the relevant Class Currency (as the case may be) would adversely affect the value of the security. The Managers may manage the currency risks by hedging through forward currency contracts, currency futures, currency swap agreements or currency options. The currency derivative instruments which may be employed are subject to the risk of default by the counterparty. The unrealised gain on the transaction as well as some of the desired market exposure may therefore be lost. The Trust may be exposed to different currencies, and changes in foreign exchange rates could create losses. You should note that there is no assurance that the currency risks of the Trust will be fully hedged.

### 7.2.4 Financial Derivatives Risk

The Trust may use financial derivatives for the purpose of hedging and/or efficient portfolio management. Where such financial derivatives are financial derivatives on commodities, such transactions shall be settled in cash at all times. The Trust’s use of futures, options, warrants, forwards, swaps or swap options involves increased risk. If the Trust invests in such instruments, the Trust’s ability to use such instruments successfully depends on the Managers’ 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 Managers’ predictions are wrong, or if the financial derivatives do not work as anticipated, the Trust could suffer greater losses than if the Trust had not used the financial derivatives. If the Trust invests in over-the-counter financial derivatives, there is increased risk that a counterparty may fail to honour its contract. The Trust will not use financial derivatives transactions for speculation or leverage. If the Managers use such instruments, they will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented and that they have the necessary expertise to manage the risk relating to the use of financial derivatives. For so long as the Trust is a Qualifying CIS, the Managers will ensure that the global exposure of the Trust to financial derivatives or embedded financial derivatives will not exceed 20% of the NAV of the Trust at all times. Such exposure will be calculated using the commitment approach as described in, and in accordance with the provisions of, the Code and (for so long as the Trust is a Qualifying CIS) the Appendix to the Standards of Qualifying CIS. Investments in financial derivatives would normally be monitored and controlled by the Managers with regular mark-to-market valuations, careful research prior to investment and compliance monitoring to ensure careful compliance with the investment restrictions set out in the Deed with regard to financial derivatives. For the avoidance of any doubt, for so long as the Trust is a Qualifying CIS, the Trust may only use or invest in financial derivatives subject to Part II of the Standards of Qualifying CIS.

**The above is not an exhaustive list of risks which you as the potential investor should consider before investing in the Trust.**

## 8. Fees and Charges

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

<b>Management Fee</b>	1.125% p.a. (max 1.25% p.a.)
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<b>Trustee's remuneration</b>	<ul style="list-style-type: none"> <li>– Currently not more than 0.05% p.a. (currently not subject to any minimum amount)</li> <li>– Maximum 0.25% p.a.</li> </ul>
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## 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

Performance of the ILP Sub-Fund against its benchmark as at 30 June 2023.

### Average Annual Compounded Returns

<b>Fund Performance (%)</b>	<b>3mths (%)</b>	<b>6mths (%)</b>	<b>1yr (%)</b>	<b>3yrs* (%)</b>	<b>5yrs* (%)</b>	<b>10yrs* (%)</b>	<b>Since Inception** (%)</b>
<b>Schroder Singapore Trust (SGD)</b>	-0.95	-1.19	3.22	N/A	N/A	N/A	-0.57
<b>FTSE Straits Times Index (SGD)</b>	0.38	1.16	8.16	N/A	N/A	N/A	2.97

<b>Fund Performance (%)</b>	<b>3mths (%)</b>	<b>6mths (%)</b>	<b>1yr (%)</b>	<b>3yrs* (%)</b>	<b>5yrs* (%)</b>	<b>10yrs* (%)</b>	<b>Since Inception** (%)</b>
<b>Schroder Singapore Trust (USD)</b>	-2.60	-2.02	6.24	N/A	N/A	N/A	-0.77
<b>FTSE Straits Times Index (SGD) (USD)</b>	-1.39	0.25	11.22	N/A	N/A	N/A	2.73

\* Annualised Return

\*\* Since inception date of ILP Sub-Fund: 22 November 2021.

**Benchmark:** The benchmark of the Fund has been changed from the DBS CPF Index to the MSCI Singapore Free Index from 1 August 1998. With effect from 1 December 2021, the benchmark of the Fund has been changed to the Straits Times Index. 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 Singapore Trust – A Acc SGD	1.27%	As of 30 June 2023.
Schroder Singapore Trust – A Acc USD	1.25%	

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 Singapore Trust – A Acc SGD	17.51%	As of 30 June 2023.
Schroder Singapore Trust – A Acc 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.

In its management of the Trust, the Managers accept soft dollar commissions from, or enter into soft dollar arrangements with, stockbrokers who execute trades on behalf of the Trust and the soft dollars received are restricted to the following kinds of services:

- (a) research and price information;
- (b) performance measurement;
- (c) portfolio valuations; and
- (d) analysis and administration services.

The Managers may not receive or enter into soft dollar commissions or arrangements unless (a) such soft dollar commissions or arrangements shall reasonably assist the Managers in their management of the Trust, (b) best execution is carried out for the transactions, and (c) no unnecessary trades are entered into in order to qualify for such soft dollar commissions or arrangements. The Managers shall not receive goods and services such as travel, accommodation and entertainment.

## 14. Conflicts of Interest

The Managers may from time to time have to deal with competing or conflicting interests between the other funds which are managed by the Managers and the Trust. For example, the Managers may make a purchase or sale

decision on behalf of some or all of their other funds without making the same decision on behalf of the Trust, as a decision whether or not to make the same investment or sale for the Trust depends on factors such as the cash availability and portfolio balance of the Trust. However the Managers will use reasonable endeavours at all times to act fairly and in the interests of the Trust. In particular, after taking into account the availability of cash and the relevant investment guidelines of the other funds managed by the Managers and the Trust, the Managers will endeavour to ensure that securities bought and sold will be allocated proportionately as far as possible among the Trust and the other funds managed by the Managers.

The factors which the Managers will take into account when determining if there are any conflicts of interest as described above include the assets (including cash) of the Trust as well as the assets of the other funds managed by the Managers. To the extent that another fund managed by the Managers intends to purchase substantially similar assets, the Managers will ensure that the assets are allocated fairly and proportionately and that the interests of all investors are treated equally between the Trust and the other funds. Associates of the Trustee may be engaged to offer financial, banking and brokerage services to the Trust or buy, hold and deal in any investments, enter into contracts or other arrangements with the Trustee and make profits from these activities. Such services, where provided and such activities, where entered into, will be on an arm's length basis.

For so long as the Trust is a Qualifying CIS, any measures taken by the Managers to minimise or deal with conflicts of interest in respect of the Trust will also be subject to the provisions of the Standards of Qualifying CIS.

## **15. Reports**

The financial year-end of the Trust is the 31 December. An annual report is issued within 3 months of the end of each Financial Year. A semi-annual report is issued within 2 months after the end of each financial half-year end.

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**

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/singapore/private-investor/>

### **16.1 Distribution of Income, Capital and Dividends**

The Trust 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.